

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

469 U.S. 189 (1985)

JUSTICE O'CONNOR delivered the opinion of the Court.

In this case we consider whether an action to enjoin the infringement of an incontestable trade or service mark may be defended on the grounds that the mark is merely descriptive. We conclude that neither the language of the relevant statutes nor the legislative history supports such a defense.

I

Petitioner operates long-term parking lots near airports. After starting business in St. Louis in 1967, petitioner subsequently opened facilities in Cleveland, Houston, Boston, Memphis, and San Francisco. Petitioner applied in 1969 to the United States Patent and Trademark Office (Patent Office) to register a service mark consisting of the logo of an airplane and the words "Park'N Fly."¹ The registration issued in August 1971. Nearly six years later, petitioner filed an affidavit with the Patent Office to establish the incontestable status of the mark. As required by § 15 of the Trademark Act of 1946 (Lanham Act), 60 Stat. 433, as amended, 15 U. S. C. § 1065, the affidavit stated that the mark had been registered and in continuous use for five consecutive years, that there had been no final adverse decision to petitioner's claim of ownership or right to registration, and that no proceedings involving such rights were pending. Incontestable status provides, subject to the provisions of § 15 and § 33(b) of the Lanham Act, "conclusive evidence of the registrant's exclusive right to use the registered mark" § 33(b), 15 U. S. C. § 1115(b).

Respondent also provides long-term airport parking services, but only has operations in Portland, Oregon. Respondent calls its business "Dollar Park and Fly." Petitioner filed this infringement action in 1978 in the United States District Court for the District of Oregon and requested the court permanently to enjoin respondent from using the words "Park and Fly" in connection with its business. Respondent counterclaimed and sought cancellation of petitioner's mark on the grounds that it is a generic term. See § 14(c), 15 U. S. C. § 1064(c). Respondent also argued that petitioner's mark is unenforceable because it is merely descriptive. See § 2(e), 15 U. S. C. § 1052(e). As two additional defenses, respondent maintained that it is in privity with a Seattle corporation that has used the expression "Park and Fly" since a date prior to the registration of petitioner's mark, see § 33(b)(5), 15 U. S. C. § 1115(b)(5), and that it has not infringed because there is no likelihood of confusion. See § 32(1), 15 U. S. C. § 1114(1).

¹ The Trademark Act of 1946 (Lanham Act), 60 Stat. 427, as amended, 15 U. S. C. § 1051 *et seq.*, generally applies the same principles concerning registration and protection to both trade and service marks. See § 3, 15 U. S. C. § 1053. The Lanham Act defines a trademark to include "any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." § 45, 15 U. S. C. § 1127. A service mark is "a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others." *Ibid.*

After a bench trial, the District Court found that petitioner's mark is not generic and observed that an incontestable mark cannot be challenged on the grounds that it is merely descriptive. App. 75. The District Court also concluded that there was no evidence of privity between respondent and the Seattle corporation. App. 76. Finally, the District Court found sufficient evidence of likelihood of confusion. App. 76. The District Court permanently enjoined respondent from using the words "Park and Fly" and any other mark confusingly similar to "Park'N Fly." App. 77.

The Court of Appeals for the Ninth Circuit reversed. 718 F. 2d 327 (1983). The District Court did not err, the Court of Appeals held, in refusing to invalidate petitioner's mark. *Id.*, at 331. The Court of Appeals noted, however, that it previously had held that incontestability provides a defense against the cancellation of a mark, but it may not be used offensively to enjoin another's use. *Ibid.* Petitioner, under this analysis, could obtain an injunction only if its mark would be entitled to continued registration without regard to its incontestable status. Thus, respondent could defend the infringement action by showing that the mark was merely descriptive. Based on its own examination of the record, the Court of Appeals then determined that petitioner's mark is in fact merely descriptive, and therefore respondent should not be enjoined from using the name "Park and Fly." *Ibid.*

The decision below is in direct conflict with the decision of the Court of Appeals for the Seventh Circuit in *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F. 2d 366, cert. denied, 429 U. S. 830 (1976). We granted certiorari to resolve this conflict, 465 U. S. 1078 (1984), and we now reverse.

II

Congress enacted the Lanham Act in 1946 in order to provide national protection for trademarks used in interstate and foreign commerce. S. Rep. No. 1333, 79th Cong., 2d Sess., 5 (1946). Previous federal legislation, such as the Federal Trademark Act of 1905, 33 Stat. 724, reflected the view that protection of trademarks was a matter of state concern and that the right to a mark depended solely on the common law. S. Rep. No. 1333, at 5. Consequently, rights to trademarks were uncertain and subject to variation in different parts of the country. Because trademarks desirably promote competition and the maintenance of product quality, Congress determined that "a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them." *Id.*, at 6. Among the new protections created by the Lanham Act were the statutory provisions that allow a federally registered mark to become incontestable. §§ 15, 33(b), 15 U. S. C. §§ 1065, 1115(b).

The provisions of the Lanham Act concerning registration and incontestability distinguish a mark that is "the common descriptive name of an article or substance" from a mark that is "merely descriptive." §§ 2(e), 14(c), 15 U. S. C. §§ 1052(e), 1064(c). Marks that constitute a common descriptive name are referred to as generic. A generic term is one that refers to the genus of which the particular product is a species. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F. 2d 4, 9 (CA2 1976). Generic terms are not registrable, and a registered mark may be canceled at any time on the grounds that it has become generic. See §§ 2, 14(c), 15 U. S. C. §§ 1052, 1064(c). A "merely descriptive" mark, in contrast, describes the qualities or characteristics of a good or service, and this type of mark may be registered only if the registrant shows that it has acquired secondary meaning, *i. e.*, it "has become distinctive of the applicant's goods in commerce." §§ 2(e), (f), 15 U. S. C. §§ 1052(e), (f).

This case requires us to consider the effect of the incontestability provisions of the Lanham Act in the context of an infringement action defended on the grounds that the mark is merely descriptive. Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose. See *American Tobacco Co. v. Patterson*, 456 U. S. 63, 68 (1982). With respect to incontestable trade or service marks, § 33(b) of the Lanham Act states that "registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark" subject to the conditions of § 15 and certain enumerated defenses.² Section 15 incorporates by reference subsections (c) and (e) of § 14, 15 U. S. C. § 1064. An incontestable mark that becomes generic may be canceled at any time pursuant to § 14(c). That section also allows cancellation of an incontestable mark at any time if it has been abandoned, if it is being used to misrepresent the source of the goods or services in connection with which it is used, or if it was obtained fraudulently or contrary to the provisions of § 4, 15 U. S. C. § 1054, or §§ 2(a)-(c), 15 U. S. C. §§ 1052(a)-(c).³

One searches the language of the Lanham Act in vain to find any support for the offensive/defensive distinction applied by the Court of Appeals. The statute nowhere distinguishes between a registrant's offensive and defensive use of an incontestable mark. On the contrary, § 33(b)'s declaration that the registrant has an "exclusive right" to use the mark indicates that incontestable status may be used to enjoin infringement by others. A conclusion that such infringement cannot be enjoined renders meaningless the "exclusive right" recognized by the statute. Moreover, the language in three of the defenses enumerated in § 33(b) clearly contemplates the use of incontestability in infringement actions by plaintiffs. See §§ 33(b)(4)-(6), 15 U. S. C. §§ 1115(b)(4)-(6).

The language of the Lanham Act also refutes any conclusion that an incontestable mark may be challenged as merely descriptive. A mark that is merely descriptive of an applicant's goods or services is not registrable unless the mark has secondary meaning. Before a mark

² 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."

³ Sections 2(a)-(c) prohibit registration of marks containing specified subject matter, *e. g.*, the flag of the United States. Sections 4 and 14(e) concern certification marks and are inapplicable to this case.

achieves incontestable status, registration provides prima facie evidence of the registrant's exclusive right to use the mark in commerce. § 33(a), 15 U. S. C. § 1115(a). The Lanham Act expressly provides that before a mark becomes incontestable an opposing party may prove any legal or equitable defense which might have been asserted if the mark had not been registered. *Ibid.* Thus, § 33(a) would have allowed respondent to challenge petitioner's mark as merely descriptive if the mark had not become incontestable. With respect to incontestable marks, however, § 33(b) provides that registration is *conclusive* evidence of the registrant's exclusive right to use the mark, subject to the conditions of § 15 and the seven defenses enumerated in § 33(b) itself. Mere descriptiveness is not recognized by either § 15 or § 33(b) as a basis for challenging an incontestable mark.

The statutory provisions that prohibit registration of a merely descriptive mark but do not allow an incontestable mark to be challenged on this ground cannot be attributed to inadvertence by Congress. The Conference Committee rejected an amendment that would have denied registration to any descriptive mark, and instead retained the provisions allowing registration of a merely descriptive mark that has acquired secondary meaning. See H. R. Conf. Rep. No. 2322, 79th Cong., 2d Sess., 4 (1946) (explanatory statement of House managers). The Conference Committee agreed to an amendment providing that no incontestable right can be acquired in a mark that is a common descriptive, *i. e.*, generic, term. *Id.*, at 5. Congress could easily have denied incontestability to merely descriptive marks as well as to generic marks had that been its intention.

The Court of Appeals in discussing the offensive/defensive distinction observed that incontestability protects a registrant against cancellation of his mark. 718 F. 2d, at 331. This observation is incorrect with respect to marks that become generic or which otherwise may be canceled at any time pursuant to §§ 14(c) and (e). Moreover, as applied to marks that are merely descriptive, the approach of the Court of Appeals makes incontestable status superfluous. Without regard to its incontestable status, a mark that has been registered five years is protected from cancellation except on the grounds stated in §§ 14(c) and (e). Pursuant to § 14, a mark may be canceled on the grounds that it is merely descriptive only if the petition to cancel is filed within five years of the date of registration. § 14(a), 15 U. S. C. § 1064(a). The approach adopted by the Court of Appeals implies that incontestability adds nothing to the protections against cancellation already provided in § 14. The decision below not only lacks support in the words of the statute; it effectively emasculates § 33(b) under the circumstances of this case.

III

Nothing in the legislative history of the Lanham Act supports a departure from the plain language of the statutory provisions concerning incontestability. Indeed, a conclusion that incontestable status can provide the basis for enforcement of the registrant's exclusive right to use a trade or service mark promotes the goals of the statute. The Lanham Act provides national protection of trademarks in order to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers. See S. Rep. No. 1333, at 3, 5. National protection of trademarks is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation. *Id.*, at 4. The incontestability provisions, as the proponents of the Lanham Act emphasized, provide a means for the registrant to quiet title in the ownership of his mark. The opportunity to obtain incontestable status by satisfying the requirements of § 15 thus encourages producers to cultivate the goodwill associated with a particular mark. This function

of the incontestability provisions would be utterly frustrated if the holder of an incontestable mark could not enjoin infringement by others so long as they established that the mark would not be registrable but for its incontestable status.

Respondent argues, however, that enforcing petitioner's mark would conflict with the goals of the Lanham Act because the mark is merely descriptive and should never have been registered in the first place. Representative Lanham, respondent notes, explained that the defenses enumerated in § 33(b) were "not intended to enlarge, restrict, amend, or modify the substantive law of trademarks either as set out in other sections of the act or as heretofore applied by the courts under prior laws." 92 Cong. Rec. 7524 (1946). Respondent reasons that because the Lanham Act did not alter the substantive law of trademarks, the incontestability provisions cannot protect petitioner's use of the mark if it were not originally registrable. Moreover, inasmuch as petitioner's mark is merely descriptive, respondent contends that enjoining others from using the mark will not encourage competition by assisting consumers in their ability to distinguish among competing producers.

These arguments are unpersuasive. Representative Lanham's remarks, if read in context, clearly refer to the effect of the *defenses* enumerated in § 33(b),⁴ There is no question that the Lanham Act altered existing law concerning trademark rights in several respects. For example, § 22, 15 U. S. C. § 1072, provides for constructive notice of registration and modifies the common-law rule that allowed acquisition of concurrent rights by users in distinct geographic areas if the subsequent user adopted the mark without knowledge of prior use. See *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 415-416 (1916) (describing pre-Lanham Act law). Similarly, § 14 cuts off certain grounds for cancellation five years after registration and thereby modifies the previous rule that the validity of a trademark could be attacked at any time. See *White House Milk Products Co. v. Dwinell-Wright Co.*, 27 C. C. P. A. (Pat.) 1194, 111 F. 2d 490 (1940). Most significantly, Representative Lanham himself observed that incontestability was one of "the valuable new rights created by the act." 92 Cong. Rec. 7524 (1946).

Respondent's argument that enforcing petitioner's mark will not promote the goals of the Lanham Act is misdirected. Arguments similar to those now urged by respondent were in fact considered by Congress in hearings on the Lanham Act. For example, the United States Department of Justice opposed the incontestability provisions and expressly noted that a merely descriptive mark might become incontestable. This result, the Department of Justice observed, would "go beyond existing law in conferring unprecedented rights on trade-mark owners," and would undesirably create an exclusive right to use language that is descriptive of a product. These concerns were answered by proponents of the Lanham Act, who noted that a merely descriptive mark cannot be registered unless the Commissioner finds that it has secondary meaning. Moreover, a mark can be challenged for five years prior to its attaining incontestable status. The supporters of the incontestability provisions further observed that a generic mark cannot become incontestable and that § 33(b)(4) allows the nontrademark use of descriptive terms used in an incontestable mark.

⁴ Representative Lanham made his remarks to clarify that the seven defenses enumerated in § 33(b) are not substantive rules of law which go to the validity or enforceability of an incontestable mark. 92 Cong. Rec. 7524 (1946). Instead, the defenses affect the evidentiary status of registration where the owner claims the benefit of a mark's incontestable status. If one of the defenses is established, registration constitutes only prima facie and not conclusive evidence of the owner's right to exclusive use of the mark. *Ibid.* See also H. R. Conf. Rep. No. 2322, 79th Cong., 2d Sess., 6 (1946) (explanatory statement of House managers).

The alternative of refusing to provide incontestable status for descriptive marks with secondary meaning was expressly noted in the hearings on the Lanham Act. Also mentioned was the possibility of including as a defense to infringement of an incontestable mark the "fact that a mark is a descriptive, generic, or geographical term or device.". Congress, however, did not adopt either of these alternatives. Instead, Congress expressly provided in §§ 33(b) and 15 that an incontestable mark could be challenged on specified grounds, and the grounds identified by Congress do not include mere descriptiveness.

IV

Respondent argues that the decision by the Court of Appeals should be upheld because trademark registrations are issued by the Patent Office after an *ex parte* proceeding and generally without inquiry into the merits of an application. This argument also unravels upon close examination. The facts of this case belie the suggestion that registration is virtually automatic. The Patent Office initially denied petitioner's application because the examiner considered the mark to be merely descriptive. Petitioner sought reconsideration and successfully persuaded the Patent Office that its mark was registrable.

More generally, respondent is simply wrong to suggest that third parties do not have an opportunity to challenge applications for trademark registration. If the Patent Office examiner determines that an applicant appears to be entitled to registration, the mark is published in the Official Gazette. § 12(a), 15 U. S. C. § 1062(a). Within 30 days of publication, any person who believes that he would be damaged by registration of the mark may file an opposition. § 13, 15 U. S. C. § 1063. Registration of a mark provides constructive notice throughout the United States of the registrant's claim to ownership. § 22, 15 U. S. C. § 1072. Within five years of registration, any person who believes that he is or will be damaged by registration may seek to cancel a mark. § 14(a), 15 U. S. C. § 1064(a). A mark may be canceled at any time for certain specified grounds, including that it was obtained fraudulently or has become generic. § 14(c), 15 U. S. C. § 1064(c).

The Lanham Act, as the dissent notes, *post*, at 217, authorizes courts to grant injunctions "according to principles of equity." § 34, 15 U. S. C. § 1116. Neither respondent nor the opinion of the Court of Appeals relies on this provision to support the holding below. Whatever the precise boundaries of the courts' equitable power, we do not believe that it encompasses a substantive challenge to the validity of an incontestable mark on the grounds that it lacks secondary meaning. To conclude otherwise would expand the meaning of "equity" to the point of vitiating the more specific provisions of the Lanham Act.⁵ Similarly, the power of the courts to cancel registrations and "to otherwise rectify the register," § 37, 15 U. S. C. § 1119, must be subject to the specific provisions concerning incontestability. In effect, both respondent and the dissent argue that these provisions offer insufficient protection against improper registration of a merely descriptive mark, and therefore the validity of petitioner's mark may be challenged notwithstanding its incontestable status. Our responsibility, however, is not to evaluate the wisdom of the legislative determinations reflected in the statute, but instead to construe and apply the provisions that Congress enacted.

⁵ We note, however, that we need not address in this case whether traditional equitable defenses such as estoppel or laches are available in an action to enforce an incontestable mark. See generally Comment, Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation, 66 Minn. L. Rev. 1067 (1982).

VI

We conclude that the holder of a registered mark may rely on incontestability to enjoin infringement and that such an action may not be defended on the grounds that the mark is merely descriptive. Respondent urges that we nevertheless affirm the decision below based on the "prior use" defense recognized by § 33(b)(5) of the Lanham Act. Alternatively, respondent argues that there is no likelihood of confusion and therefore no infringement justifying injunctive relief. The District Court rejected each of these arguments, but they were not addressed by the Court of Appeals. That court may consider them on remand. The judgment of the Court of Appeals is reversed, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.