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Supreme Court to Review Constitutionality of Bar on Registering "Disparaging" Trademarks

September 30, 2016

On September 29, 2016, the US Supreme Court agreed to review a lower court ruling that held unconstitutional a law prohibiting registration of trademarks that "may disparage" people or groups. In a case involving an Asian-American dance band's bid to register its name "The Slants" as a trademark, the court will consider whether the bar on registering disparaging marks violates the First Amendment guarantee of free speech.

The Court granted the US Patent and Trademark Office's petition for writ of certiorari in *Lee v. Tam*, No. 15-1293, which seeks to overturn a decision of the US Court of Appeals for the Federal Circuit striking the "may disparage" provision of Section 2(a) of the Lanham Act, 15 USC 1052(a) as unconstitutional. In a different case, a federal district court in Virginia upheld the PTO's cancellation of the Washington Redskins' trademarks under that law, which prohibits registration of marks that consist of "matter which may disparage ... persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute."

Dance band seeks to "reclaim" a stereotype – but government finds it disparaging

The case began when the PTO refused The Slants' front man Simon Tam's application to register the band's name as a trademark, deeming it a slur that "may disparage" Asian-Americans. Tam argued that he did not use it disparagingly, but rather to "reclaim" and "take ownership" of Asian stereotypes. In his appeal of the PTO's refusal, Tam argued the disparagement clause imposes a substantial burden on speech with a particular message.

Because the disparagement clause allows registration of marks that express a positive or neutral view of a person or group, but not a negative view, Tam argued, it lets the PTO discriminate against speech, in violation of the First Amendment. Tam also argued that in the 70 years since the provision was enacted, the PTO has "produced a bewildering array of decisions granting or denying registration seemingly at random" – rendering the law unconstitutionally vague.

Lower court finds "disparaging trademarks" law unconstitutional

As we <u>previously reported</u>, the Federal Circuit, sitting *en banc*, ruled in 2015 that the Lanham Act's disparagement provision allows the PTO to discriminate against some trademarks but not others based on the "idea or message expressed." Because a trademark's "expressive character," rather than its commercial purpose, triggers a Section 2(a) rejection, the court found that the law lets the PTO engage in content and viewpoint-based discrimination against speech prohibited by the First Amendment.

The Federal Circuit held that denying registration can burden speech, because registration bestows "significant and financially valuable benefits upon mark-holders." It also rejected the PTO's argument that a federal registration is "government speech" amounting to an endorsement of the mark's message. And it disagreed with the PTO that trademark registration is a "government subsidy" program in which the government can condition participation on a particular message because the benefits of registration are not monetary, and because the PTO is mainly self-funded by user fees, not taxpayer dollars.

Different court upholds cancellation of "Redskins" trademarks as disparaging; team seeks review

Meanwhile, a case brought by a group of Native Americans seeking to cancel the Washington football team's "Redskins" trademarks may also be making its way to the Supreme Court. The team filed its own petition for certiorari in *Pro-Football, Inc. v. Blackhorse,* No. 15-1874, asking the Court to overturn a decision of the US District Court for the Eastern District of Virginia that upheld the PTO's cancellation of the team's trademark registrations as disparaging to Native Americans. Although that case is pending before the US Court of Appeals for the Fourth Circuit, the team hoped to bypass that appellate level and have the high court decide its case along with Tam's. The Supreme Court is expected to rule on the team's petition for certiorari very soon.

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