

Supreme Court Holds Entities May Register Disparaging Trademarks

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The Lanham Act's restriction on trademarks that disparage persons living or dead violates the First Amendment.

Though the United States Patent and Trademark Office (USPTO) has sometimes reversed its position on whether a particular mark is disparaging, it has never permitted the registration of any trademarks it determines "may disparage . . . persons, living or dead." See 15 U.S.C. § 1052(a). On June 19, that changed when the US Supreme Court unanimously held in *Matal v. Tam* that the Lanham Act's disparagement clause violates the free speech clause of the First Amendment, holding that "[i]t offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend." No. 15-1291, 2017 WL 2621315, at *5 (2017). Now that the Court has affirmed entities' free speech rights to trademark disparaging content, the USPTO will likely see a quick flood of applications to register offensive or disparaging terms as trademarks, as an earlier filing date can give a federal applicant/registrant priority of rights.

The underlying case involved a musician, Simon Tam, who sought to register a trademark for the name of his band, The Slants. Tam had chosen the name to "reclaim" stereotypes about Asian people and culture. The USPTO denied the application on the basis of the Lanham Act's disparagement clause. 15 U.S.C. § 1052(a). The USPTO examiner determined that the mark could not be registered due to "a substantial composite of persons who find the term in the applied-for mark offensive." *Matal*, 2017 WL 2621315, at *7.

Tam appealed to the US Court of Appeals for the Federal Circuit, which ruled that the disparagement clause violated the US Constitution. See *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015). The Supreme Court heard argument in January 2017. All eight justices who took part in the case concurred in Justice Samuel Alito's holding that the disparagement clause violated the First Amendment, with Justice Anthony Kennedy authoring a concurring opinion joined by Justices Ruth Bader Ginsburg, Sonia Sotomayor, and Elena Kagan.[1]

In his opinion for the Court, Justice Alito first disposed of Tam's textual argument that the disparagement clause did not apply to disparagement of racial or ethnic *groups* of people. He went on to address the government's argument that trademark registration should be considered government speech. Justice Alito also wrote that trademarks are "private, not government, speech," reasoning that "it is far-fetched to suggest that the content of a registered mark is government speech. If the federal registration of a trademark makes the mark government speech, the Federal Government is babbling prodigiously and incoherently." *Matal*, 2017 WL 2621315, at *12. Justice Alito distinguished the Court's recent holding in *Walker v. Texas Division, Sons of Confederate Veterans, Inc.*, 576 U.S. __, 135 S. Ct. 2239, 192 L. Ed. 2d 274 (2015), reasoning that unlike in *Walker*, trademarks have not long been used to convey state messages, are not closely identified in the public mind with the state, and do not contain messages that are the subject of direct control by the state. *Matal*, 2017 WL 2621315, at *14.

In a section of the opinion joined by only three other justices, Justice Alito also wrote that trademarks could not be analyzed as subsidized speech because they are not a subsidy, nor should they be reviewed as part of a new doctrine applicable to "government-program" cases, as the government had urged. Justice Alito did not resolve whether trademarks are commercial speech subject to relaxed scrutiny because, whether or not trademarks are commercial speech, "the disparagement clause is not 'narrowly drawn.'" *Id.* at *20.

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In his concurring opinion, Justice Kennedy further explained the position that the disparagement clause constituted viewpoint discrimination that would be impermissible under the First Amendment, and argued that the treatment of other questions raised by the parties was unnecessary. Justice Kennedy also noted that the viewpoint discrimination at issue in the case would necessarily invoke heightened scrutiny, whether or not the speech at issue was commercial speech.

Based on this ruling, the Washington Redskins' challenge to the cancellation of its marks, currently on hold in the US Court of Appeals for the Fourth Circuit, will likely be resolved in the Washington Redskins' favor. The USPTO will also no longer refuse marks that it determines are likely to be viewed as offensive, and will likely see an increase in applications for the registration of controversial or even profane marks.

Although this decision goes to only the disparagement clause of Section 1052(a) and therefore allows the USPTO to register disparaging marks, the decision raises the question of whether other types of marks can be refused under Section 1052(a), such as marks that include immoral or scandalous matter. It is likely that this decision will bring the other prohibitions in Section 1052(a) to the forefront, potentially making at least the immoral and scandalous prohibitions ripe for challenge.

[1] Justice Clarence Thomas did not join the portion of the opinion addressing Tam's statutory interpretation arguments. He argued in a concurring opinion that the Court should not have reached that issue.

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