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SCOTUS Protects Offensive Trademarks Pursuant to First Amendment

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On June 19, the United States Supreme Court provided a well-needed reminder of the scope and breadth of the freedom of speech granted by the First Amendment to the United States Constitution. The court struck down the provision of the Lanham Act, known as the "disparagement clause," which has governed trademark registration for the past 71 years. *Matal v. Tam*, 137 S.Ct. 1744 (2017); 15 U.S.C. §1052(a)(1946). The court championed the principles of the Free Speech Clause to the First Amendment holding that "[s]peech may not be banned on the ground that it expresses ideas that offend." *Matal*, 137 S.Ct. at 1751.

In the case, *Matal v. Tam*, a musical rock band attempted to register as a trademark its name, "The Slants," which was denied by the Patent and Trademark Office (PTO) under the Lanham Act for being disparaging to persons of Asian descent. The relevant provision of the disparagement clause of the Lanham Act, 15 U.S.C. 1052(a)(1946), states that:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal

register on account of its nature unless it— (a) Consists of ... *matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.* (Emphasis added.)

The band members of The Slants, who themselves are Asian Americans, conceded that the band's name has been considered a derogatory term for Asian persons but explained that they chose the name to "reclaim" the term and, specifically, to diminish the denigrating effect of it. *Matal*, 137 S.Ct. at 1751.

Initially, a panel of the United States Court of Appeals for the Federal Circuit affirmed the decision of the PTO; but on rehearing en banc, the Court of Appeals vacated and remanded, holding that the disparagement clause was facially unconstitutional under the First Amendment. *Id.*, at 1754, *citing In re Tam*, 808 F.3d 1321 (C.A. Fed. 2015) (en banc), *as corrected* (Feb. 11, 2016). The government filed a petition for certiorari, which the U.S. Supreme Court granted in order to determine whether the disparagement clause of the Lanham Act "is facially invalid under the Free Speech

Clause of the First Amendment." *Matal*, 137S.Ct. at 1755. Despite the government's offered rationale to support the disparagement clause, the Supreme Court affirmed the Federal Circuit Court's determination that the clause is unconstitutional. *Id.*, at 1765.

The court rejected the government's argument that trademarks are government speech and should be treated as an exception to the Free Speech Clause of the First Amendment. Though it recognized that "[t]he Free Speech Clause...does not regulate government speech," the court found no basis for extending that exception to include trademark content. *Id.*, citing [Pleasant Grove City v. Summum, 555 U.S. 460, 467 \(2009\)](#). The court noted that because trademarks have none of the characteristics of government speech, nor have trademarks traditionally been used to convey a government message, trademarks are *not* government speech, but private speech. Thus, it explained that trademarks are granted the protection of the First Amendment's Free Speech Clause, and accordingly, the government cannot discriminate based on its viewpoint. The court recognized that if the simple act of registering a trademark converted it to government speech, then other government registration functions (e.g., copyrights) may have a similar outcome; this would be a stifling prospect for the development and protection of intellectual property and a troubling extension of the government-speech exception.

The government also argued that the case should be subject to constitutional analysis in accordance with government subsidy cases where the court "has upheld the constitutionality of government programs that subsidized speech expressing a particular viewpoint." *Matal*, 137S.Ct. at

1760. The court explained that registration of a trademark was distinguishable from the cases relied upon by the government involving "cash subsidies or their equivalent" because the "PTO does not pay money to parties seeking registration of a mark... [, instead the] ... applicant for registration must pay the PTO a filing fee." *Id.*, at 1761. Further, the government's argument that trademark registration provides valuable "non-monetary benefits" was not sufficient to justify the disparagement clause as a government subsidy case, as numerous government services and registrations provide such benefits to their recipients.

The court also rejected the government-program argument that the government proffered to uphold the disparagement clause, finding no basis for the government's attempt to merge its previously rejected government-subsidy and government-speech arguments and construct a broader doctrine to be applied here to the registration of trademarks. The court stated that even when the government creates a limited public forum for private speech, and some content or speaker restrictions may be permitted, viewpoint discrimination (including offensive viewpoint) is nonetheless prohibited. Thus, "analyzing the disparagement clause as a type of government program in which some content and speaker-based restrictions are permitted" does nothing to "save" the clause because of its inherent potential for viewpoint discrimination. *Id.*, at 1763.

Finally, the court addressed whether trademarks are commercial speech and subject to the relaxed scrutiny outlined in *Central Hudson Gas & Elec. Corp. Comm'n of N.Y.*, 447 U.S. 557 (1980). "Under *Central Hudson*, a restriction of speech must serve 'a substantial interest,' and it must be

'narrowly drawn.'" *Id.*, at 1764, quoting *Central Hudson*, 447 U.S. at 564-65. In contrast to the government's argument that trademarks are commercial speech, Tam argued that because many trademarks contain an expressive element and go beyond simply identifying the maker of the goods, trademarks are not commercial speech. The court opined that it was not necessary to decide whether or not trademarks are commercial speech because it determined that the language of "the disparagement clause cannot withstand even *Central Hudson* review." *Id.*, at 1764. It held that the clause is "not 'narrowly drawn' to drive out trademarks that support invidious discrimination," also that it would reach "any person, group or institution," and, therefore the provision goes further than necessary to serve the government's asserted interest. *Id.*, at 1764, 1765.

In short, the court held that the disparagement clause was facially invalid by violating the Free Speech Clause of the First Amendment and struck it down. Citing itself in *Texas v. Johnson* and providing support from numerous prior Supreme Court decisions, it asserted, "[i]f 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." *Id.*, at 1763, quoting *Texas v. Johnson*, 491 U.S. 397, 414 (1989) (internal citations omitted). The decision will certainly affect the outcome of other First Amendment trademark challenges currently in dispute, as well as impact any persons in the future seeking to cancel trademarks they consider disparaging or offensive.

One such case involves a National Football League team's long-standing but controversial use of the name, the

Washington "Redskins," because that term has been considered derogatory and offensive to Native American persons. Under the Lanham Act's disparagement clause, both the PTO and the reviewing federal court found that the team's federal protection for several of the Redskins trademarks should be cancelled once all appeals were exhausted. *Pro-Football v. Blackhorse*, 112 F. Supp. 3d 439 (E.D. Va. 2015). A petition for writ of certiorari before judgment to the United States Court of Appeals for the Fourth Circuit was denied on Oct. 3, 2016. *Pro-Football v. Blackhorse*, 137 S.Ct. 44 (2016). Indeed, as a consequence of the *Matal v. Tam*, decision and the court's holding that the disparagement clause is unconstitutional, the Washington Redskins can now claim a collateral victory in their case and expect a reinstatement of their federal trademark protection.

Some with noble intentions will continue to argue that a broad interpretation of the Freedom of Speech Clause of the First Amendment should not apply when dealing with an offensive trademark, disparaging speech or a hurtful slur. Yet, the Supreme Court of the United States adopted the viewpoint of proponents of the more expansive view of the Free Speech Clause, which protects even offensive and/or disparaging speech. In citing *Street v. New York*, the court stated that the "public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers." *Matal*, 137 S.Ct. at 1763 quoting *Street v. New York*, 394 U.S. 576, 592 (1969) (internal citations omitted).

The opinion in *Matal v. Tam* is reminiscent of the famous quote: "I disapprove of what you say, but I will defend to the death your right to say it." S. G. Tallentyre (Evelyn

Beatrice Hall), *The Friends of Voltaire*, (1906). Justice Alito invokes a similar sentiment in *Matal* when he concludes that "[s]peech that demeans based on race, ethnicity, gender, religion, age, disability, or any other similar ground is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express 'the thought that we hate.'" *Matal*, 137 S.Ct. at 1764 quoting *United States v. Schwimmer*, 279 U.S. 664, 655 (1929). •

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