

# Supreme Court Rules That Law Prohibiting Offensive Trademarks Offends First Amendment

June 20, 2017

Copyright and Trademark Litigation

---

In a case that has drawn significant media attention for its potential effect on the Washington Redskins organization, the U.S. Supreme Court held on Monday, June 19, that the United States Patent and Trademark Office (“PTO”) cannot deny a trademark registration on the basis that the proposed mark may “disparage” “persons, living or dead, institutions, beliefs, or national symbols.” Instead, the Court held that the 70-year-old law prohibiting registration of such marks, 15 U.S.C. § 1052(a), “offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend.”

## The Case

The mark at issue in the case, The Slants, was not intended to offend—not exactly. Although the word “slants” is acknowledged to be a derogatory term for persons of Asian descent, Simon Tam and his rock band—the members of which are of Asian descent—intentionally selected it as their band name in an effort to “reclaim” and “take ownership” of the term and the negative stereotypes associated with it. Nevertheless, the PTO, citing 15 U.S.C. § 1052(a), denied the band’s application for a trademark registration because “there is . . . a substantial composite of persons who find the term in the applied-for mark offensive.”

In the opinion by Justice Alito, however, the Court emphasized that the substantial benefits of federal trademark registration cannot be denied to an individual or business because the proposed mark might be offensive.

Trademark registrations are valuable. They confer important legal rights and benefits on trademark owners who register their marks, including, for example, presumptions in litigation that make it easier to combat unlawful imitators and enforcement mechanisms that can help prevent counterfeit products from entering the country. In turn, trademark rights benefit both businesses and consumers by allowing for rapid identification of goods and services, fostering competition, and promoting the maintenance of high quality.

At the same time, trademarks are expressive. As the Court observed, “Companies spend huge amounts to create and publicize trademarks that convey a message. It is true that the necessary brevity of trademarks limits what they can say. But powerful messages can sometimes be conveyed in just a few words.”

Indeed, it was just two words—“The Slants”—that Mr. Tam argued would be necessary to convey his intended message of reclamation. And it was the denial of his right to protect this expression with a federal trademark registration that Mr. Tam argued violated the First Amendment’s prohibition against abridging the freedom of speech.

The PTO countered that the prohibition on disparaging marks was justified because, by entering the marks into its registers, the PTO would be engaging in a kind of government speech, which is not subject to the same First Amendment protections as private speech. The PTO also emphasized that the prohibition protects the potentially disparaged individuals and entities from demeaning messages.

Although the Court was split in the appropriate framework to apply to the case, all participating justices—Justice Gorsuch did not participate—rejected the PTO’s position.

The PTO, the Court observed, plays no role in creating or crafting the marks that it registers on behalf of private parties, and the public does not perceive federally registered marks as a form of government speech. To the contrary, the Court explained:

“If the federal registration of a trademark makes the mark government speech, the Federal Government is babbling prodigiously and incoherently. It is saying many unseemly things. It is expressing contradictory views. It is unashamedly endorsing a vast array of commercial products and services. And it is providing Delphic advice to the consuming public.”

The justices also agreed that the prohibition of 15 U.S.C. § 1052(a) against disparaging marks violated the First Amendment because it constituted a form of “viewpoint discrimination.” Although the law purported to prohibit offensive messages by anyone or about anyone, Justice Alito explained, “in the sense relevant here, that is viewpoint discrimination: Giving offense is a viewpoint.” Accordingly, by only allowing registration for marks that express “happy,” “positive,” or “benign” messages, the law unduly limited the marketplace for ideas and unduly restrained the difficult conversations that are often necessary to flesh out social norms and values—conversations such as whether a derogatory term like “slants” can be reclaimed and used as a tool for social justice.

### Next

The full effects of the Court’s decision on trademark law remain to be seen. Surely, the Washington Redskins organization—whose *amicus curiae* brief was cited multiple times in the Court’s primary and concurring opinions—will be celebrating, as the Court’s decision seems to mandate the same result in the organization’s separate case pending before the Fourth Circuit.

On a larger scale, though, the PTO may be quite busy in the short term. Not only will it need to resolve a number of cases that were suspended pending the outcome of this case, it will likely need to address many new registration applications for marks that were once deemed too disparaging to register.

Additionally, the Court’s decision does not specify whether other, related provisions of the federal trademark law, the Lanham Act, should be similarly invalidated. Beyond disparaging marks, 15 U.S.C. § 1052(a) also prohibits the registration of marks comprising “immoral, deceptive, or scandalous matter,” as well as marks that may “falsely suggest a connection with

persons, living or dead, institutions, beliefs, or national symbols.” On the one hand, the Court acknowledged that the prohibition on scandalous marks bears similar shortcomings to the prohibition on disparaging marks. On the other hand, Justice Kennedy emphasized in his concurring opinion that the Court’s decision does not address other provisions of the Lanham Act, such as those addressing limitations on confusing marks, misleading marks, or product labeling.

At the least, the Court’s opinion lays the groundwork for a number of new challenges before the PTO and courts throughout the country.

If you have any questions concerning the material discussed in this client alert, please contact the following members of our Antitrust/Competition practice:

<b><u>Simon Frankel</u></b>	+1 415 591 7052	<a href="mailto:sfrankel@cov.com">sfrankel@cov.com</a>
<b><u>Ronald Dove</u></b>	+1 202 662 5685	<a href="mailto:rdove@cov.com">rdove@cov.com</a>
<b><u>Kathleen Gallagher-Duff</u></b>	+1 202 662 5299	<a href="mailto:kgallagher-duff@cov.com">kgallagher-duff@cov.com</a>
<b><u>Marie Lavalleye</u></b>	+1 202 662 5439	<a href="mailto:mlavalleye@cov.com">mlavalleye@cov.com</a>
<b><u>Neil Roman</u></b>	+1 212 841 1221	<a href="mailto:nroman@cov.com">nroman@cov.com</a>

This information is not intended as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

Covington & Burling LLP, an international law firm, provides corporate, litigation and regulatory expertise to enable clients to achieve their goals. This communication is intended to bring relevant developments to our clients and other interested colleagues. Please send an email to [unsubscribe@cov.com](mailto:unsubscribe@cov.com) if you do not wish to receive future emails or electronic alerts.