

## Matal v. Tam – Disparaging Trademarks are Registrable

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It is well known that the trademark laws of the United States differ substantially from the trademark laws of countries around the world. The United States Supreme Court recently clarified that ‘offensive’ trademarks are registrable, further differentiating the United States from the majority the world.

### *Morality Refusals*

Many jurisdictions have prohibitions against registration of marks that are considered offensive, immoral, or contrary to the public order. Council Regulation (EC) No. 207/2009, Article 7(1)(f) provides an absolute ground for refusal of “trade marks which are contrary to public policy or to accepted principles of morality.” While the specific laws regarding morality of individual member states are not necessarily binding on EUIPO (formerly OHIM), they can be persuasive evidence of how a mark would be received by the public.

Similarly, Section 9(1)(j) of the Canada Trade-marks Act (R.S.C. 1985, c. T-13) prohibits the registration of “any scandalous, obscene or immoral word or device.” Brazil, India, Taiwan, and many other jurisdictions enforce similar clauses.<sup>[1]</sup>

The United States has a similar prohibition. 15 U.S.C. § 1052(a) prohibits the registration of any mark that “consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute...” On June 19, 2017, the Supreme Court determined that the ‘Disparagement Clause’ of Section 1052 was unconstitutional.

## ***Tam and ‘The Slants’***

Simon Tam is the lead singer of the rock group ‘The Slants.’ ‘Slants’ is considered a derogatory term for Asians or persons of Asian heritage in the United States. Tam named his band ‘The Slants’ to ‘reclaim’ the term and deprive it of its denigrating meaning. Tam sought registration of the standard-character mark THE SLANTS on the Principal Register at the United States Patent and Trademark Office. The USPTO refused registration under the Disparagement Clause. Tam appealed at the USPTO; the decision was affirmed.

Tam took his fight to the federal courts. The US Court of Appeals for the Federal Circuit ultimately determined that the Disparagement Clause was facially unconstitutional under the Free Speech Clause of the First Amendment. The government appealed and the Supreme Court, in a series of opinions, but with all justices (except Justice Gorsuch, who did not consider the case) agreeing in the outcome, concluded that the Disparagement Clause was unconstitutional.

## ***Improper Restriction on Free Speech***

The Court first determined that federal registration of trademarks “confers important legal rights and benefits on trademark owners.” Next, the Court determined that “the Disparagement Clause applies to marks that disparage members of a racial or ethnic group” and proceeded to determine whether the Disparagement Clause violates the Free Speech Clause. The government advanced three arguments that the Disparagement Clause is constitutional: (1) trademarks are government speech, not private speech; (2) trademarks are a form of government subsidy; and (3) it should be tested under a new ‘government-program’ doctrine. The Court rejected all three.

First, the Court cautioned that “[i]f 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...we must exercise great caution before extending our government-speech precedents.” Differentiating *Tam* from government speech jurisprudence, and noting that “registration does not constitute approval of a mark,” the Court determined that trademark registration does not constitute government speech. The Court reasoned that marks are required to be registered unless an exception applies and that numerous marks are registered that express viewpoints contradictory to other registered marks. “If the federal registration of a trademark makes the mark government speech, the Federal Government is babbling prodigiously and incoherently...what does the Government have in mind when it advises to “make.believe” (Sony), ‘Think different’ (Apple), ‘Just do it’ (Nike), or ‘Have it your way’ (Burger King)?” “Trademarks are private, not government, speech.”

Next, the Court addressed the ‘government subsidy’ theory. The Court quickly differentiated government subsidy jurisprudence: “[t]he federal registration of a trademark is nothing like the

programs at issue in [those] cases. The PTO does not pay money to parties seeking registration of a mark.”

Finally, the Court addressed the novel ‘government-program’ theory, noting it “simply merges our government-speech cases and the...subsidy cases in an attempt to construct a broader doctrine that can be applied to the registration of trademarks.” The Court determined that the Disparagement Clause engages in viewpoint discrimination by determining what a substantial percentage of the members of any group would deem ‘offensive’ and noting that “[g]iving offense is a viewpoint.”

Having rejected the government’s arguments, and finding that the Disparagement Clause failed to meet the requirements of both strict- and relaxed-scrutiny, the Court affirmed the Federal Circuit’s decision that the Disparagement Clause is unconstitutional.

## ***Football and the Future***

The Court was clear that its decision applies only to the Disparagement Clause; the “immoral, deceptive, or scandalous” portion of Section 1052 remains constitutional, for now. The term “immoral” remains in United States trademark law, but, given *Tam*, it is substantially narrowed when compared to other jurisdictions as it cannot apply to any persons or groups of peoples (such as cultures) and is therefore limited to things other than persons (such as activities or beliefs).

The decision also ended the long-running litigation over the Washington Redskins trademark. For over 25 years, various groups have attacked the Washington Redskins trademark, while the team’s owner has vowed he would “NEVER” change the name. In 2014, the USPTO agreed with Amanda Blackhorse, an enrolled member of the Navajo Nation, a federally recognized Indian tribe, and scheduled the Redskins’ marks for cancellation. The team appealed the decision; that appeal was pending when *Tam* was decided. With *Tam* resolved, Ms. Blackhorse and the government have stated they will stop prosecuting their case; the Redskins marks will remain registered at the USPTO.

It is unclear whether registration denials based on ‘immoral’ or ‘scandalous’ will withstand scrutiny by the courts. Given the decision in *Tam* it seems likely that some marks rejected on ‘immoral’ or ‘scandalous’ grounds would have viable claims under the Free Speech Clause. After all, if “[g]iving offense is a viewpoint,” determining what is immoral or scandalous would likewise be a viewpoint subject to viewpoint discrimination.

*Tam* has shifted United States trademark law further away from the global norm. While the story is not over yet, it seems likely that the trademark laws of the United States will continue to diverge from the rest of the world by significantly weakening, or eliminating, the scope of marks prohibited from registration because they are immoral or offensive.

[1] For a brief history of morals clauses in national trademark laws and treaties, see Manning, Colin, Moral Bars on Trade Mark Registration (September 30, 2016)(available at SSRN: <https://ssrn.com/abstract=2875687> or <http://dx.doi.org/10.2139/ssrn.2875687>).

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