

Blog Post

Supreme Court: Disparaging Speech Protected By First Amendment; Lanham Act Section 2(a) Unconstitutional: A Win for the Slants and the Skins

June 20, 2017

In a unanimous (albeit fractured) decision written by Justice Alito, the United States Supreme struck down a provision of the Lanham (Trademark) Act barring registration of “disparaging” trademarks, handing a victory to Asian-American rock band The Slants. In *Matal v. Tam*, No. 15-1293 (June 19, 2017), the Court held that the Lanham Act’s prohibition on registering federal trademarks that “disparage” any person violates the First Amendment.

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BACKGROUND

As we blogged [here](#), [here](#), and [here](#), this case began in 2011, when Simon Tam applied to the United States Patent and Trademark Office (USPTO) to register his band’s name, “The Slants,” as a trademark. The USPTO refused the application on the ground that “slants” was disparaging to a substantial composite of Asians under § 2(a) of the Lanham Act, 15 USC 1052(a).

The Trademark Trial and Appeal Board (“Board”) upheld the Examining Attorney’s decision, and Tam appealed to the PTO’s reviewing court, the Court of Appeals for the Federal Circuit. On December 22, 2015, the Federal Circuit decided, *en banc*, that the Lanham Act’s prohibition against the registration of

disparaging marks – which was used to cancel the registration of the Washington REDSKINS, as well as bar registration of numerous other marks – was unconstitutional because it was a restriction on free speech that did not pass strict scrutiny. *In re Tam*, 117 USPQ2d 1001 (Fed. Cir. 2016)

On April 20, 2016, the USPTO filed a petition for a writ of certiorari, seeking Supreme Court review of the Federal Circuit’s ruling.

SECTION 2(a) OF THE LANHAM ACT

The Lanham Act contains provisions that bar certain trademarks from the Principal Trademark Register. For example, a trademark cannot be registered if it is “merely descriptive or deceptively misdescriptive” of goods, 15 USC §1052(e)(1), or if it is so similar to an already registered trademark or trade name that it is “likely . . . to cause confusion, or to cause mistake, or to deceive,” 15 USC §1052(d).

Section 2(a), 15 USC §1052(a) prohibited the registration of a trademark “which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” When deciding whether a trademark is disparaging, the USPTO applied a “two-part test.” First, it considered the likely meaning of the matter in question. If that meaning was found to refer to identifiable “persons, institutions, beliefs or national symbols,” the USPTO moved to the second step, asking “whether that meaning may be disparaging to a substantial composite of the referenced group.” The fact that a trademark applicant may be a member of that group or has good intentions underlying its use of a term did not obviate the fact that a substantial composite of the referenced group would have found the term objectionable.

THE SUPREME COURT DECISION

The issue on certiorari was whether Section 2(a) of the Lanham Act violates the Free Speech Clause of

the First Amendment.

- Justice Alito wrote for a unanimous Court on point B.1 below.
- Justice Alito was joined by the Chief Justice and Justices Kennedy, Ginsburg, Breyer, Sotomayor and Kagan as to point A below.
- Justice Alito was joined by the Chief Justice and Justices Thomas and Breyer as to points B.2-4 below.
- Justice Kennedy wrote an opinion concurring in part (points A and B.1, below) and concurring in the judgment.

A. “Person” or “Persons”

Initially, the Supreme Court tackled a question Tam first raised in his Supreme Court briefs, namely, that the clause does not reach marks that disparage racial or ethnic groups, but rather only individual “persons.” Although the Supreme Court would not normally address an issue not raised below, it did in this case.

The Court reasoned that the plain terms of the disparagement clause refuted Tam’s argument. First, the statute used the plural “persons,” implying that it would be some number of persons (e.g., a “substantial composite” of a group) whose offense would be measured. Furthermore, the clause plainly referred to marks that disparage, not just “persons,” but also “institutions” and “beliefs.” It therefore applied to the members of any group whose members share particular “beliefs,” such as political, ideological, and religious groups. It applied to marks that denigrate “institutions,” and on Tam’s reading, it also reaches “juristic” persons such as corporations, unions, and other unincorporated associations. Therefore, the clause was not limited to marks that only disparage a particular natural person.

B. Free Speech

The issue on certiorari was whether Section 2(a) violated the Free Speech Clause of the First Amendment. The government advanced three arguments to protect Section 2(a): that (1) trademarks are government speech, not private speech; (2) trademarks are a form of government subsidy; and (3) the constitutionality of the disparagement clause should be tested under a hybrid “government-program” doctrine.

1. Trademarks Are Not Government Speech

The Court quickly disposed of the government’s argument that approving a trademark, either by printing in the Official Trademark Gazette or placing it on the Principal Trademark Register, makes that trademark “government speech.” “If private speech could be passed off as government speech by simply affixing a government seal of approval, government could silence or muffle the expression of disfavored viewpoints.” Slip. Op. at 14.

The Court saw trademarks as private speech. For example, the government is not the one who creates trademarks. The government does not edit marks submitted for registration. The government does not inquire whether any viewpoint conveyed by a mark is consistent with government policy or whether any such viewpoint is consistent with that expressed by other marks already on the principal register. As the Court explained:

” For example, if trademarks represent government speech, what does the Government have in mind when it advises

Americans to
“make.believe” (Sony),
“Think different”
(Apple), “Just do it”
(Nike), or “Have it your
way” (Burger King)?
Was the Government
warning about a
coming disaster when
it registered the mark
“EndTime Ministries”?

In light of all this, the Court found it “far-fetched” to suggest that the content of a registered mark is government speech, observing that the most worrisome implication of the government’s argument concerned the system of copyright registration. The Court reasoned that if federal registration makes a trademark government speech and thus eliminates all First Amendment protection, registration of a copyright for a book would similarly eliminate First Amendment protections for works of expression. While the government attempted to distinguish copyright by characterizing it as covering uniquely expressive works, the Court did not accept that distinction because trademarks can be expressive, too.

Therefore, the Court held that trademarks are private, not government, speech.

2. Trademarks Are Not Government Subsidies

The second argument advanced by the government was that trademark registration operates like a government subsidy, then relying on authority that First Amendment rights can be abridged somewhat in the context of receiving a government subsidy.

However, the Court distinguished those cases from the case before it because the decisions on which the government relied in the government subsidies cases all involved cash subsidies or their equivalent. Thus, federal registration of a trademark is nothing like the programs at issue in the government-cited cases: the USPTO does not pay money to parties seeking registration of a mark. Quite the contrary is true: an applicant for registration must pay the USPTO filing fees.

The government responded that registration provides valuable non-monetary benefits that “are directly traceable to the resources devoted by the federal government to examining, publishing, and issuing certificates of registration for those marks.” But just about every government service requires the expenditure of government funds. This is true of services that benefit everyone, like police and fire protection. The government subsidy cases were found not to be instructive in analyzing the constitutionality of restrictions on speech imposed in connection with such services.

3. Trademarks Are Not a Government Program

The government next advanced the argument that trademark registration is a “government program,” in which First Amendment rights can sometimes be curtailed. As the Court saw it, this argument simply merged government-speech cases and government subsidy cases in an attempt to construct a broader doctrine that can be applied to the registration of trademarks. The only new element in this construct consisted of two cases involving a public employer’s collection of union dues from its employees. The Court distinguished those cases, finding that they

occupy a special area of First Amendment case law, and were far removed from the registration of trademarks.

4. Not Commercial Speech

Finally, the Court found that trademarks are not “commercial speech” subject to a relaxed scrutiny standard under *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm’n of N. Y.*, 447 U. S. 557 (1980). The court explained, however, that the disparagement clause could not withstand even relaxed *Central Hudson* review. Under *Central Hudson*, a restriction of speech must serve “a substantial interest,” and it must be “narrowly drawn.” This means, among other things, that “[t]he regulatory technique may extend only as far as the interest it serves.” The disparagement clause fails this requirement.

The government argued that it had an interest in preventing speech expressing ideas that offend. However, as the Court explained, that idea strikes at the heart of the First Amendment. “Speech that demeans on the basis of race, ethnicity, gender, religion, age, disability, or any other similar ground is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express ‘the thought that we hate.’”

Justice Kennedy concurred, stressing that the First Amendment guards against laws “targeted at specific subject matter,” a form of speech suppression known as content based discrimination. At its most basic, the test for viewpoint discrimination is whether—within the relevant subject category—the government has singled out a subset of messages for disfavor based on the views expressed.

Although the government argued that Section 2(a) was viewpoint neutral, in Justice Kennedy’s view the government “misses the point.” A subject that is first defined by content and then regulated or censored by mandating only one sort of comment is not viewpoint neutral. “To prohibit all sides from

criticizing their opponents makes a law more viewpoint based, not less so.”

Furthermore, Justice Kennedy explained, the government may not insulate a law from charges of viewpoint discrimination by tying censorship to the reaction of the speaker’s audience. The danger of viewpoint discrimination is that the government is attempting to remove certain ideas or perspectives from a broader debate. That danger is all the greater if the ideas or perspectives are ones a particular audience might think offensive, at least at first hearing.

This ruling has far-reaching implications for the federal trademark registration program, as well as for all kinds of government restrictions on speech. The Court made clear that speech that some view as racially offensive is protected not just against outright prohibition, but also against lesser restrictions. It is important to recognize that the government was not trying to forbid the Tam from calling his band “The Slants;” it was “merely” denying Tam certain benefits and protections that flow to owners of registered trademarks. But even in this sort of program, the Court held, viewpoint discrimination – including against allegedly racially offensive viewpoints – is unconstitutional.

Some have argued that similar principles have frequently been seen as applying to exclusion of speakers from universities, denial of tax exemptions to nonprofits, and others. *Tam* will no doubt have an impact far beyond the realm of intellectual property, at least where the party seeking to limit or exclude speech is a government actor.

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