
MATAL V. TAM:

DISPARAGING TRADEMARKS, LIKE THE SLANTS, CAN BE REGISTERED TRADEMARKS

by CHRISTINA S. LOZA

Background

This case revolves around whether a trademark can be registered before the United States Patent and Trademark Office (USPTO) even though the mark is disparaging. The Lanham Act prohibits the registration of many kinds of marks, but in this case, preventing the registration of disparaging marks directly challenges the First Amendment's Free Speech Clause. During

way, it doesn't matter. I couldn't get that mark, even though I could get a mark saying that all politicians are virtuous, or that all Democrats are virtuous. . . . The point is that I can say good things about something, but I can't say bad things about something.¹

And so, as of June 19, 2017, in *Matal v. Tam*, the Supreme Court held 8-0 that you can say good and bad things in your registered trademark because

and/or services from those of another source. Trademark owners have rights in their marks as soon as they are used in commerce without any need, necessarily, for trademark registration before the USPTO. With that said, registering a trademark with the USPTO is a good idea for a number of reasons, including: (1) constructive notice of a claim of ownership, (2) evidence of validity, ownership, and exclusive rights, (3) incontestability after five years of

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oral arguments, Justice Kagan raised the free speech issue in the Lanham Act as:

[I]t precludes disparagement of Democrats and Republicans alike, and so forth and so on, but it makes a very important distinction, which is that you can say good things about some person or group, but you can't say bad things about some person or group. So, for example, let's say that I wanted a mark that expressed the idea that all politicians are corrupt, or just that Democrats are corrupt. Either

not being able to do so "offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend." 137 S. Ct. 1744, 1751 (2017).

Court Proceedings

In 2011, Simon Shiao Tam, a United States citizen and lead singer of a band named The Slants, filed for the mark THE SLANTS in connection with "entertainment in the nature of live performances by a musical band."²

Any trademark filed before the USPTO is a source identifier that distinguishes one source's goods

registration, and (4) ceasing importation of infringing articles into the United States.³

There are many reasons a trademark may not be registered before the USPTO. Most commonly, marks are refused for being descriptive of the goods, or confusingly similar to another mark already registered in connection with identical or related goods or services. At issue in *Tam*, the mark THE SLANTS was refused registration in 2012 based on a provision in the Lanham Act called "the disparagement clause."⁴ This provision prohibits the registration of a

...ta tendant ne none culpa
...erit ut cum as venis
...quis renders perantio cum
...accusatus verpernis sum id
...fiduciam atomenium ulat
...temp orerum volupta eum fa
...ore con re exae nos di repara
...assuanti.

@ % & ©

trademark “which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”⁵

The USPTO applies a two-part test when determining whether a proposed mark is disparaging:

(1) What is the likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the other 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 or services; and

(2) If that meaning is found to refer to identifiable persons, institutions, beliefs or national symbols, whether that meaning may be disparaging to a substantial composite of the referenced group.⁶

The USPTO must make a “prima facie showing that a substantial composite, . . . of the referenced group would find the proposed mark . . . to be disparaging in the context of contemporary attitudes.”⁷ Moreover, though the trademark “applicant may be a member of that group or has good intentions underlying its use of a term does not obviate the fact that a substantial composite of the referenced group would find the term objectionable.”⁸ In this case, *Tam* argues that he chose the moniker “The Slants” to “reclaim” and “take ownership” of stereotypes about people of Asian ethnicity and that the band “draws inspiration for its lyrics from childhood slurs and mocking nursery rhymes.”⁹

Tam attempted to overcome the refusal before the USPTO and appealed to the Trademark Trial and Appeal Board (TTAB) without any success. Eventually, the case ended up before the Federal Circuit, which found the disparagement clause unconstitutional under the First

Amendment’s Free Speech Clause.¹⁰ In an opinion by Justice Alito, the judgment of the Federal Circuit was affirmed by the Supreme Court.¹¹

In *Tam*, the government argued that, by granting registration of marks after an examination process before the USPTO, trademarks essentially become government speech. This is summarily rejected as “far-fetched” by the Court, stating that:

[i]f the federal registration of a trademark makes the mark government speech, the federal government is babbling prodigiously and incoherently . . . saying many unseemly things . . . expressing contradictory views . . . unashamedly endorsing a vast array of commercial products And it is providing Delphic advice to the consuming public.¹²

Thus, “[t]rademarks are private, not government, speech.”¹³

The government then argued, without success, that trademarks are government subsidized speech or that a “new doctrine” should apply to “government programs” like the trademark registration process.¹⁴ The Court held that even though “some content- and speaker-based restrictions may be allowed,” “viewpoint discrimination,” as in the disparagement clause, is “forbidden.”¹⁵ Specifically, “the clause evenhandedly prohibits disparagement of all groups It denies registration to any mark that is offensive to a substantial percentage of the members of any group. But in the sense relevant here, that is viewpoint discrimination: Giving offense is a viewpoint.”¹⁶

Justice Alito further rejects the concept that trademarks are commercial speech and as such, should be subject to “relaxed scrutiny” as set forth in *Central Hudson*.¹⁷ *Central Hudson* stands for the proposition that restriction of speech must serve a “substantial interest” and be “narrowly drawn.”¹⁸ Accordingly, regula-

tions may only extend “as far as the interest it serves.”¹⁹ Here, the interests served by the disparagement clause essentially are that the government wants to (1) prevent offensive speech, and (2) allow for an orderly flow of commerce. But, “hateful speech” is the “proudest boast of our free speech jurisprudence.”²⁰ Hence, the Court stated that this clause is just too broad, reaching any person, group, or institution, alive or dead; “[i]t is not an anti-discrimination clause; it is a happy-talk clause.”²¹

Far be it for lawyers to engage only in happy talk. Accordingly, to avoid the endangerment of free speech, the Court held that the disparagement clause violated the Free Speech Clause of the First Amendment.

Implications

As a trademark attorney, a positive side of this opinion was the removal of an uncertainty that always lingered as disparaging marks showed up in my practice. Years ago, a client had used and had a mark registered for years, accidentally allowing the mark’s registration to lapse. The first USPTO attorney who examined and registered did not issue a disparagement refusal, presumably, like myself, not knowing that the mark was an epithet. So, when I was retained to refile the mark, there was no indication that the client would receive a rejection under the disparagement clause. This time, the examining attorney at the USPTO did know that this happened to be a racial slur, and the mark was rejected. Sure, the client could continue using it, but it was considered disparaging and, as such, would not be endorsed by the USPTO.

This exact sentiment is buried in Footnote 5 of the Opinion: “whether a mark is disparaging is highly subjective and, thus, general rules are difficult to postulate.”²² Google, of course, helps as we check out various

sources to see if a word could be disparaging or not. But, what if Google does not know or has conflicting opinions? This case certainly takes care of that uncertainty as it relates to the disparagement clause.

There is, of course, a concern that the floodgates have been opened. Will every hateful person file marks and begin filling our Trademark Register with racial slurs? There is certainly a chance. While I hate to defend the hateful, it is likely that those people bold enough to file marks that shock your conscience based on hate and discrimination were likely already doing so and not retaining counsel. There are also other rejections that can continue to be applied against these marks: are they confusingly similar to another mark? Or, for example, the mark NI---R PLEASE (Serial No. 87/495,357) was filed on June 19, 2017 (the date the *Tam* opinion was issued) in connection with shirts. If this mark just ends up used on the front of a t-shirt, this would trigger a “merely ornamental” rejection.

Finally, and this is a big one, “the disparagement clause” was only one part Section 2(a) of the Lanham Act. Marks that are “immoral, deceptive, or scandalous” can also be refused registration under Section 2(a) and have been suspended all this time in light of *Tam*.²³

Right now, *In re Brunetti* has been pending before the Federal Circuit for violating the scandalousness provision under Section 2(a). As of June 26, 2017, the “Federal Circuit has ordered the parties to submit supplemental briefing in *Brunetti* explaining how the constitutionality of the scandalousness provision should be resolved in light of the Supreme Court’s decision in *Tam*.”²⁴ Brunetti filed for the mark FUCT in connection with apparel. The USPTO and TTAB both refused the mark indicating it was “vulgar, profane, and

scandalous slang.”²⁵ This harkens back to Footnote 5—is this a subjective standard?

Much like any good intellectual property law professor, waiting anxiously for the *Tam* decision, this exact issue showed up on my final exam. Except I had my students respond to the refusal of the pending mark GRAB HER BY THE P--SY (Serial No. 87/338,492) currently in suspension in light of *Tam* and *Brunetti*. Who decides if *this* mark is “vulgar, profane, and scandalous?” It will be interesting to see how *Brunetti* will be resolved in light of *Tam*. Would preventing marks like FUCT and GRAB HER BY THE P--SY endanger free speech?

Again, per *Tam*, we cannot just register “happy talk.” So, maybe now “locker room talk” cannot be “banned on the ground that it expresses ideas that offend.” Time will tell.

ENDNOTES

(1) Transcript of Oral Argument at 12, *Matal v. Tam*, 137 S. Ct. 1744 (2017) (No. 15-1293).

(2) *In re Tam*, 808 F.3d 1321, 1331 (Fed. Cir. 2015).

(3) See *B&B Hardware, Inc. v. Hargis Indus.*, 135 S. Ct. 1293, 1300 (2015); *Wal-Mart Stores, v. Samara Bros.*, 529 U.S. 205, 209 (2000); 15 U.S.C. §§ 1065, 1115(b), 1124 (2017).

(4) 15 U.S.C. § 1052(a) (2017).

(5) *Id.*

(6) 15 U.S.C. § 1203.03(b)(i) TMEP (20th ed. Apr. 2017)

(7) *Id.*

(8) *Id.*; *Matal*, 137 S. Ct. at 1754.

(9) *In re Tam*, 808 F.3d at 1331; *Matal*, 137 S. Ct. at 1754.

(10) *In re Tam*, 808 F.3d at 1334-37.

(11) *Matal*, 137 S. Ct. at 1744.

(12) *Id.* at 1758.

(13) *Id.* at 1760.

(14) *Id.* at 1761.

(15) *Id.* at 1763.

(16) *Id.*

(17) *Id.*

(18) *Id.* at 1764.

(19) *Id.*

(20) *Id.*

(21) *Id.* at 1765.

(22) *Id.* at 1756 n.5.

(23) USPTO, Exam Guide No. 01-16 Examination for Compliance with Section 2(a)’s Scandalousness and Disparagement Provisions While Constitutionality Remains in Question (2016).

(24) USPTO, Examination Guide No. 01-17 Examination Guidance for Section 2(a)’s Disparagement Provision after *Matal v. Tam* and Examination for Compliance with Section 2(a)’s Scandalousness Provision While Constitutionality Remains in Question (2017).

(25) *In re Brunetti*, No. 85310960, 2014 WL 3976439, 1 (T.T.A.B. Aug. 1, 2014), *appeal docketed*, No. 15-1109 (Fed. Cir. docketed Oct. 28, 2014).



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