

# CAN TRADEMARK LAWS DICTATE WHAT IS DISPARAGING?

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Can federal trademark law prohibit registration of trademarks that are disparaging? Currently, yes. But how do you determine what is disparaging? And wouldn't such a prohibition violate our First Amendment right to free speech? Possibly.

Under section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), the U.S. Patent and Trademark Office (USPTO) can refuse a trademark registration that “comprises immoral, deceptive, or scandalous matter; or matter which may disparage.” The USPTO has applied this disparagement clause to refuse registrations such as HAVE YOU HEARD THAT SATAN IS A REPUBLICAN?, DEMOCRATS SHOULDN'T BREED, and THE CHRISTIAN PROSTITUTE.

But is a term still disparaging if the intended target is the one seeking to register the disparaging mark? Consider *Lee v. Tam*. That case involves an all-Asian rock band's request for federal

trademark registration of the trademark THE SLANTS. This has been a subject of heated controversy. The USPTO believes the mark should not be registered because it is disparaging, while the U.S. Court of Appeals for the Federal Circuit believes the disparagement clause is altogether unconstitutional. Even groups that are often aligned, such as the National Asian Pacific American Bar Association and the American Civil Liberties Union disagree on this issue.

In the 70 years of its existence, section 2(a) has never been reviewed by the higher court. Now, for the first time, the Supreme Court will weigh in on the validity of the disparagement clause and whether it can be applied to prohibit disparaging marks like THE SLANTS.

Since at least World War II, “slants” has been used as a racial slur to refer to the eye shape of individuals of Asian descent. But a rock band in Portland, Oregon, seeks to change that. The band's founder

and leader, Simon Shiao Tam, says he started the all-Asian group and named it The Slants to “re-appropriate” the racial slur. He explains that “we want to take on these stereotypes that people have about us, like the slanted eye, and own them.” *In re Tam*, 808 F.3d 1321, 1332 (Fed. Cir. 2015) (en banc). From its humble beginnings at local dive bars 10 years ago, The Slants—who describe themselves as “Chinatown Dance Rock”—have risen to fame, now playing dance rock music all over the world. Check out The Slants' press release, New Music Video: Heartbeat Is Heaven (Sept. 29, 2016), <http://www.theslants.com/new-music-video-heartbeat-is-heaven/>. Although its fan base may be millennials in plaid shirts with tattoos, the band now has the rapt attention of prominent judges and lawyers around the nation who are attempting to reconcile this unusual intersection of the federal trademark law and the First Amendment and determine what can be deemed disparaging in this modern age.

## Journey Through the Legal Maze

The band's journey through the legal maze started in 2011 when Mr. Tam filed for what he thought was a routine federal trademark registration with the USPTO. While common law provides trademark protection without a federal registration, registering a trademark with the USPTO affords important protection and benefits. For instance, registration provides a nationwide constructive notice of the trademark ownership, as well as presumption of trademark validity and ownership, and the mark becomes incontestable in five years; registration also provides for enhanced monetary and equitable relief and recovery of attorney fees under certain circumstances.

When the USPTO refused Mr. Tam's trademark application on the grounds that the mark is disparaging to persons of Asian descent, Mr. Tam appealed to

the Trademark Trial and Appeal Board. The board affirmed the USPTO's decision, concluding that "[t]he fact that applicant has good intentions underlying his use of the term does not obviate the fact that a substantial composite of the referenced group find the term objectionable." *In re Tam*, 2013 TTAB LEXIS 485, at \*8.

Mr. Tam then appealed to the U.S. Court of Appeals for the Federal Circuit, arguing that the disparagement clause is contrary to the First Amendment and unconstitutionally vague. The Federal Circuit initially affirmed the Trademark Trial and Appeal Board's decision. In a surprising change of course in December 2015, however, the Federal Circuit, sitting en banc, vacated the board's decision and remanded it for further proceedings. *In re Tam*, 808 F.3d 1321. The majority on the Federal Circuit concluded that the disparagement clause is facially invalid under the Free Speech Clause of the

First Amendment. This is because, the court explained, it "penaliz[es] private speech merely because [the government] disapproves of the message it conveys." *Id.* at 1327. The Federal Circuit recognized that, while some trademarks "convey hurtful speech that harms members of oft-stigmatized communities," the First Amendment "protects even hurtful speech." *Id.* at 1328. It further noted that, under the government's logic, Congress could pass a law prohibiting the copyrighting of works containing racial slurs, religious insults, ethnic caricatures, and misogynistic images. *Id.* at 1351.

In response, the government filed a petition for a writ of certiorari, requesting that the Supreme Court decide the single issue of whether the disparagement clause violates the First Amendment. In an unusual move, Mr. Tam agreed that certiorari should be granted but expanded the questions presented as follows:

- Whether the disparagement clause is contrary to the First Amendment;
- Whether the disparagement clause is unconstitutionally vague under the First and Fifth Amendments; and
- Whether the disparagement clause bars the registration of THE SLANTS trademark.

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## Supreme Court

In September 2016, the Supreme Court granted certiorari. The first issue above will depend on whether the disparagement clause restricts speech and, if so, whether that speech is private or commercial. It is a bedrock principle of the First Amendment that the government may not restrict private speech because it disapproves of its message. Content-based and viewpoint-based burdens on private speech receive the Court's highest

level of scrutiny, and restrictions that prevent this type of speech are typically overturned. If the disparagement clause restricts only commercial speech, however, the Court would apply intermediate scrutiny.

Mr. Tam argues that the speech at issue is private and that the disparagement clause imposes a significant content-based and viewpoint-based burden on private speech. The government argues that the disparagement clause does not prohibit speech at all, nor does it proscribe any conduct or restrict the use of any trademark. After all, the USPTO argues, Mr. Tam has common-law trademark protection and may continue to use the trademark, albeit without federal trademark registration. According to the government, Mr. Tam simply did not meet the eligibility criteria for the federal trademark registration program; therefore, the government has a substantial interest in declining its benefit.

On the second issue, whether the disparagement clause is unconstitutionally vague, Mr. Tam argues that determining whether a mark is disparaging is highly subjective and that, as a result, the USPTO has produced a bewildering array of decisions granting or denying registrations seemingly at random. For instance, the USPTO has denied registration to HAVE YOU HEARD SATAN IS A REPUBLICAN but has allowed registration to THE DEVIL IS A DEMOCRAT. The USPTO has also allowed registration of marks that some may view as disparaging: YELLOWMAN, REDMAN, MAMMY JAMIA'S, UPPITY NEGRO, YOU CAN'T MAKE A HOUSEWIFE OUT OF A WHOLE, MURDER FOR HIRE. Indeed, the Federal Circuit found "no rationale for the USPTO's seemingly arbitrary registration decisions, let alone one that would give applicants much guidance." *In re Tam*, 808 F.3d at 1342 n.7. The government disagrees that the disparagement clause is vague. It argues that the USPTO uses an objective, established test

for disparagement, which is reflected in published administrative and judicial decisions. It also argues that the USPTO examiners are not permitted to apply their own subjective views; rather, they are directed to consider whether record evidence establishes that a substantial composite of the referenced group would find the mark disparaging.

The final issue above is whether THE SLANTS is disparaging, as used by the band. Mr. Tam argues that it is not because he uses the mark as a badge of pride for Asians. The government argues that a trademark registration is not dependent on the mark holder's intended use; therefore, regardless of Mr. Tam's intent, Mr. Tam's mark is disparaging to persons of Asian descent.

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## A decision that the disparagement clause is unconstitutional would have immediate and far-reaching effects.

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A Supreme Court decision that the disparagement clause is unconstitutional would have immediate and far-reaching effects. For one thing, the USPTO would no longer be able to refuse or cancel a trademark registration that it views as disparaging. This would mean any mark, no matter how offensive or disparaging, can receive federal trademark registration as long as it meets other eligibility requirements. This would also be a big win for similar cases waiting in the wings, such as *Blackhorse v. Pro Football, Inc.* That case arises from the USPTO's cancellation of the Redskins' trademarks and is pending before the U.S. Court of

Appeals for the Fourth Circuit. The team argued in its amicus brief in *In re Tam* that the disparagement clause is unconstitutional and vague because, among other things, a mark, although disparaging in the past, may not be so today. Pro Football, Inc., argued that the USPTO cancelled the Redskins marks not because they are disparaging to Native Americans today, but because they were decades ago when the marks were first registered.

As a matter of fact, when the disparagement clause took effect as part of the Lanham Act in 1946, our society was indeed very different. That was the year the film *It's a Wonderful Life* was released, Benjamin Spock's child care classic was published, and the baby boom generation began, with society fixated on stability after the war and forming nuclear family units. Personal opinions and beliefs were not top priority for most, and companies branded and marketed carefully to appeal to this conservative era. We now live in a diverse and multicultural society where personal views and ideas, however different or radical, are routinely expressed and instantly published via the Internet or social media without much forethought or consideration. Branding and marketing reflect this trend, with edgy and sensational terms and phrases often used to capture the attention of the targeted public regardless of whether they may offend others.

Given this backdrop, it will be interesting to see whether the Supreme Court will determine that this 70-year-old trademark law prohibiting registration of disparaging marks still makes sense today or whether it needs to be updated or jettisoned to keep pace with the ever-changing views of our modern society. ■