

SCOTUS Reshapes Lanham Act: The Slants, the Washington Redskins and Those Seeking to Register Subjectively Offensive Trademarks Celebrate

Legal Alert

June 20, 2017

This week, the U.S. Supreme Court, in one decision, both struck a blow for civil liberties and free speech and opened the floodgates to the registration of subjectively offensive trademarks. Just ask the rock band “The Slants”, who prevailed in the case decided by the United States Supreme Court, and the NFL’s Washington Redskins’ defiant owner and dedicated fans, who will now see their marks registered, despite meanings that are offensive to large groups of Americans, in the name of free private or commercial speech.

On June 19, 2017, SCOTUS addressed the constitutionality of a the “disparagement clause” of the Lanham Act, a/k/a the Trademark Act, a federal statute, dating back to 1946, that governs, among other things, trademarks registered in the United States. The “disparagement clause” was intended to prevent the registration of trademarks that disparage, denigrate or derogate. However, SCOTUS has now found the Lanham Act’s “disparagement clause” to be unconstitutional, changing how the United States Patent and Trademark Office (“USPTO”) may examine trademark applications. *Matal, Interim Director, United States Patent and Trademark Office v. Tam*, 582 U.S. ____ (2017). In particular, the USPTO examiner may no longer prohibit the registration of a trademark “which may disparage...persons, living or dead, institutions, beliefs, or national symbols or bring them into contempt, or disrepute.” 15 U.S.C. Section 1052(a).

The case before SCOTUS in *Tam* involved the rock group The Slants’ attempt to register its name “The Slants” with the USPTO. The USPTO examiner followed the two-pronged test established for determining whether the mark violated the disparagement provisions of the Lanham Act. First, the examiner considered whether the “likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the elements in the mark, the nature of the goods or services, and the manner in which the mark is used in the marketplace in connection with the goods and services.” The examiner next considered whether that “meaning may be may be disparaging to a substantial composite of the referenced group.” Trademark Manual of Examining Procedure Section 1203.03(b)(i) (Apr.2017), p. 1200-150. In the case at bar, the USPTO examiner, following this analysis, found the sought mark to be disparaging, as well as rejected the applicant’s assertion that the mark not only did not disparage, but conversely was carefully chosen as a statement to “reclaim the term and drain its denigrating force as a derogatory for Asian persons.”

Following the exhaustion of the administrative appeals process, the matter was heard by an en banc Federal Circuit, which reversed the USPTO determination, finding the Lanham Act’s disparagement clause to violate the First Amendment of the U.S. Constitution. The Supreme Court affirmed the Federal Circuit, finding the disparagement clause to be an unconstitutional violation of free speech and stating:

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We have 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.” *Street v. New York*, 394 U.S. 576, 592 (1969). See also *Texas v. Johnson*, 491 U.S. 397, 414 (1989) (“If there is a bedrock principle underlying the First Amendment, it is that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable”). *Ibid* at 23.

The government attempted to rebut the First Amendment issue by asserting that, because the government affords a registration for the mark, there is a valid interest in regulating disparaging trademarks as government speech. The Court rejected the “government speech” argument outright, stating 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.” *Ibid* at 14. Interestingly, the Court also cited the USPTO’s own prior position that “[I]ssuance of a trademark registration...is not a government imprimatur.” *In re Old Glory Condom Corp.*, 26 USPQ 2d 1216, 1220 n. 3 (TTAB 1993).

How does this impact a prospective trademark registrant? Simply, the examiner must now ignore whether the mark is disparaging and evaluate the mark solely from a viewpoint neutral position. To see the practical impact of this, one need only look to the controversial mark “Redskins”. In June 2014, the USPTO cancelled the registration of the NFL’s Washington Redskins, determining that the “Redskins” mark was disparaging to Native Americans. However, this week’s ruling, barring application of the disparagement clause, would seem to open the door for the Washington Redskins to apply to register the “Redskins” mark anew, as well for others to seek registration of future marks that may well be disparaging to other persons, institutions, beliefs or national symbols.

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