



Intellectual Property Alert: *Tam* Trademark Victory May Provide Game Plan for Washington Redskins

By [R. Gregory Israelsen](#)

December 28, 2015 — Last week, the Federal Circuit held *en banc* that the disparagement provision of Section 2(a) of the Lanham Act is unconstitutional in violation of the First Amendment. Writing for the majority in *In Re Simon Shiao Tam* on December 22, Judge Moore explained, “The government cannot refuse to register disparaging marks because it disapproves of the expressive messages conveyed by the marks. It cannot refuse to register marks because it concludes that such marks will be disparaging to others.” After considering the provision under both strict scrutiny and intermediate scrutiny, the court concluded that, in either case, the disparagement provision fails to pass constitutional muster.

Background

Simon Tam is the founder and bassist for the dance rock band, “The Slants.” Tam started the band in 2006, and admits that “the band’s name is ‘derived from an ethnic slur for Asians.’” He said, “We want to take on these stereotypes that people have about us, like the slanted eyes, and own them. We’re very proud of being Asian—we’re not going to hide that fact.”

Tam submitted two trademark applications for THE SLANTS. The first application was in 2010, which the U.S. Patent and Trademark Office refused based on “the mark [being] disparaging to people of Asian descent under § 2(a).” Tam again applied in 2011, and the USPTO again refused Tam’s application under § 2(a). The examiner acknowledged that “even though Mr. Tam may have chosen the mark to ‘reappropriate the disparaging term,’ . . . a substantial composite of persons of Asian descent would find the term offensive.”

On appeal, the Trademark Trial and Appeal Board affirmed the examiner’s refusal to register the mark. Tam appealed the Board’s decision to the Federal Circuit, arguing that the Board erred in finding the mark disparaging, and that § 2(a) is unconstitutional.

A panel of the Federal Circuit affirmed the Board’s finding that the mark was disparaging. In addition, based on binding precedent from 1981, the panel upheld the constitutionality of Section 2(a). Judge Moore, who authored the panel decision, also wrote separately that the *en banc* court ought to reconsider the constitutionality of § 2(a). The Federal Circuit *sua sponte* vacated the panel opinion, and ordered rehearing of the case *en banc*. Oral arguments were held on October 2, 2015.

The Federal Circuit Opinion

On rehearing, the Federal Circuit held *en banc* that the disparagement provision of § 2(a) is unconstitutional. In doing so, the court reasoned that the provision would fail under both strict scrutiny and intermediate scrutiny. The court said, “every rejection under the disparagement provision is a message-based denial of otherwise-available legal rights,” and therefore “§ 2(a) is invalid on its face.” Removing the disparagement provision from the books avoids “case-by-case litigation over particular marks, based on speakers’ intent and government interests or other factors.”

As an initial matter, the court acknowledged that “[i]t is undisputed that [Section 2(a)] cannot survive strict scrutiny”; indeed, the government did not argue that point. The court further explained, “[s]trict scrutiny is used to review any governmental regulation that burdens private speech based on disapproval of the message conveyed.” Regulations that treat speech differently on the basis of its content or its viewpoint “raise the specter that the government may effectively drive certain ideas or viewpoints from the marketplace.” Because the disparagement provision of § 2(a) is neither content nor viewpoint neutral, strict scrutiny applies.

Instead of disputing whether Section 2(a) survives strict scrutiny, the government argued that trademarks are not subject to First Amendment protection, because they are not speech at all, they are government speech, or they are a government subsidy. The court rejected each of these arguments.

First, the government argued that § 2(a) does not implicate the First Amendment because even without a registered trademark, Tam is still free to speak as he will. The court likened the government’s argument to that advanced in *McGinley*, the precedent that bound the original Federal Circuit panel to consider *Tam*: “No conduct is proscribed, and no tangible form of expression is suppressed.” But First Amendment jurisprudence has developed significantly since 1981, when *McGinley* was decided. Indeed, the government’s argument does not acknowledge the full scope of the First Amendment’s protection. The court explained, “Lawmakers may no more silence unwanted speech by burdening its utterance than by censoring its content.” And “federal trademark registration bestows *truly* significant and financially valuable benefits upon markholders.” Therefore, because “[d]enial of these benefits creates a serious disincentive to adopt a mark which the government may deem offensive or disparaging, . . . § 2(a) has a chilling effect on speech,” which “violates the guarantees of the First Amendment.”

Second, the government argued that the First Amendment does not apply because “trademark registration and the accoutrements of registration—such as the registrant’s right to attach the ® symbol to the registered mark, the mark’s placement on the Principal Register, and the issuance of a certificate of registration—amount to government speech.” The court also rejected this argument, postulating, for example, that “copyright registration would likewise amount to government speech. . . . Thus, the government would be free, under this logic, to prohibit the copyright registration of any work deemed immoral, scandalous, or disparaging to others. This sort of censorship is not consistent with the First Amendment or government speech jurisprudence.”

Third, an issue that the judges discussed at length during oral argument—and again in the opinions—was whether trademark registration amounts to a government subsidy. Under the unconstitutional conditions doctrine, “even though a person has no ‘right’ to a valuable governmental benefit . . . there are some reasons upon which the government may not rely” to deny that benefit. This lies in tension with “Congress’s ability to direct government spending.” For example, “viewpoint-based funding decisions can be sustained in instances in which the government used private speakers to transmit specific information pertaining to its own program.” In the present case, the Federal Circuit distinguished Section 2(a)’s disparagement provision from the Supreme Court “subsidy cases” cited by the government, at least on the grounds that “the subsidy cases have all involved government funding or government property.” Trademark registration, by contrast, “does not implicate Congress’s power to spend or to control use of government property.” Furthermore, Section 2(a)’s disparagement provision “is completely untethered to the purposes of the federal trademark registration process.” Thus, the court concluded that “[i]t would be a radical extension of existing precedent to permit the government to rely on its power to subsidize to justify its viewpoint discrimination.”

In addition, the government argued that even if trademarks are speech, they are commercial speech, and therefore only subject to intermediate scrutiny. But the court also rejected this argument, explaining that even if some trademarks are merely commercial speech, “it does not follow . . . that all government regulation of trademarks is properly reviewed under the . . . intermediate scrutiny standard.” Moreover, even if Section 2(a) were considered under intermediate scrutiny, the court said, “§ 2(a) immediately fails.” The court explained, “[t]he entire interest of the government in § 2(a) depends on disapproval of the message.” In summary, “[a]ll of the government’s proffered interests boil down to permitting the government to burden speech it finds offensive. This is not a legitimate interest.” As the Supreme Court has said, “In public debate we must tolerate insulting, and even outrageous, speech in order to provide adequate breathing space to the freedoms protected by the First Amendment.”

The majority was clear that “nothing we say should be viewed as an endorsement of the mark at issue.” Recognizing “that invalidating [Section 2(a)] may lead to the wider registration of marks that offend vulnerable communities,” the court explained that “much the same can be (and has been) said of many decisions upholding First Amendment protection of speech that is hurtful or worse. . . . Even when speech inflicts ‘great pain,’ our Constitution protects it ‘to ensure that we do not stifle public debate.’”

Impact

For Tam and his band, the prospect of trademark registration looks promising. The Federal Circuit remanded the case to the Trademark Trial and Appeal Board for further proceedings, and assuming that THE SLANTS mark meets the other requirements for registration, the band’s name is likely to be granted trademark registration. Of course, the Federal Circuit’s holding is subject to appeal, and if the Supreme Court decides to grant certiorari in the case, Tam may have to wait a while longer—and prevail again—before the Patent and Trademark Office would allow his application.

Additionally, many have speculated that a victory for Tam would pave the way for reinstatement of the trademark for Washington's professional football team, the Redskins. Six REDSKINS trademarks were cancelled in 2014 by the Trademark Trial and Appeal Board, based on the Board's determination that the term disparages Native Americans. The Board's decision was upheld in July 2015 by the U.S. District Court for the Eastern District of Virginia, and is now on appeal at the Fourth Circuit in a case styled *Pro-Football, Inc. v. Amanda Blackhorse et al.* In response to the Federal Circuit's opinion in *Tam*, the appellee United States filed an unopposed motion in the Fourth Circuit, requesting an extension of time for the appellees to file their briefs. The court granted the extension of time; appellees' response briefs are now due February 4, 2016. The case has not yet been calendared for oral argument.

The Fourth Circuit is not bound by the Federal Circuit's holding in *Tam*. But portions of the *Tam* opinion seemed to be written with the Fourth Circuit in mind. For example, *Tam* cited multiple times from the brief of amicus curiae Pro-Football, Inc., which owns the REDSKINS trademarks. And the opinion further cited examples of cases where the Ninth Circuit, Fifth Circuit, and D.C. Circuit applied the unconstitutional conditions doctrine to protect speech under the First Amendment from government overreach. If, however, the Fourth Circuit in *Pro-Football, Inc.* reaches a different outcome than the Federal Circuit did in *Tam* (e.g., if the Fourth Circuit upholds the constitutionality of Section 2(a)'s disparagement provision), then the Supreme Court is likely to grant certiorari in at least one case to resolve the resulting circuit split.

The opinion in *Tam* is available [here](#).

To subscribe or unsubscribe to this Intellectual Property Advisory, please send a message to Chris Hummel at chummel@bannerwitcoff.com.



www.bannerwitcoff.com

© Copyright 2015 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of IP Alert.