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BY EMAIL TO jsprague@actransit.org

September 24, 2020

Jill Andrews Sprague, Esquire
Office of the General Counsel
Alameda-Contra Costa Transit District
1600 Franklin Street
Oakland, California 94612

Dear Ms. Sprague:

I write in response to your September 15, 2020 cease-and-desist letter to Victoria Fierce, a candidate to replace one of the current leaders for whom you work. Your letter contends that Fierce's use of photographs that include the logo of the Alameda-Contra Costa Transit District ("AC Transit") violates various rules that AC Transit has adopted, which purport to regulate the speech of members of the public. As I explain below, Fierce is not going to comply with your demand that she remove the photographs, both because so far as we can see AC Transit has no authority to restrict the speech of members of the public who wish to express their views about the District or its leadership, and because the claims that you threaten to pursue would violate Fierce's rights under the First Amendment and the California Constitution. Rather than requiring Fierce to conduct her election campaign under the threat of enforcement of your client's unlawful policy, we request that you retract the cease-and-desist letter promptly.

Facts

Victoria Fierce is a candidate for a position of on AC Transit's Board of Directors in the general election on November 3, 2020. She has a campaign web site at <https://fierce.vote>. Your letter complains that photographs at unspecified locations on the web site contain AC Transit's logo. So far as I have been able to discern, the same three photographs appear both on that home page and on Fierce's platform page, <https://fierce.vote/platform/>, and those three photographs are the only ones that contain the logo: Two of the photographs portray an AC Transit bus, and another portrays an AC Transit route sign. The AC Transit logo is barely discernible on the two buses in the photo; it can be seen more clearly on the route sign, although it is scarcely the most prominent feature of the photo. AC Transit has adopted Ordinance No. 16, which represents that AC Transit has "registered" its logo and purports to forbid any person from using the logo without the express and advance permission of the Board of Directors, as provided by four separate votes, as well as Policy 145

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pertaining to elections, which purports to forbid any candidates from using the logo. Your letter demands that Fierce cease her use of the logo on her web site, and cease any other unauthorized use.

The Transit District Lacks Authority to Limit Free Speech Rights of Candidates.

As I discuss below, although there is reason to question whether giving trademark status to the AC Transit logo would violate federal law, I do not doubt that the organic California legislation governing California transit districts gives AC Transit the power to create a logo. The law creating such municipal bodies gives it the power to form contracts and own property, and presumably the creation and ownership of intellectual property is within that authority. However, nothing in those statutes authorizes AC Transit to adopt binding rules restricting the speech of members of the public relating to the District, and nothing allows it to regulate the content of campaign literature of candidates for District office. Consequently, it appears to me that the statements in sections 1(a) and 3 of Ordinance No. 16 office that it is “unlawful for any individual . . . to use any of the District’s logos in any manner . . . unless authorized,” and that any “violation of this ordinance shall be deemed a public nuisance,” are ultra vires and have no independent force or effect. I invite you to call my attention to any California statutes that give your client the authority to adopt such rules governing members of the public who neither are employed by your client nor hold office with your client.

The First Amendment Bars Your Claims.

Even if the enactment of these provisions is not ultra vires, Fierce has used these three photographs in connection with her campaign for public office, political speech that is at the core of the protections protected by the First Amendment. Moreover, her use of the logos is entirely truthful—it identifies the municipal corporation for whose office she is running, and truthfully portrays some of its operations. The First Amendment bars the government from taking action to forbid truthful political speech. Your client is a government body, which is directly barred by the First Amendment from taking action against truthful political speech. *New York Times v. Sullivan*, 376 U.S. 254 (1964); *Organization for a Better Austin v. Keefe*, 402 U.S. 415 (1971).

The Trademark Laws Do Not Support Your Infringement Claims.

I assume that, deprived of the ability to seek direct enforcement of Ordinance No. 16, your client has in mind to seek an injunction against display of the logo as an infringement of trademark. Given that the logo appears on Fierce’s web site only in photographs of AC Transit busses and a route sign, it is apparently the agency’s position that a candidate cannot include any photograph of the District’s assets if the logo is present on those assets. From a trademark law perspective, that position is absurd.

The implicit assertion by AC Transit that others must get its directors’ express permission for any use of a valid trademark is flatly wrong. I rather expect that your client is fully cognizant of

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those limits, because a quick glance around the Internet reveals dozens of web sites where AC Transit's logo is displayed. I assume that the district has not undertaken a campaign to suppress the use of its logo, for example, on Wikipedia, https://en.wikipedia.org/wiki/AC_Transit, on the web site of Mass Transit Magazine, <https://www.masstransitmag.com/management/company/10704549/ac-transit>, on an NBC News web site, <https://www.nbcbayarea.com/news/local/east-bay/ac-transit-bus-service-to-end-at-730-p-every-day-this-week/2301860/>, on Yelp, https://www.yelp.com/biz_photos/ac-transit-oakland?start=30, on the web site of Peralta Community College, <https://web.peralta.edu/studentservices/ac-transit-easypass/>, or on the page of Amazon's web site that displays the AC Transit logo. <https://www.amazon.com/Francisco-Peralta-and-Courtney-Brousseau/dp/B077SMBBL2>. It would be interesting to learn whether you have pursued your bogus claims against **anybody** besides a candidate running against your employer's incumbent directors.

As you apparently recognize, trademark rights are not absolute. AC Transit is only entitled to prevent the use of its logo in connection with the sale or advertising of goods and services in a way that would confuse reasonable consumers about whether the use is sponsored by the city, and then its rights are limited by affirmative defenses such as fair use. Each of these limitations precludes your trademark infringement claims.

First, any effort to invoke the trademark laws to limit noncommercial political expression would be barred by the Ninth Circuit's decision in *Bosley Medical Institute v. Kremer*, 403 F.3d 672 (9th Cir. 2005). That case involved the use of the plaintiff's trademark as the domain name for an Internet "gripe site" in which Michael Kremer was criticizing the plaintiff company. The district court dismissed Bosley's claims for trademark infringement and dilution, and the court of appeals affirmed because "trademark infringement law prevents only unauthorized uses of a trademark in connection with a **commercial** transaction in which the trademark is being used to confuse **potential consumers**." *Id.* at 676 (emphasis added). Like Kremer, Fierce is not using the AC Transit logo to sell any goods or services, but only to identify the government body whose policies and operation she hopes to improve by being elected to public office. Consequently, "[AC Transit cannot use the Lanham Act either as a shield from [Fierce]'s criticism, or as a sword to shut [Fierce] up." *Id.* at 680. See also *Radiance Found. v. NAACP*, 786 F.3d 316, 325-326 (4th Cir. 2015); *Utah Lighthouse Ministry v. Found. for Apologetic Info. and Research*, 527 F.3d 1045, 1051-1052 (10th Cir. 2008); *Taubman Co. v. Webfeats*, 319 F.3d 770, 774 (6th Cir. 2003). Moreover, although these cases were decided under the Lanham Act, state law trademark infringement claims are subject to the same legal standards as Lanham Act trademark claims. See, e.g., *Rearden LLC v. Rearden Com., Inc.*, 683 F.3d 1190, 1221 (9th Cir. 2012); *Intl. Or. of Job's Daughters v. Lindeburg and Co.*, 633 F.2d 912, 916 (9th Cir. 1980).

Second, even if your client could show a commercial use of its marks, Fierce has employed the logo to identify the subjects of her election campaign commentary, and is thus protected by the doctrine of nominative fair use, which has been recognized by the Ninth Circuit since *New Kids on the Block v. News America Publishing*, 971 F.2d 302 (9th Cir. 1992). Fierce cannot meaningfully

identify her candidacy without making clear that it is for the **AC Transit** Board that she is running, just as the artist whom Mattel sued for his parody of the Barbie doll had to use her likeness to make the point of his parody clear. *See Mattel v. Walking Mountain*, 353 F.3d 792 (9th Cir. 2003). The District's success in letting its logo stand in as a shorthand for the District provides as well the necessity to use the logo so that members of the public viewing her web site understand at a glance that she is a candidate for office in **their** transit district.

Third, the fact that the photographs include the AC Transit logo will create no likelihood of confusion about whether Fierce's candidacy is endorsed by your client. The citizens of Contra Costa and Alameda Counties are surely used to the fact that there are periodic elections for Board of Director positions, and they are no doubt used to seeing photographs of buses and route signs that include the AC Transit logo in a variety of contexts in which the District is not the sponsor of the material containing the photos. Thus, the presence of AC Transit logos in these photos does not imply enforcement by or affiliation with the District or its current leaders. The fact that the very page on which these photographs appear contains several criticisms of current AC Transit policy makes clear the lack of endorsement or affiliation.

Your Claims Pose Risks to the District's Assets.

For all of these reasons, your implicit assertion that Fierce is infringing your client's trademarks, and your threat of litigation, are taking your client down a potentially costly road. In our view, your trademark claims are so plainly groundless that an infringement suit would be an "exceptional case" warranting an award of attorney fees. *See SunEarth, Inc. v. Sun Earth Solar Power Co.*, 839 F.3d 1179, 1181 (9th Cir. 2016); *Baker v. DeShong*, 821 F.3d 620, 621–25 (5th Cir. 2016); *Mattel v. Walking Mountain*, 353 F.3d 792, 816 (9th Cir. 2003).

But there is one more important reason why your client should withdraw its claims: litigating the claims could result in a loss of possible trademark status. The whereas clauses of Ordinance No. 16 include an assertion that the district has "registered" its logo. However, my search of the federal trademark register and of California's trademark database did not reveal any such registration, and section 2(b) of the Lanham Act, 15 U.S.C. § 1052(b), makes clear why: no mark may be registered if it "consists of or comprises the flag or coat of arms or other insignia of . . . any State or municipality." "Trademark law is not properly employed to stifle discussion." *Renna v. Cty. of Union, N.J.*, 88 F. Supp. 3d 310, 322 (D.N.J. 2014). Indeed, I suggest you pay careful attention to the *Renna* decision, which discusses the reasons why First Amendment limits on government's right to suppress speech about itself make trademark rights inappropriate for municipal insignia, whether asserted as registered rights or unregistered rights. The result of your pursuit of litigation might well be a ruling that deprives your logo even of common-law trademark status.

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Fierce Asks You to Retract Your Claim of Unlawful Use.

In conclusion, your client has no valid claims, and Fierce is not going to comply with your demands. Indeed, Fierce will be considering whether she is willing to allow you to dangle the threat of enforcement over her head while she continues to prepare campaign materials. Consequently, she reserves the possibility that, instead of waiting to be sued, she may choose to sue AC Transit for a declaratory judgment of non-infringement. *See Renna v. Cty. of Union, N.J.*, 2015 WL 93800, at *9 (D.N.J. Jan. 7, 2015), *report and recommendation adopted*, 2015 WL 1815498 (D.N.J. Apr. 21, 2015) (awarding attorney fees against municipality whose trademark bullying forced expressive user of city insignia to seek declaratory judgment of non-infringement). Accordingly, we are giving your client ten business days from the date of this letter to retract your cease-and-desist letter.

Sincerely yours,

/s/ Paul Alan Levy
Paul Alan Levy

cc: Linda Nemeroff via LNemeroff@actransit.org