

Client Alert

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First Amendment Protects Hurtful Speech, Even Hurtful Trademarks

On Tuesday, December 22, 2015, the US Court of Appeals for the Federal Circuit issued a much-anticipated opinion regarding the constitutionality of the prohibition against “disparaging” trademarks. In an 9-3 *en banc* opinion, the Federal Circuit held that the exclusion of disparaging trademarks under Section 2(a) of the Lanham Act violates the First Amendment.

Many of the marks rejected as disparaging convey hurtful speech that harms members of stigmatized communities. But the First Amendment protects even hurtful speech The government cannot refuse to register disparaging marks because it disapproves of the expressive messages conveyed by the marks. It cannot refuse to register marks because it concludes that such marks will be disparaging to others.

The *In re Tam* decision represents a significant shift in trademark law and will likely have significant impact on the pending litigation including the Washington Redskins trademarks.

Under Section 2(a) of the Lanham Act, the United States Patent and Trademark Office (PTO) may refuse registration of trademarks that it deems disparaging of persons, institutions, beliefs or national symbols. The test for a disparaging mark includes a determination of the likely meaning of the matter in question and if that meaning is found to refer to identifiable persons, institutions, beliefs or national symbols, whether that meaning may be disparaging to a substantial composite of the referenced group. This type of PTO refusal has received a great deal of national attention since a federal judge ordered cancellation of the Washington Redskins trademarks based on these grounds in July of this year.

In the *Tam* case, applicant Simon Tam sought to register the trademark THE SLANTS for his Asian rock band. Mr. Tam originally applied in 2010 to register THE SLANTS in connection with “[e]ntertainment, namely, live performances by a musical band.” The specimen submitted in conjunction with the application contained extensive Asian imagery, including dragons, writing and architecture. The examining attorney refused registration because he deemed THE SLANTS to be a highly disparaging reference to people of Asian descent. The application was subsequently abandoned. Then in 2011, Mr. Tam submitted a new application to register THE SLANTS in connection with the same services as recited in the original application. This time, however, Mr. Tam submitted a specimen containing no Asian imagery. This application was reviewed by the same examining attorney from the first application, and the same refusal was issued. In fact, the same evidence was cited in the refusal, including the specimens from the original application. Mr. Tam argued against the refusal but was unsuccessful. He appealed to the Trademark Trial and Appeal Board (TTAB), but the TTAB upheld the refusal in September 2013. Mr. Tam appealed the TTAB ruling to the Federal Circuit. On April 20, 2015, an opinion was handed down upholding the TTAB ruling, but then on April 27, the opinion was vacated so that the case could be considered *en banc*.

In Mr. Tam’s appeal, he argued that the TTAB relied on insufficient evidence to conclude the applied-for mark is disparaging. For example, Mr. Tam argued that the TTAB relied solely on evidence submitted by the examiner when determining the likely meaning of the word “slants.” Mr. Tam further argued that the

examiner conducted a biased and outcome-determinative search for the meaning of “slants,” and pointed to the examiner’s Internet search parameters where “slants” was searched in conjunction with the “N word.” Mr. Tam also argued that the sources that the TTAB relied upon to find that THE SLANTS is disparaging to a substantial composite of Asian Americans were deficient. Specifically, he argued that only seven documents were considered, none of which were authenticated. Thus, it was unclear if the authors were even Asian Americans, or to what extent their views represented a substantial composite of Asian Americans. Moreover, Mr. Tan argued that both the definitions and documents relied upon by the TTAB related to the term “slant” or “slant eyes,” not THE SLANTS.

In addition to these fundamental arguments, Mr. Tam made a number of more interesting arguments. For example, Mr. Tam argued that refusal by the PTO was an unconstitutional deprivation of his right to equal protection under the law. Specifically, Mr. Tam argued that there are other SLANTS marks on the principal register and he has been refused registration because he is of Asian descent. Mr. Tam noted that the examiner’s explicit language that “the evidence is uncontested that applicant is a founding member of a band (The Slants) that is self-described as being composed of members of Asian descent” revealed that Mr. Tam’s ethnicity was relevant to the disparagement refusal. Mr. Tam argued that the PTO’s position is that “this particular applicant is not entitled to a registration, because by using the Mark as a member of an ‘all Asian-American band’ he supplies the disparaging component of use by being Asian.” Mr. Tam argued that racial or ethnic classifications are inherently suspect and are subject to strict scrutiny, and when analyzed within this framework, the PTO refusal is unconstitutional.

The Federal Circuit’s majority opinion (9-3) held that the disparagement provision of Section 2(a) is both a content-based regulation and a viewpoint-based regulation, either of which is presumptively invalid. The court stressed that “the test for disparagement — whether a substantial composite of the referenced group would find the mark disparaging — makes clear that it is the nature of the message conveyed by the speech which is being regulated.” *In re Tam*, No. 2014-1203, 2015 WL 9287035, at *8 (Fed. Cir. Dec. 22, 2015). The court also noted that when the government disapproves of a message conveyed by an applied-for mark, it discriminates on the basis of viewpoint, and “[t]he legal significance of viewpoint discrimination is the same whether the government disapproves of the message or claims that some part of the populace will disapprove of the message.” *Id.*

The court further noted that the disparagement provision is discriminatory on its face because the PTO rejects marks only when it finds that the mark refers to a group in a negative way, but allows registrations of marks that refer to a group in a positive way. For instance, ASIAN EFFICIENCY was allowed registration, but Mr. Tam’s THE SLANTS mark was denied.

The court also rejected a number of the government’s counterarguments. For example, the court rejected the notion that Section 2(a) does not prohibit speech because an applicant is still free to use a mark in commerce that has been denied registration under the disparagement provision. “[I]f the government could deny a benefit to a person because of his constitutionally protected speech or associations, his exercise of those freedoms would in effect be penalized and inhibited.” *Id.* at *12. Similarly, also rejected was the government’s argument that the disparagement provision is a regulation of commercial speech, which is afforded less protection than noncommercial speech. “It is always a mark’s expressive character, not its ability to serve as a source identifier, that is the basis for the disparagement exclusion from registration. The disparagement provision must be assessed under First Amendment standards applicable to what it targets, which is not the commercial-speech function of the mark.” *Id.* at *10. Finally, the court rejected the government’s argument that the First Amendment is not applicable to federal trademark registrations because trademarks are government speech. The court concluded that “[t]here is simply no meaningful basis for finding that consumers associate registered private trademarks with the government.” *Id.* at *17. The court also analogized to copyright registration and reasoned that if federal registration can convert the underlying speech into government speech unprotected by the First Amendment, then “the government would be free, under this logic, to prohibit the copyright registration of any work deemed immoral, scandalous, or disparaging to others,” which amounts to censorship not consistent with the First Amendment. *Id.* at *16.

This decision will likely be appealed to the Supreme Court, so the Section 2(a) disparagement provision may remain in flux for some time. However, if ultimately upheld, it will signify a major win for the Washington Redskins, Mr. Tam and many other trademark owners because the PTO will no longer be able to decide which marks are disparaging, thereby refusing federal registration on that basis.

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