

Siding with The Slants: Ban on Disparaging Marks Held Unconstitutional

IN SHORT

The Decision: The United States Supreme Court held that Section 2(a) of the Trademark Act, prohibiting registration of "disparaging" trademarks, is unconstitutional.

The Reasoning: Trademarks are private speech. The "disparagement" provision of Section 2(a) violates the First Amendment's Free Speech Clause.

The Implications: Trademark applications cannot be refused on the basis that the marks are "disparaging"—a decision that will likely be extended to marks considered "immoral" or "scandalous." The decision impacts the application to register THE SLANTS, as well as other applications currently suspended pending this decision. It will also affect the cancelled REDSKINS registrations.

Asian rock band The Slants is no longer "The Band Who Must Not Be Named," as they titled their most recent album. On June 19, 2017, the United States Supreme Court decided *Matal v. Tam*, striking a provision of the Lanham Act, which was enacted in 1946, and holding that a law prohibiting the registration of "disparaging" trademarks violates the Free Speech Clause of the First Amendment.

Background

The case arises out of an Asian American's attempt to register THE SLANTS to identify his band comprised exclusively of Asian Americans. The band sought registration to "reclaim" Asian stereotypes.

However, the mark THE SLANTS was refused registration because it was deemed likely to disparage "persons of Asian descent" under Section 2(a) of the Trademark Act, 15 U.S.C. § 1052(a). Section 2(a) prevents registration of a trademark that "[c]onsists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage ... persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute." The decision was affirmed by the Trademark Trial and Appeal Board ("TTAB").

In April 2015, Tam appealed the TTAB's decision to the Federal Circuit which initially affirmed the TTAB's decision. The court then issued a *sua sponte* decision vacating the opinion. On December 22, 2015, an *en banc* Federal Circuit reversed the TTAB's decision, holding that Section 2(a)'s prohibition on "disparaging" marks violates the First Amendment.

Supreme Court Decision

In a unanimous judgment announced by Justice Alito, the Supreme Court struck down Section 2(a)'s disparagement provision, holding that it "offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend."

The Court rejected each of the government's arguments that the provision is constitutional. First, the Court held that trademarks are private speech, not government speech. Otherwise, "the Federal Government is babbling prodigiously and incoherently ... and expressing contradictory views." The Court distinguished its decision in *Walker v. Texas Division, Sons of Confederate Veterans, Inc.*, holding that while license plates are government speech, trademarks are not. Trademarks, unlike license plates, have not historically been used to convey state messages, are not "closely identified in the public mind" with the government, and have not had their content directly controlled by the government. Additionally, if registration converted a trademark to government speech, the effect in the copyright context would be a particularly "worrisome implication."

Speaking on behalf of four justices, Justice Alito also rejected the government's argument that a trademark registration is a form of government subsidized speech permitting viewpoint discrimination. The Court distinguished the case law cited by the government. Unlike in the cited subsidy cases, the Patent and Trademark Office ("PTO") does not pay the applicant; it is the other way around.

Finally, the four justices rejected the government's argument that the disparagement clause is constitutional under a "government-program" doctrine, finding trademark registrations are not limited public forums that permit content-related restrictions.

The Court also noted the limits of its holding. First, the Court left open the question of whether the "government-program" framework is appropriate for free speech challenges to Lanham Act provisions generally. Second, the Court did not rule on whether trademarks are commercial speech, finding such a ruling unnecessary because the disparagement clause could not withstand even intermediate scrutiny. The Court held that the disparagement clause was not "narrowly drawn" to remove trademarks that support discrimination, finding the provision "[i]s not an anti-discrimination clause; it is a happy-talk clause." As such, the disparagement provision goes further than necessary to serve the alleged interest and is unconstitutional.

Implications

The most immediate effect of the Supreme Court's decision is that refusals will be withdrawn for those trademark applications initially rejected on the basis of Section 2(a), which were suspended pending this decision. Trademark owners should consider monitoring such publications for potentially infringing marks.

The Washington Redskins should also benefit from this decision. *Pro-Football Inc. v. Blackhorse* (involving cancellation of the REDSKINS trademark registrations in the Fourth Circuit) was stayed pending this decision. In view of the Court's holding, the REDSKINS marks should no longer be deemed disparaging. Furthermore, other sports franchises that may have been concerned about the fate of their marks (e.g., the Cleveland Indians, Atlanta Braves, Kansas City Chiefs) should have less concern about the validity of their registrations.

The holding should also extend to trademarks deemed "immoral" or "scandalous" under Section 2(a). Accordingly, owners of marks considered "scandalous" or "disparaging" may want to consider filing applications for registration. Trademark owners should be on alert for the influx of applications to register "immoral" and "scandalous" marks that is likely to follow.

THREE KEY TAKEAWAYS

1. Trademarks cannot be denied federal registration on the grounds that they are "disparaging."
2. The application to register THE SLANTS, as well as other suspended applications for "disparaging" and "scandalous" marks, will likely proceed to publication.
3. Sports franchises that may have been concerned about the fate of their marks (e.g., the Cleveland Indians, Atlanta Braves, Kansas City Chiefs) should have less concern about the validity of their registrations.

CONTACTS



Meredith M. Wilkes
Cleveland



John G. Froemming
Washington



Anna E. Raimer
Houston



Lauren Refinetti Timmons
Dallas

YOU MIGHT BE INTERESTED IN: [Go To All Recommendations >>](#)

Are Inter-Partes-Review Proceedings Constitutional?	The District of Delaware Announces New Procedures for Assigning Civil Cases	Supreme Court Grants Certiorari in SAS Institute to Review Board's Partial Decision
PTAB Litigation Blog		Practice, PTAB Litigation Blog

SUBSCRIBE

SUBSCRIBE TO RSS



Jones Day is a legal institution with more than 2,500 lawyers on five continents. We are One Firm WorldwideSM.

Disclaimer: Jones Day publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our "Contact Us" form, which can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm.