Portland Rockers Score a Winning Touchdown for the Redskins in Supreme Court Trademark Dispute

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On Monday, the Supreme Court issued its decision in *Matal v. Tam*,[1] a high-profile dispute implicating NFL football, Portland dance-rock, and the Lanham Act's disparagement clause. In its eagerly anticipated decision, the Court, voting 8-0, struck down the Lanham Act's prohibition on disparaging trademarks as facially unconstitutional under the First Amendment. The ruling is being hailed as a significant victory for Simon Tam and his band, the Washington Redskins organization (whose trademark registrations had been canceled pursuant to the now-unconstitutional clause), and free-speech advocates everywhere.

The dispute centered on Tam and his band, The Slants. The term "*slant*" is considered a racial epithet for people of Asian descent, but Tam and his bandmates—all of whom are Asian-American—claimed to adopt the moniker in an effort to lessen the derogatory connotation of the word by "reclaiming" it. Tam sought federal trademark registration for THE SLANTS. Due to the term's use as a slur, the Examining Attorney refused the application under Section 2(a) of the Lanham Act, which prohibits registration of disparaging, immoral, and scandalous marks. Both the Trademark Trial and Appeal Board (TTAB) and the Federal Circuit affirmed the refusal to register, but an *en banc* panel of the Federal Circuit reversed, holding that the prohibition against the registration of disparaging trademarks was, in fact, an unconstitutional restriction on speech.

In an opinion by Justice Alito, the Supreme Court affirmed the Federal Circuit's *en banc* decision, finding that "trademarks are private, not government speech," and holding that Section 2(a)'s viewpoint-based regulation of speech did not pass constitutional muster. The Court rejected the attempt by the U.S. Patent and Trademark Office (USPTO) to characterize trademark registration as government speech. Unlike the specialty license plates at issue in *Walker v. Sons of Confederate Veterans,* the Court determined that trademark registration does not convey a Government message or carry with it an association "in the public mind" with the State.[2] "If the federal registration of a trademark makes the marks government speech," the opinion quipped, "the Federal Government is babbling prodigiously and incoherently."[3]

Throughout the opinion, the Court expressed serious concerns about the potential for misuse of an over-expansive concept of 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."[4] The Court pointed out that the USPTO's interpretation of government speech might turn copyright law on its head, asking "[i]f federal registration makes a trademark government speech and thus eliminates all First Amendment protection, would the registration of a copyright for a book produce a similar transformation?"[5]

The Court similarly rejected the PTO's arguments based on "government-subsidy" and "government-program" cases. It distinguished trademark registration from government-subsidy cases since all of the government-subsidy cases relied upon by the PTO involved cash subsidies or their equivalent, whereas the federal registration of a trademark clearly does not. As for the line of

"government-program" cases, in which the government confers a substantial "non-cash benefit for the purpose of furthering activities that they particularly desired to promote" without providing a similar benefit for other activities,[6] the Court found that such cases "occupy a special area of First Amendment case law, and they are far removed from the registration of trademarks."

The Court then determined that the restriction on speech was viewpoint-based. Conceding that the disparagement clause "applies equally to marks that damn Democrats and Republicans, capitalists and socialists, and those arrayed on both sides of every possible issue," the Court nonetheless found that the prohibition constitutes viewpoint discrimination, in that "[g]iving offense is a viewpoint."[8] Having determined that trademark registration constitutes private speech, and that the disparagement clause was a viewpoint-based regulation on that speech, the Court struck down the Lanham Act's disparagement clause as facially unconstitutional.[9]

Of course, Tam's case is the lesser-known of two high-profile cases involving the Lanham Act's disparagement clause, the other being the cancellation proceedings surrounding the Washington Redskins' registered trademarks. Several of the Redskins' trademark registrations were canceled as disparaging. The Redskins filed an amicus brief in support of the Slants, and its parallel proceedings before the Fourth Circuit were postponed pending the decision in *Tam*. Now, the Fourth Circuit will presumably overturn the prior rulings and reinstate the team's trademarks.[7]

The broader impact of this decision remains to be seen. Elimination of the disparagement clause would arguably bring trademark law closer in line with patent and copyright registration regimes, neither of which imposes eligibility requirements based on the content or social desirability of a particular piece of intellectual property. It remains unclear, however, what impact the Court's disparagement ruling will have on the related Section 2(a) bars on registration of "immoral" or "scandalous" marks, which were not at issue in *Tam* and not specifically addressed. Given that trademarks are registered to enhance the market for one's goods and services, market pressure will likely continue to prevent disparaging, immoral, or scandalous trademarks from flooding the marketplace; if anything, the gatekeeping burden will simply shift from USPTO Examining Attorneys to consumers.

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[1] 582 U.S. ___ (2017) (slip op.). The case was previously captioned *Lee v. Tam*, but was updated to reflect the replacement of PTO Director Michelle Lee with Interim Director Joseph Matal.

[2] Slip op. at 16-17.

[3] Slip op. at 14-15.

[4] Slip op. at 14.

[5] Slip op. at 18.

[6] Slip op. at 21-22.

[7] Slip op. at 20.

[8] Slip op. at 22.

[9] In fact, the Court declined to decide whether trademarks are subject to the "relaxed scrutiny" of a *Central Hudson* analysis, since the disparagement clause would not be able to withstand even that. Furthermore, although it served as the basis for Judge O'Malley's concurrence during the *en banc* proceedings, the Court also conspicuously failed to address Tam's argument that the disparagement clause was void for vagueness, effectively leaving registrants at the mercy of individual examiners.