

Intellectual Property Insights

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Freedom of Speech Protects “Disparaging” Marks, Federal Circuit Holds

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In a recent landmark ruling, the Federal Circuit, sitting *en banc*, held that Section 2(a) of the Lanham Act’s ban on “disparaging” marks violates the First Amendment.[1] Section 2(a) provides that no trademark shall be refused registration “unless it consists of or comprises . . . matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols[.]”[2] The majority found that the government’s prohibition of registration of disparaging marks “amounts to viewpoint discrimination, and under the strict scrutiny review, . . . is unconstitutional.”[3] It further concluded that such prohibition is unconstitutional even under the intermediate scrutiny review because the government offered no legitimate interests to justify such prohibition.[4]

In 2011, a member of the Asian American dance rock band The Slants applied for a registration of the mark THE SLANTS. The examiner denied the application under Section 2(a) because the mark is likely to disparage persons of Asian descent. The Board affirmed. On appeal, the member challenged the constitutionality of Section 2(a). Judge Moore, writing for the panel, reluctantly affirmed the Board decision based on the precedent set in *In re McGinley* because “the PTO’s refusal to register appellant’s mark does not affect his right to use it.”[5] However, Judge Moore offered some substantial “additional views” where she urged the full court to overrule *In re McGinley* in light of the subsequent developments in the law.[6] Within one week, the court, *sua sponte*, voted for *en banc* review.[7]

Judge Moore, writing this time for the majority of the *en banc* panel, found that Section 2(a) is a content-based regulation because “it applies to particular speech because of the topic discussed.” [8] Furthermore, instead of regulating the commercial function of the mark, Section 2(a) “targets viewpoints in the marketplace” because registration is denied due to the messages the marks convey, and therefore is “even more suspect.”[9] The majority also found that because “the federal trademark registration bestows truly significant and financially valuable benefits up markholders[,]” Section 2(a) “creates a strong disincentive to choose a “disparaging” mark” and effectively chills speech.[10] Next, the majority rejected the government’s arguments that trademark registration is government speech that would be insulated from First Amendment review or is a form of government subsidy that is exempt from strict scrutiny.[11] After concluding that Section 2(a) regulates expressive speech, the court found it is unconstitutional under either the strict scrutiny test or the intermediate scrutiny test.[12]

This ruling is significant because an identical issue is currently pending before the Fourth Circuit where the owner for the well-known REDSKINS mark challenges the constitutionality of Section 2(a). In that case, the PTO cancelled the REDSKINS mark as disparaging to Native Americans.[13] A district court affirmed the cancellation and the mark owner appealed.[14] If the Fourth Circuit follows the Federal Circuit, the REDSKINS registration will be revived. Meanwhile, the government is contemplating an appeal of the Federal Circuit’s decision to the Supreme Court. A review by the Supreme Court is even more likely if the Fourth Circuit disagrees with the Federal Circuit.

If the Federal Circuit decision stands, it calls into question other provisions of Section 2(a), which bars registration of marks that are “immoral” or “scandalous[.]”[15] Under the analysis of the *en banc* decision, such prohibition is likely unconstitutional because it also regulates expressive speech based on its content.[16]

[1] *In re Tam*, 808 F.3d 1321, 1328 (Fed. Cir. 2015), as corrected (Feb. 11, 2016).

[2] 15 U.S.C. 1052.

[3] *In re Tam*, 808 F.3d at 1328.

[4] *Id.*

[5] *In re Tam*, 785 F.3d 567, 572 (Fed. Cir.) reh’g en banc granted, opinion vacated, 600 F. App’x 775 (Fed. Cir. 2015) and on reh’g en banc, 808 F.3d 1321 (Fed. Cir. 2015), as corrected (Feb. 11, 2016)(quoting *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981) abrogated by *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015)).

[6] *In re Tam*, 785 F.3d at 585.

[7] *In re Tam*, 600 F. App’x 775 (Fed. Cir. 2015).

[8] *In re Tam*, 808 F.3d at 1335.

[9] *Id.* at 1334-39.

[10] *Id.* at 1340-42.

[11] *Id.* at 1345-55.

[12] *Id.* at 1355-56.

[13] *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 447-48 (E.D. Va. 2015).

[14] *Id.*; *Pro-Football, Inc. v. Blackhorse*, Case No. 15-1874 (4th Cir.).

[15] The majority described Section 2(a) as “a hodgepodge of restrictions.” *In re Tam*, 808 F.3d at 1329.

[16] *Id.* (“But other restrictions in § 2(a) differ in that they are based on the expressive nature of the content, such as the ban on marks that may disparage persons or are scandalous or immoral. These latter restrictions cannot be justified on the basis that they further the Lanham Act’s purpose in preventing consumers from being deceived. These exclusions from registration do not rest on any judgment that the mark is deceptive or likely to cause consumer confusion, nor do they protect the markholder’s investment in his mark. They deny the protections of registration for reasons quite separate from any ability of the mark to serve the consumer and investment interests underlying trademark protection.”)