

SCOTUS Rules Disparaging Trademarks Ban Unconstitutional

June 20, 2017

A unanimous US Supreme Court affirmed on June 19, 2017, a lower court decision striking a law prohibiting registration of trademarks that “may disparage” because it violated the Free Speech Clause of the First Amendment to the US Constitution. The ruling paves the way for musician Simon Tam to obtain federal trademark registration for the name of his Asian-American dance-rock band, THE SLANTS – and also means that the Washington, DC, football team will likely keep its registrations for its REDSKINS trademarks.

Tam’s band chose the name in part to reclaim the ethnic slur “slant” and repurpose it as a message of Asian-Pacific Islander empowerment, in line with the band’s use of its music to fight racist ideas and stereotypes. But when Tam tried to register it with the Patent and Trademark Office in 2010, a trademark examiner refused his application as disparaging to Asian-Americans in violation of Section 2(a) of the Lanham Trademark Act of 1946, which bars registration of marks that “may disparage ... persons, living or dead, institutions, beliefs, or national symbols.”

Tam had argued that it was “absolutely inconceivable” that he would “seek to use a mark that disparaged [his] own ethnic background.” The PTO examiner said that Tam’s own feelings about the mark and intent were irrelevant, and that what mattered was whether the mark “may be disparaging to a substantial composite of” Asian-Americans.

He appealed, arguing that the “may disparage” provision was an unconstitutional restraint on free speech. The Trademark Trial and Appeal Board and a panel of the Court of Appeals for the Federal Circuit disagreed, citing a 1981 ruling holding that the law does not infringe speech because one can still *use* a mark without registration.

But one judge on the Federal Circuit panel questioned whether the 1981 precedent was still valid in light of the evolution of First Amendment case law since then. The full Federal Circuit court then took up the case *en banc*, and held that Section 2(a)’s disparagement provision violated the Free Speech Clause by denying trademark rights because of the mark owner’s message or viewpoint.

Meanwhile, a group of Native Americans successfully petitioned the PTO to cancel the Washington Redskins’ trademark registrations on the ground that the word REDSKINS was disparaging, and the team appealed, also on the ground that the “may disparage” provision violated the First Amendment.

Tam’s case reached the Supreme Court first, and the football team and numerous organizations and academics filed *amicus curiae* briefs taking different sides – either attacking the provision as an impediment to free speech or supporting it as an exercise of the government’s right not to endorse disparaging trademarks.

Amicus also disagreed as to the level of scrutiny the Court should apply in considering the provision. Some argued that because it involved speech, the court could uphold it only if it met “strict scrutiny,” that is, that it was justified by a “compelling governmental interest” and was narrowly tailored to meet that goal, using the “least restrictive means” to do so. Others argued that trademarks are “commercial speech,” which can be restricted even if there is only a “substantial” government interest and the restriction directly advances that interest and is not more extensive than necessary to serve that interest.

Noting the PTO’s inconsistent application of the law – allowing, for example, THE DEVIL IS A DEMOCRAT but refusing HAVE YOU HEARD SATAN IS A REPUBLICAN? – the International Trademark Association also argued that the provision was unconstitutionally vague under the Due Process Clause of the Fifth Amendment.

In affirming the Federal Circuit’s ruling, all members of the Supreme Court agreed that the “may disparage” provision violated the Free Speech Clause and rejected the government’s arguments that trademark registrations are “government speech” analogous to slogans on a state-issued license plate or a “government

program” in which a government agency could condition participation on its approval of the message. But the Court was fragmented as to other issues.

Justice Alito, in an opinion joined by Chief Justice Roberts and Justices Thomas and Breyer, wrote that the Court did not need to consider whether trademarks are “commercial speech” because the provision did not even meet the lower level of constitutional scrutiny. He opined that the provision does not serve the government’s stated purpose of ensuring an “orderly flow of commerce” by driving out invidious discrimination, as it would even bar registration of the mark DOWN WITH RACISTS. “It is not an anti-discrimination clause,” he wrote, “it is a happy-talk clause.”

In his concurring opinion, which Justices Ginsburg, Sotomayor, and Kagan joined, Justice Kennedy wrote that although trademarks qualify as commercial speech, the fact that the “may disparage” provision amounted to viewpoint-based discrimination requires “heightened scrutiny” – while noting that other provisions of the trademark law, like those dealing with confusing or misleading marks, do not.

Justice Kennedy also noted that the bar on disparaging marks could have adverse consequences: “A law that can be directed against speech found offensive to some portion of the public can be turned against minority and dissenting views to the detriment of all.”

The decision leaves unsettled whether other parts of Section 2(a), such as the bars on registration of “immoral” or “scandalous” marks, or marks that may bring people “into contempt, or disrepute,” are constitutional. Could one seek registration of an extremely vile racist, sexist, or homophobic slur, or indecent sexual matter? The PTO said last year that if the ban on registering disparaging marks were struck, these other bars would fall, too, and a case before the Federal Circuit involving the trademark FUCT, *In re Brunetti*, No. 2015-1109, may provide an answer.

The Supreme Court case is *Matal v. Tam*, No. 15-1293 (U.S., June 19, 2017), and the opinion may be found [here](#). Cooley partner John Crittenden was one of the authors of the *amicus* brief the International Trademark Association submitted to the Supreme Court in this case.

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