Sports Litigation
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Can You Own Trademark Rights Without Use? You Can if You’re the New York Yankees

A recent decision by the Trademark Trial and Appeal Board (TTAB) in New York Yankees Partnership v. Evil Enterprises, Inc., [Decision Sustaining Opposition, No. 91192764 (T.T.A.B. Feb. 8, 2013)] highlights the little-known “public use doctrine,” which provides that a company can develop and own rights in a trademark even if the company has never used the mark and has no plans to do so, if members of the public adopt and use the mark to refer to that company.

Background
Since 2002, detractors and fans of the New York Yankees baseball franchise have used the phrase “Evil Empire” to describe the team. The phrase was coined by the president of rival ball club, the Boston Red Sox, who is reported to have said that “the evil empire extends its tentacles even into Latin America,” after hearing news about the Yankees signing a sought-after Cuban pitcher. The Yankees themselves have embraced this moniker, including by playing ominous music from the Star Wars movies during baseball games, but have never actually used the phrase as a trademark.

In 2008, Evil Enterprises, Inc. filed an intent-to-use application for the phrase “Baseballs Evil Empire” in connection with a variety of clothing items, such as t-shirts, jackets, and hats. Evil Enterprises readily admitted that it was trading off of this phrase being associated with the Yankees, as its Web site touting these goods proclaims “if you are passionate about the New York Yankees then you have come to the right place.”

The Yankees opposed the application for “Baseballs Evil Empire” in November 2009, and on February 8, 2013, the TTAB issued a decision sustaining the opposition.

The TTAB’s Rulings
The TTAB held that although the New York Yankees have never sought to trademark the phrase “Evil Empire” nor use it in connection with any goods or services, it has become so linked to the team in the public’s mind that the team holds the rights to the phrase. Citing to its own precedent, as well as cases from the Federal and Fourth Circuits, the TTAB confirmed the continued vitality of the “public use doctrine,” which provides that an organization may obtain property rights in a term if that term becomes strongly enough associated by the public with the organization.

Having established the Yankees’ trademark rights in “Evil Empire,” the TTAB then went on to sustain the Yankees’ opposition on the ground of likelihood of confusion under Section 2(d) of the Trademark Act. The TTAB reasoned that even though the Yankees had never made use of the term “Evil Empire,” the hundreds of news articles, stories, and blog entries nicknaming the Yankees the “Evil Empire” indicated that the public had come to associate the term with the Yankees. Further, the similarity of the organizations’ goods, marks, and distribution channels all indicated that consumers would likely believe clothing marked with “Baseballs Evil Empire” to be associated with the New York Yankees. “In short,” the TTAB concluded, “there is only one Evil Empire in baseball and it is the New York Yankees.”

The TTAB also sustained the Yankees’ opposition on the ground that the mark “Baseballs Evil Empire” falsely suggests a connection with the New York Yankees under Section 2(a) of the Trademark Act. The TTAB found the phrase “Baseballs Evil Empire” to be the same as or a close approximation of the immensely famous “Evil Empire” nickname. Therefore, when used by Evil Enterprises, an organization unaffiliated with the team, the mark falsely suggests a connection with the Yankees organization.

Finally, despite the plain meaning of the word “evil,” the TTAB rejected the Yankees’ claim that the “Baseballs Evil Empire” mark is disparaging under Section 2(a) of the Trademark Act. The TTAB reasoned that because a number of Yankees fans had adopted the “Evil Empire” nickname as a “badge of honor” and the Yankees organization had “implicitly embraced” the moniker, the term “Baseballs Evil Empire” was no longer disparaging. According to the TTAB, “having succumbed to the lure of the dark side, [the Yankees] will not now be heard to complain about the judgment of those who prefer the comfort of the light.”

Takeaways from the Decision
While the facts of this case are certainly unusual, the TTAB’s decision does present several takeaways for trademark owners. First, while counterintuitive to the basic tenet of trademark law that rights only accrue with use in commerce, the public use doctrine is still a viable, if limited, way to gain rights without
use under the right circumstances. It remains unclear, however, how widespread the public use must be and whether one needs to be as famous as the New York Yankees to gain rights in a mark without ever using it as a trademark. Second, a trademark that appears disparaging on its face may be deemed non-disparaging depending on its usage and meaning. And finally, apparently the Evil Empire extends its tentacles even into the Trademark Office.

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