IP Alert: Supreme Court Not a Fan of Trademark Ban

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The Court held 8–0 that the Lanham Act's ban on offensive trademarks is unconstitutional

By R. Gregory Israelsen

On Monday, June 19, 2017, the Supreme Court held in Matal v. Tam[i] that the disparagement clause of the Lanham Act violates the Free Speech Clause of the First Amendment, and therefore is unconstitutional. The disparagement clause—which prohibits federal registration of trademarks "that may 'disparage or bring into contempt or disrepute' any 'persons, living or dead'"—the Court explained, "offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend." [ii]

Background

The Supreme Court's opinion is the climax in Simon Tam's long-running battle to obtain a trademark registration for his dance-rock band's name, THE SLANTS. Tam first submitted a

trademark application in 2010, but the U.S. Patent and Trademark Office refused the application for being "disparaging to people of Asian descent." Tam lost on appeal at the Trademark Trial and Appeal Board, as well as at a panel of the U.S. Court of Appeals for the Federal Circuit. His fortunes changed, however, when the Federal Circuit later issued a 9–3 en banc opinion holding that Section 2(a) of the Lanham Act—the provision under which Tam's application was rejected—was unconstitutional. The Supreme Court eventually granted certiorari, and heard oral arguments in January 2017, which Banner & Witcoff analyzed at the time.

Opinion

The Court's decision is a decisive victory for Tam. All eight justices[iii] considering the case agreed that the Lanham Act's disparagement clause is facially invalid under the First Amendment.[iv] Because the Lanham Act's disparagement clause is unconstitutional, the USPTO's refusal of Tam's application based on that section was also impermissible.

All the justices agreed[v] that offensive speech is protected by the First Amendment, even in the trademark context. For example, Justice Alito's opinion explained that the Supreme Court has "said time and time again that 'the public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers.'"[vi] Additionally, Justice Kennedy wrote that "the Court's cases have long prohibited the government from justifying a First Amendment burden by pointing to the offensiveness of the speech to be suppressed."[vii] The danger of allowing the government to restrict offensive speech, Justice Kennedy explained, is that "[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."[viii]

The justices also all agreed that "trademarks are private, not government, speech."[ix] The USPTO had argued that registered trademarks are government speech, which the First Amendment does not regulate. The Court rejected the idea, saying "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."[x] Many registered trademarks say "unseemly things," "express[] contradictory views," "unashamedly endors[e] a vast array of commercial products and services," and "provid[e] Delphic advice to the consuming public."[xi] "And there is no evidence that the public associates the contents of trademarks with the Federal Government."[xii]

The Court noted the "most worrisome implication" of the idea that trademarks constitute government speech "concerns the system of copyright registration"[xiii]; this was also the subject of the justices' first question at oral argument.[xiv] In its opinion, the Court asked, "If federal registration makes a trademark government speech and thus eliminates all First Amendment protection, would the registration of the copyright for a book produce a similar transformation?" Acknowledging that "trademarks often have expressive content," and that "powerful messages can sometimes be conveyed in just a few words," the Court rejected the USPTO's attempts to distinguish copyright as being "the engine of free expression."[xv]

Ultimately, Justice Kennedy explained, the Court's objective is to protect "a diversity of views from private speakers."[xvi] And "our reliance must be on the substantial safeguards of free and open discussion in a democratic society."[xvii]

Impact

Despite the parade of horribles prophesied by Tam's opponents, the Court's decision is unlikely to have a significant impact—or even be noticeable—in the lives of most Americans. As the Court stated, "it is unlikely that more than a tiny fraction of the public has any idea what federal registration of a trademark means."[xviii] Thus, when businesses select names for themselves or their products or services, they are generally more focused on the marketing power of those names, not whether those names might ultimately be eligible for trademark protection. Those who seek to offend—or, like Tam, "reclaim[] an offensive term for [a] positive purpose"[xix]—are similarly unlikely to choose their message based on federal-trademark-registration eligibility.

The most famous exception to this argument is the Washington Redskins football team. The team's trademark registration was cancelled in 2014 under the disparagement clause of Section 2(a) of the Lanham Act. The team's appeal is currently before the U.S. Court of Appeals for the Fourth Circuit, which placed the case in abeyance in November 2016, pending the Supreme Court's decision in Tam. Because the Supreme Court's holding invalidated Section 2(a)'s disparagement clause altogether, the team is likely to prevail in its appeal.

Modern society provides many tools, such as social media, for opposition to those who wish to brand themselves with offensive terms. Yet the government may not join in that opposition, at least not by regulating trademarks or most other private speech. "[T]he proudest boast of our free speech jurisprudence is that we protect the freedom to express 'the thought that we hate.'"[xx]

The Court's full opinion is available here.

A printable version of this article is available here.

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[i] Matal v. Tam, No. 15-1293 (Jun. 19, 2017).

[ii] Id., slip op. at 1-2.

[iii] Justice Gorsuch took no part in the consideration or decision of this case.

[iv] Matal at 1.

[v] All the justices joined the Opinion of the Court authored by Justice Alito. Chief Justice Roberts and Justices Thomas and Breyer joined a further opinion by Justice Alito. Justice Kennedy authored a concurrence joined by Justices Ginsburg, Sotomayor, and Kagan. Justice Thomas also authored a concurrence.

[vi] Matal at 22-23.

[vii] Matal at 4 (Kennedy, J.).

[viii] Id. at 8.

[ix] Matal at 18.

[x] Id. at 14-15.

[xi] Id. at 15.

[xii] Id. at 17.

[xiii] Id. at 18.

[xiv] See R. Gregory Israelsen, IP Alert: The Slants Perform at the Supreme Court, Banner & Witcoff (Jan. 20, 2017), https://bwnew.yapcollective.com/ip-alert-the-slants-perform-at-the-supreme-court/.

[xv] Matal at 18.

[xvi] Matal at 7 (Kennedy, J.).

[xvii] Id. at 8.

[xviii] Matal at 15.

[xix] Matal at 4 (Kennedy, J.).

[xx] Matal at 25 (Alito, J.).

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