

WILL SIMON TAM AND THE SLANTS BRING AN END TO THE
DISPARAGEMENT PROVISION WITHIN SECTION 2(A) OF THE LANHAM
ACT? ONE ROCK BAND'S FIGHT FOR FREE SPEECH

Elizabeth Brabb*

Congress shall make no law . . . abridging the freedom of speech.¹
- United States Constitution, First Amendment

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 – Consists of or
comprises . . . matter which may disparage . . . persons, living or dead.²
- Section 2(a) of the Lanham Act

It is time for this Court to revisit . . . the constitutionality of Section 2(a)
of the Lanham Act.³
- Kimberly Ann Moore, Circuit Judge for U.S. Court of Appeals for the
Federal Circuit

I. HOW DID WE GET HERE?

In 2006, bass guitarist, Simon Shiao Tam, formed the first and only all-
Asian American dance rock band, The Slants.⁴ Their music is described as

*J.D. Candidate, 2017, Baylor University School of Law. I would like to thank Professor
Connie Nichols for her guidance and encouragement while writing this article. I would also like to
express my sincere appreciation to the staff of the *Baylor Law Review* for their efforts and
excellence. Finally, thank you to Amber Morrison, Michaela Larson, Lauren Becker, Lexi Atkins,
and Amanda Howard for their unwavering support and friendship.

¹U.S. Const. amend. I.

²15 U.S.C. § 1052.

³*In re Tam*, 785 F.3d 567, 573 (Fed. Cir. 2015).

⁴*See About the Slants*, THE SLANTS, <http://www.theslants.com/biography/> (last visited Dec.
22, 2016); *see also In re Tam (Tam II)*, 785 F.3d 567, 568 (Fed. Cir. 2015), *rev'd en banc*, 808
F.3d 1321 (Fed. Cir. 2015), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (U.S. Sept. 29,
2016) (No.15-1293).

“the perfect combination of 80’s driven synth pop with hard-hitting indie, floor-filling beats”⁵ The Slants have been featured on Conan O’Brien’s Team Coco, BBC, NPR, NBC, IFC TV, Huffington Post, MTV, TEDx, and over 1,500 radio stations, television shows, magazines, and websites across 82 countries.⁶ Further, the band completed twenty international tours, appeared in 48 of 50 U.S states, and headlined at major festivals such as SXSW, MusicfestNW, San Diego Comic-Con, and Dragon Con.⁷ Amazingly, in addition to the workload involved with writing new songs, recording creative music videos, and performing countless live shows, Simon Tam and the Slants have been leading the fight to declare the disparagement provision within Section 2(a) of the Lanham Act an unconstitutional prohibition on free speech.

In 2009, Mr. Tam’s attorney first suggested applying for a federal trademark.⁸ When Mr. Tam applied in 2010, his attorney said, “This is a very simple process. It’s just going to cost you a couple hundred bucks. The whole thing will be over with very quickly.”⁹ Mr. Tam recalls the phone call he received from his attorney: “He called me up and said, ‘Hey, we’ve got a problem with your trademark application. You were rejected because they said your name is disparaging to persons of Asian descent.’ I paused for a moment and asked, ‘Do they know that we’re of Asian descent?’”¹⁰ And so, the “simple” registration process turned into a constitutional challenge that has lasted six years, involved multiple court appearances, and just might change trademark registration forever.

II. LANHAM ACT HISTORY

To understand trademark registration, this case, and why Mr. Tam’s mark was refused, it is necessary to understand trademark registration and the Lanham Act.

Congress enacted the Lanham Act (15 U.S.C. § 1052) in 1946 in an attempt to safeguard the public and mark holders by providing a national

⁵ THE SLANTS, *supra* note 4.

⁶ *Id.*

⁷ *Id.*

⁸ Teta Alim, *Why This Band Is Fighting For Its Right To Have An ‘Offensive’ Name*, BANDWIDTH.FM (Sept. 18, 2015), <http://bandwidth.wamu.org/why-this-band-is-fighting-for-its-right-to-have-an-offensive-name>.

⁹ *Id.*

¹⁰ *Id.*

system to register and protect trademarks.¹¹ Congress wanted to ensure that the public knows what it is buying and gets what it expects to get with each purchase.¹² Additionally, trademark registration serves as source identification that allows the public to know the source of the goods that are being purchased.¹³

“Registration is significant. The Lanham Act confers ‘important legal rights and benefits’ on trademark owners who register their marks.”¹⁴ Namely, the trademark owner can register the mark with the United States Patent and Trademark Office (PTO) and registration then allows for the owner to bring suit in federal court for infringement.¹⁵ Trademark registration serves as “constructive notice of the registrant’s claim of ownership” of the mark.¹⁶ It is also “prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner’s ownership of the mark, and of the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate”¹⁷ Once a mark has been registered for five years, it can become “incontestable.”¹⁸

Under the Lanham Act, the PTO must register marks unless they fall into a category specifically barred from registration.¹⁹ These categories include marks that are too similar to already registered marks which would then “cause confusion, or to cause mistake, or to deceive” or those that are “deceptively misdescriptive.”²⁰ This type of restriction is clearly important to and falls directly in line with the goals of the registration process as a whole – consumer protection. However, Section 2(a) of the Lanham Act is a completely different animal and includes a “hodgepodge of restrictions.”²¹

¹¹ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 782 n.15 (1992) (Stevens, J., concurring).

¹² See *id.*

¹³ *Id.* at 768 (Majority).

¹⁴ See *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1300 (2015) (quoting 3 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 19:3, at 19–21 (4th ed. 2014)).

¹⁵ *Id.* at 1299–300.

¹⁶ 15 U.S.C. § 1072 (2012).

¹⁷ *Id.* § 1057(b).

¹⁸ *Id.* §§ 1065, 1115(b).

¹⁹ *Id.* § 1052.

²⁰ *Id.*

²¹ *In re Tam (Tam IV)*, 808 F.3d 1321, 1329 (Fed. Cir. 2015) (en banc), cert. granted *sub nom.* *Lee v. Tam*, 137 S. Ct. 30 (U.S. Sept. 29, 2016) (No.15-1293).

Section 2(a) of the Lanham Act is as follows:

Section 1052. Trademarks registrable on the principal register; concurrent registration

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 or comprises immoral, deceptive, or scandalous matter; or 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 disrepute²²

The Lanham Act does not define “disparaging” and provides no guidance as to what constitutes a disparaging mark.²³ Application of various tests adopted by the PTO and the Trademark Trial and Appeal Board (TTAB) have been wildly inconsistent and are very subjective.²⁴ Generally, the one examining attorney reviewing the application for the mark has the burden to prove the mark is disparaging and that burden of proof is quite low.²⁵ “[I]t is clear that a trend has emerged when such [disparaging] marks are at issue. Specifically, if a mark is deemed to be a disparaging term then the likelihood that an applicant will be able to successfully defend [the] mark is very slim.”²⁶

The inconsistent and subjective nature of determining which marks are disparaging is clear when examining marks that have been approved versus those that have been rejected.²⁷ Examples of marks rejected as disparaging include RHR RIDE HARD RETARD, THE BIG HEEB BREWING, WHITE PRIDE COUNTRY WIDE, and SUPERDYKE.²⁸ Examples of

²² 15 U.S.C. § 1052.

²³ See Lanham Act, 15 U.S.C. §§ 1051–1127.

²⁴ See Amanda Compton, *N.I.G.G.A., SLUMDOG, DYKE, JAP, and HEEB: Reconsidering Disparaging Trademarks in a Post-Racial Era*, 15 WAKE FOREST J. BUS. & INTEL. PROP. L. 1, 21–24 (2014).

²⁵ *Id.* at 19.

²⁶ *Id.* at 5–6.

²⁷ See *id.* at 24–28.

²⁸ *Id.* at 25–28.

marks approved for registration include RETARDIPEDIA, HEEB, WHITE POWER, and DYKES ON BIKES.²⁹

The most famous and controversial trademark fight in recent years involves Pro-Football, Inc. and the Washington Redskins football team.³⁰ The TTAB voted to cancel the six trademarks held by the team, as the REDSKINS mark used in the registrations was deemed disparaging to Native Americans.³¹ The arguments plus numerous articles and amicus briefs in support of the REDSKINS registrations question the constitutionality of the decision.³² The district court upheld the trademark cancellation and Pro-Football, Inc. is now appealing to the United States Court of Appeals for the Fourth Circuit.³³

Mr. Tam fell into this subjective, controversial, and inconsistent world of trademark registration on his quest to register THE SLANTS.

III. THE FIGHT FOR REGISTRATION

As discussed, the trademark process begins with an application to the PTO that is then assigned to an examining attorney for review.³⁴ “In 2010, Mr. Tam filed Application No. 77/952,263 (‘263 application) seeking to register the mark THE SLANTS for ‘[e]ntertainment, namely, live performances by a musical band.’”³⁵

The application filed by Mr. Tam included images of the band name with a dragon and a rising sun from the band’s website.³⁶ The examining attorney found the mark disparaging to people of Asian descent under Section 2(a) of the Lanham Act and refused registration of the mark.³⁷ Mr.

²⁹ *Id.*

³⁰ See Pro-Football, Inc. v. Blackhorse, 112 F. Supp. 3d 439, 448 (E.D. Va. 2015).

³¹ See Blackhorse v. Pro-Football, Inc., 111 U.S.P.Q.2D (BNA) 1080, 1082–83 (T.T.A.B. 2014).

³² See *id.* at *2 n.1 (amicus brief); see also, e.g., Brief for Cato Institute et al. as Amici Curiae Supporting Appellant, Pro-Football, Inc. v. Blackhorse, (No. 15-1874), 2015 WL 6854402.

³³ Pro-Football, 112 F. Supp. 3d at 490; see Richard Sandomir, *Ruling Could Help Washington Redskins in Trademark Case*, N.Y. TIMES (Dec. 22, 2015), <http://www.nytimes.com/2015/12/23/sports/football/washington-redskins-trademark-nickname-offensive-court-ruling.html>.

³⁴ 15 U.S.C. § 1062 (2012).

³⁵ *In re Tam (Tam II)*, 785 F.3d 567, 568 (Fed. Cir. 2015), *rev'd en banc*, 808 F.3d 1321 (Fed. Cir. 2015), *cert granted sub nom.* Lee v. Tam, 137 S. Ct. 30 (U.S. Sept. 29, 2016) (No.15-1293).

³⁶ See *id.* at 568–569.

³⁷ *Id.* at 568.

Tam appealed the refusal.³⁸ However, Mr. Tam's failure to file a brief for the appeal and this led to a dismissal of the action.³⁹ The PTO then classified the application abandoned.⁴⁰

On November 14, 2011, Mr. Tam began the process again and filed Application No. 85/472,044 seeking to register THE SLANTS with an application almost identical to the '263 application except for the removal of the Asian images.⁴¹ Using the materials gathered to deny the '263 application, the examining attorney again determined the mark to be disparaging and refused registration of the mark.⁴²

Upon refusal, the applicant has a period of time to respond to the denied registration and if the applicant cannot overcome the issues raised by the examining attorney, a final refusal is issued.⁴³ Mr. Tam did respond, the issues were not resolved, and a final refusal, an office action, was issued.⁴⁴ An applicant then has the right to a review of the issues by the TTAB.⁴⁵

The TTAB reviewed the application and found the mark disparaging to those of Asian descent and affirmed refusal to register the mark under Section 2(a).⁴⁶ Mr. Tam then appealed to the United States Court of Appeals for the Federal Circuit and argued that the TTAB erred when finding the mark disparaging.⁴⁷ Additionally, he argued that Section 2(a) of the Lanham Act is an unconstitutional restriction upon free speech.⁴⁸

A panel of the court affirmed the TTAB decision based on the determination that the mark was disparaging and reaffirming the constitutionality of the disparagement provision.⁴⁹

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.*

⁴³ See TMEP § 714.03 (8th ed., June 2015).

⁴⁴ See *Tam II*, 785 F.3d at 568.

⁴⁵ 15 U.S.C. § 1070 (2012).

⁴⁶ *In re Tam (Tam I)*, , 108 U.S.P.Q.2D (BNA) 1305, 1313 (T.T.A.B. 2013).

⁴⁷ *Tam II*, 785 F.3d at 569.

⁴⁸ *Id.* at 571.

⁴⁹ See *id.* at 571–73.

A. *The Federal Circuit Panel Found the Mark “Disparaging.”*

A disparaging mark “dishonor[s] by comparison with what is inferior, slight[s], deprecate[s], degrade[s], or affect[s] or injure[s] by unjust comparison.”⁵⁰ To determine whether the mark was disparaging, the panel applied a two-part test.⁵¹

First, the test asks the court to determine the “likely meaning of the matter in question.”⁵² Dictionary definitions may certainly be taken into account but those are not dispositive, as “other elements” of the mark, the “nature” of the goods or services, and the way the mark will be used in commerce are also to be part of the meaning determination.⁵³ Second, once the likely meaning is established and that meaning is deemed to refer to “identifiable persons, institutions, beliefs or national symbols,” the court must assess whether that meaning “may be disparaging to a substantial composite of the referenced group.”⁵⁴

In this instance, the TTAB determined that the proposed mark, THE SLANTS, referred to people of Asian descent and while the panel agreed with Mr. Tam that “slants” has multiple meanings, the panel agreed with the TTAB that the likely meaning of the term, as supported by the TTAB’s evidence⁵⁵, was disparaging to those of Asian descent despite the fact that Mr. Tam and his band mates were also of Asian descent.⁵⁶

B. *The Federal Circuit Panel Determined that the Disparagement Provision Within Section 2(a) Is Not Unconstitutional.*

In *In Re McGinley*, the predecessor court to the panel wrote:

⁵⁰*In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014) (quoting *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 124 (D.D.C. 2003)).

⁵¹*See id.*

⁵²*Id.*

⁵³*See id.*

⁵⁴*Id.*

⁵⁵This substantial evidence included Wikipedia entries quoting Mr. Tam as wanting to “take on stereotypes,” un rebutted evidence that both individuals and Asian groups perceived the term as referring to people of Asian descent, and a brochure published by the Japanese American Citizens League describing the term “slant” as a “derogatory term” that is “demeaning.” *See In re Tam (Tam IV)*, 808 F.3d 1321, 1332–33 (Fed. Cir. 2015) (en banc), *cert. granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (U.S. Sept. 29, 2016) (No.15-1293).

⁵⁶*See In re Tam (Tam II)*, 785 F.3d 567, 571 (Fed. Cir. 2015), *rev’d en banc*, 808 F.3d 1321 (Fed. Cir. 2015), *cert granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (U.S. Sept. 29, 2016) (No.15-1293).

With respect to appellant's First Amendment rights, it is clear that the PTO's refusal to register appellant's mark does not affect his right to use it. No conduct is proscribed, and no tangible form of expression is suppressed. Consequently, appellant's First Amendment rights would not be abridged by the refusal to register his mark.⁵⁷

Following this precedent, as they had done in subsequent cases after *McGinley*, the panel swiftly disposed of Mr. Tam's constitutional argument and thus, affirmed the TTAB decision.⁵⁸

This single paragraph appeared to be the end of the fight for Mr. Tam and the Slants; however, Circuit Judge Kimberly Ann Moore was not ready to allow such limited analysis with serious constitutional implications to continue unchecked.⁵⁹

C. But Wait . . . The Federal Circuit Reconsiders

Doubt as to the validity of the reasoning, or lack thereof, in *McGinley* led the court to *sua sponte* order rehearing *en banc*.⁶⁰ The court noted that “[m]ore than thirty years have passed since the decision in *McGinley*, and in that time both the *McGinley* decision and our reliance on it have been widely criticized.”⁶¹ The parties were instructed to file briefs on the following issue: Does the bar on registration of disparaging marks in 15 U.S.C. § 1052(a) violate the First Amendment?⁶²

Oral arguments were heard on October 2, 2015, and the opinion was published on December 22, 2015.⁶³

⁵⁷ 660 F.2d 481, 484 (C.C.P.A. 1981) (internal citation omitted), *abrogated by In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015).

⁵⁸ *See Tam II*, 785 F.3d at 571–73.

⁵⁹ *See Tam IV*, 808 F.3d at 1333.

⁶⁰ *See id.* at 1333–34.

⁶¹ *Id.* at 1333.

⁶² *In re Tam (Tam III)*, 600 F. App'x. 775 (Fed. Cir. 2015), *rev'd en banc*, 808 F.3d 1321 (Fed. Cir. 2015), *cert granted sub nom. Lee v. Tam*, 137 S. Ct. 30 (U.S. Sept. 29, 2016) (No.15-1293).

⁶³ *Tam IV*, 808 F.3d at 1321; Court Docket, *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015).

IV. A NEW DECISION BY THE FEDERAL CIRCUIT

Upon rehearing, the Federal Circuit thoroughly dismissed all of the government's arguments and found the disparagement provision within Section 2(a) of the Lanham unconstitutional and in violation of the protections of the First Amendment.⁶⁴ The opinion for the court was filed by Circuit Judge Moore, in which Chief Judge Prost and Circuit Judges Newman, O'Malley, Wallach, Taranto, Chen, Hughes and Stoll joined.⁶⁵ The court held that "[t]he government cannot refuse to register disparaging marks because it disapproves of the expressive messages conveyed by the marks."⁶⁶ The decision of the TTAB was vacated and the case was remanded to the board for further proceedings.⁶⁷

A. *The Disparagement Provision of Section 2(a) Must Be Examined Under the Strict Scrutiny Standard and Cannot Survive that Examination.*

The Federal Circuit noted that trademarks are expressive speech and any governmental regulations on expressive speech must survive strict scrutiny in order to not violate the guarantees of the First Amendment.⁶⁸ To survive strict scrutiny, the government needed to prove that the restrictions are narrowly tailored to further compelling governmental interests.⁶⁹ The government put forth multiple arguments to escape strict scrutiny by the court; however, the court did not find favor with any of the government's positions.

1. The Disparagement Provision of Section 2(a) Is Not Content or Viewpoint Neutral.

The government first argued that the disparagement provision of Section 2(a) is content or viewpoint neutral as the PTO refuses to register marks not on their viewpoint but based solely on the disparaging nature of certain words.⁷⁰ Clearly, the court points out, this is incorrect.⁷¹ The fallacy of the

⁶⁴ See *Tam IV*, 808 F.3d at 1328.

⁶⁵ *Id.* at 1327.

⁶⁶ *Id.* at 1328.

⁶⁷ *Id.*

⁶⁸ See *id.* at 1334.

⁶⁹ See *Grutter v. Bollinger*, 539 U.S. 306, 326 (2003).

⁷⁰ *Tam IV*, 808 F.3d at 1337.

government's position is evident when examining the record of approved marks with a certain perceived positive viewpoint, against the record of rejected marks with possible negative viewpoints.⁷² For example, THINK ISLAM was approved and yet STOP THE ISLAMISATION OF AMERICA was rejected.⁷³ "The government . . . defends [Section 2(a) of the Lanham Act] today, because it is hostile to the messages conveyed by the refused marks. Section 2(a) is a viewpoint-discriminatory regulation of speech"⁷⁴

2. The Disparagement Provision of Section 2(a) Regulates the Expressive Character of the Mark.

The government further argued that as commercial speech the disparagement provision escapes examination under the strict scrutiny standard.⁷⁵ However, "it is always a mark's expressive character, not its ability to serve as a source identifier, that is the basis for the disparagement exclusion from registration."⁷⁶ Trademarks serve a commercial function and yet, they very often serve an expressive function above and apart from that commercial function.⁷⁷ This case is a perfect example.

Mr. Tam's choice of the THE SLANTS was not done lightly as he "explicitly selected his mark to create a dialogue on controversial political and social issues."⁷⁸ The band name is directly designed to elicit conversations about race and ethnicity.⁷⁹ Mr. Tam is choosing to reclaim an "emotionally charged word" and he wants to achieve societal change and force a challenge to the perceptions and stereotypes surrounding Asian people.⁸⁰ And so, "[h]is band name pushes people. It offends. Despite this—indeed, because of it—Mr. Tam's band name is expressive speech."⁸¹

⁷¹ *Id.*

⁷² *See id.* at 1336.

⁷³ *Id.* at 1337.

⁷⁴ *Id.*

⁷⁵ *See id.* at 1337–38.

⁷⁶ *Id.* at 1338.

⁷⁷ *Id.*

⁷⁸ *See id.*

⁷⁹ *See id.*

⁸⁰ *Id.*

⁸¹ *Id.*

To be clear, when the PTO denies a mark's registration under Section 2(a) of the Lanham Act, it is *always* due to the expressive aspect of the mark that the PTO determines to be disparaging to particular groups of individuals.⁸² Strict scrutiny must be applied when addressing restrictions on this expressive function of speech as when expressive speech and commercial speech are "intertwined," and then the speech is treated as expressive speech under the First Amendment when regulations are imposed.⁸³

3. The Disparagement Provision of Section 2(a) Chills Speech.

Additionally, the government's argument regarding the prohibition on disparaging marks mirrored *McGinley*.⁸⁴ As the refusal of registration does not stop the appellant from using the mark, no expression is denied and the First Amendment is not implicated.⁸⁵ True, denial of registration does not prohibit use of the mark; however, the significant benefits of federal registration are then not available to the mark owner.⁸⁶

A registration denial clearly results in "chill[ed] speech" as the trademark owner's desire to be afforded the substantial benefits of registration will encourage that mark owner to choose a mark that will fall well within the approval guidelines thus limiting the range of expression.⁸⁷ The marketplace of ideas suffers from this "self-censorship" and the spectrum of speech available to the American people is therefore stunted.⁸⁸

Further, "Mr. Tam is likely also barred from registering his mark in nearly every state. Three years after the enactment of the Lanham Act, the United States Trademark Association prepared the Model State Trademark

⁸² *Id.*

⁸³ See *Riley v. Nat'l Fed'n of the Blind of N. C., Inc.*, 487 U.S. 781, 796 (1988).

⁸⁴ *Tam IV*, 808 F.3d at 1339.

⁸⁵ *Id.* at 1339–40.

⁸⁶ See *id.* at 1340–41; see also *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1300 (2015); *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 199–200 (1985) (noting that valuable new rights were created by the Lanham Act); 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:9 (4th ed. 2016) ("Registration of a mark on the federal Principal Register confers a number of procedural and substantive legal advantages over reliance on common law rights."); MCCARTHY § 2:14 ("Businesspeople regard trademarks as valuable assets and are willing to pay large sums to buy or license a well-known mark.").

⁸⁷ See *Tam IV*, 808 F.3d at 1341.

⁸⁸ See *id.*

Act—a bill patterned on the Lanham Act in many respects.”⁸⁹ Therefore, in almost every state, the benefits of state trademark registration are unavailable to those marks deemed disparaging under the federal registration standards.⁹⁰

The “chilling” incentive to avoid rejection of trademark registration, state or federal, is too great to ignore and the First Amendment guarantees must only be limited once the regulation survives strict scrutiny.⁹¹

4. Trademarks Are Not Government Speech.

If trademarks were government speech, they would fall outside of the purview of the First Amendment as “the Free Speech Clause restricts government regulation of private speech; it does not regulate government speech.”⁹² The government recognized that the mark holder’s use of the trademark is not government speech and is clearly private speech, but instead argued that the registration *itself* was government speech.⁹³ This argument contradicts the Supreme Court’s analysis in *Walker v. Texas Division, Sons of Confederate Veterans, Inc.* and the markers of government speech discussed in that case.⁹⁴

In *Walker*, the Court determined that license plates are simply a form of government identification and that the public closely associates state license plates with the government entity that issues those license plates.⁹⁵ Further, “the history of license plates shows that, insofar as license plates have conveyed more than state names and vehicle identification numbers, they long have communicated messages from the States.”⁹⁶ Here, “the PTO routinely registers marks that no one can say the government endorses” and

⁸⁹ *Id.* at 1343.

⁹⁰ *See id.* at 1344.

⁹¹ *See id.* at 1345.

⁹² *See Pleasant Grove City v. Summum*, 555 U.S. 460, 467 (2009).

⁹³ *Tam IV*, 808 F.3d at 1345.

⁹⁴ *See* 135 S. Ct. 2239, 2246-49 (2015) (ruling that license plates constitute government speech because history suggests their use in conveying government messages, they are closely identified in the public mind with the issuing state, and the state maintains direct control over the message conveyed.).

⁹⁵ *See id.* at 2249.

⁹⁶ *Id.* at 2248.

“[a]s the government itself explains, ‘the USPTO does not endorse any particular product, service, mark, or registrant’ when it registers a mark.”⁹⁷

Following the registration procedures and receiving the mark with the seal from the PTO “no more transforms private speech into government speech than when the government issues permits for street parades”⁹⁸ “When the government registers a trademark, it regulates private speech. It does not speak for itself.”⁹⁹ Regulations of government speech are not subject to strict scrutiny but regulations of private speech are most certainly due the strictest standard of review.¹⁰⁰

5. Barring Registration for a Mark Does Not Merely Withhold a Government Subsidy.

The government completed its argument in an attempt to escape strict scrutiny by asserting the claim that federal trademark registration is merely a government subsidy and as such, the government may shape the subsidy program as it sees fit. However, per the unconstitutional conditions doctrine, the government cannot condition someone’s receipt of a governmental benefit for the waiver of a constitutionally protected right, “especially, his interest in freedom of speech.”¹⁰¹ The Court states this because “[t]o deny [a benefit] to claimants who engage in certain forms of speech is in effect to penalize them for such speech.”¹⁰²

When Congress uses the Spending Clause “it is entitled to define the limits of that program.”¹⁰³ However, the Supreme Court has only applied the spending exception and thus allowed this ability to define and set

⁹⁷ *Tam IV*, 808 F.3d at 1346-47 (citing RADICALLY FOLLOWING CHRIST IN MISSION TOGETHER, Registration No. 4,759,522; THINK ISLAM, Registration No. 4,719,002 (religious marks); GANJA UNIVERSITY, Registration No. 4,070,160 (drug-related); CAPITALISM SUCKS DONKEY BALLS, Registration No. 4,744,351; TAKE YO PANTIES OFF, Registration No. 4,824,028; and MURDER 4 HIRE, Registration No. 3,605,862).

⁹⁸ *Tam IV*, 808 F.3d at 1348.

⁹⁹ *Id.*

¹⁰⁰ *See id.* at 1345 (“The Free Speech Clause restricts government regulation of private speech; it does not regulate government speech”).

¹⁰¹ *Perry v. Sindermann*, 408 U.S. 593, 597 (1972).

¹⁰² *Speiser v. Randall*, 357 U.S. 513, 518 (1958); *see also Perry*, 408 U.S. at 597 (“For if the government could deny a benefit to a person because of his constitutionally protected speech or associations, his exercise of those freedoms would in effect be penalized and inhibited.”).

¹⁰³ *See U.S. Const. Art. I, § 8, cl. 1; see United States v. Am. Library Ass’n*, 539 U.S. 194, 211 (2003) (plurality opinion).

conditions on the spending when financial benefits are provided.¹⁰⁴ Here, the benefits extended are non-monetary.¹⁰⁵ Yes, the benefits are valuable (including but not limited to federal protection of an important business asset, permitted use of the ® symbol providing precious marketing cachet, and providing a basis for foreign registration) but they are not financial in nature.¹⁰⁶ Additionally, since 1991, PTO functions are *fully* covered by the registration fees of the applicants.¹⁰⁷ And further, the Lanham Act derives from the Commerce Clause, which serves as additional support for the contention that trademark registration is not a government subsidy.¹⁰⁸

As the court notes, the restriction upon registration of disparaging marks “bears no relation to the objectives, goals, or purpose of the federal trademark registration program.”¹⁰⁹ The key aim of trademark registration is the protection of consumers and yet, “the disparagement proscription has never been alleged to prevent consumer confusion or deception.”¹¹⁰ As such, allowing the government to “rely upon its power to subsidize to justify its viewpoint discrimination” would be a “radical extension of existing precedent”¹¹¹

Finally, if trademark registration is a subsidy program and can be regulated to restrict free speech, than almost all government programs could fall under the “subsidy” exception including the copyright registration.¹¹² “This idea – that the government can control speech by denying the benefits of copyright registration to disfavored speech – is anathema to the First Amendment.”¹¹³

With all of the arguments disposed of and the court’s determination that Section 2(a) of the Lanham Act must be examined under the strict scrutiny standard, the government put forth no arguments as to the ability of Section 2(a) to pass muster under that standard and therefore “it is undisputed that it cannot survive strict scrutiny.”¹¹⁴ Consequently, the court determined the

¹⁰⁴ See *Autor v. Pritzker*, 740 F.3d 176, 182–83 (D.C. Cir. 2014).

¹⁰⁵ See *Tam IV*, 808 F.3d at 1353.

¹⁰⁶ See *id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 1354; see U.S. Const. art. I, § 8, cl. 3.

¹⁰⁹ *Tam IV*, 808 F.3d at 1354.

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.* at 1334, 1337.

disparagement provision to be an unconstitutional restriction on free speech under the First Amendment.¹¹⁵

B. The Central Hudson Test Is Not Proper Here but Even if Applied the Disparagement Provision Is Unconstitutional.

Despite the Federal Circuit's deep analysis of trademarks as expressive, private speech, trademarks have previously been determined to be commercial speech which is defined as expression related solely to the economic interests of the speaker and its audience.¹¹⁶ The Supreme Court has determined that commercial speech, "although meriting some protection, is of less constitutional moment than other forms of speech" and therefore restrictions on such speech implicating the Constitution must survive intermediate-scrutiny as defined in *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*.¹¹⁷ Here, the court noted that this does not indicate that "government regulation of trademarks is properly reviewed under the *Central Hudson* intermediate scrutiny standard."¹¹⁸ However, the court determined that "even if [they] were to treat § 2(a) as a regulation of commercial speech, it would fail to survive" the *Central Hudson* test.¹¹⁹

First, the commercial speech "must concern lawful activity and not be misleading."¹²⁰ If the commercial speech meets this initial standard, the court must next determine whether "the asserted governmental interest is substantial . . ."¹²¹ Then, the regulation must "directly and materially advance" said governmental interest and be narrowly tailored to achieve the objective of the regulation.¹²² "Under a commercial speech inquiry, it is the State's burden to justify its content-based law as consistent with the First Amendment."¹²³

The court recognized that "[u]nlike many other provisions of § 2, the disparagement provision does not address misleading, deceptive, or

¹¹⁵ *Id.* at 1357.

¹¹⁶ *See* *Friedman v. Rogers*, 440 U.S. 1, 11 (1979).

¹¹⁷ 447 U.S. 557, 562 n.5, 564 (1980).

¹¹⁸ *Tam IV*, 808 F.3d at 1355.

¹¹⁹ *Id.*

¹²⁰ *Id.* (quoting *Central Hudson*, 447 U.S. at 566).

¹²¹ *Id.* (quoting *Central Hudson*, 447 U.S. at 566).

¹²² *See* *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 555–56 (2001).

¹²³ *Sorrell v. IMS Health Inc.*, 564 U.S. 552, 571–72 (2011).

unlawful marks. There is nothing illegal or misleading about a disparaging trademark like Mr. Tam's mark."¹²⁴ As for the next step in the analysis, determining a substantial governmental interest, the court noted that Section 2(a) "immediately fails at this step."¹²⁵ "The entire interest of the government in § 2(a) depends on disapproval of the message. That is an insufficient interest to pass the test of intermediate scrutiny"¹²⁶

The government argued that it has an important interest in "declining to expend its resources to facilitate the use of racial slurs as source identifiers in interstate commerce."¹²⁷ However, the court notes that governmental interest in its own expenditures does not allow for the restriction of registration of disparaging trademarks.¹²⁸ As trademark registration is not taxpayer-funded but instead user-funded, few government resources beyond the "same costs that would be incidental to any governmental registration: articles of incorporation, copyrights, patents, property deeds, etc." are spent for trademark registration.¹²⁹ Indeed, government expenditures to defend its decisions to refuse trademark registration under Section 2(a) are "far more significant" than those expended for actual trademark registration.¹³⁰

Additionally, the court finds that the regulation is not narrowly tailored to achieve the general goal of "racial tolerance."¹³¹ The Internet is a hotbed of racially insensitive and disparaging speech, and federally copyrighted books, songs, and movies are replete with any number of racial slurs and disparaging remarks about various groups of people. Inconsistent and subjective rejection of certain trademark applications is not going to cure this societal ill. Additionally, "the connection to a broad goal of racial tolerance would be even weaker to the extent that the government suggests, contrary to [the court's] conclusion [above], that denial of registration has no meaningful effect on the actual adoption and use of particular marks in the marketplace."¹³²

Essentially, "[a]ll of the government's proffered interests boil down to permitting the government to burden speech it finds offensive [and] [t]his is

¹²⁴ *Tam IV*, 808 F.3d at 1355.

¹²⁵ *Id.*

¹²⁶ *Id.*

¹²⁷ *Id.* at 1356.

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.* at 1357.

¹³² *Id.*

not a legitimate interest.”¹³³ As such, the *Central Hudson* test is not satisfied and the court again found the disparagement provision an unconstitutional restriction on free speech under the First Amendment.¹³⁴

C. Section 2(a) Is Unconstitutional Under the Fifth Amendment Vagueness Standard.

In a concurring opinion by Circuit Judge O’Malley with whom Circuit Judge Wallach joins, Judge O’Malley determined that Section 2(a) is unconstitutional under the First Amendment and, additionally, the Fifth Amendment.¹³⁵ Judge O’Malley stated that he finds “§ 2(a)’s disparagement provision to be so vague that I would find it to be unconstitutional, whether or not it could survive Appellant’s First Amendment challenge.”¹³⁶

Section 2(a) states that a trademark must be denied registration if it “may disparage” persons.¹³⁷ Uncertainty as to what might be deemed to disparage abounds and many examples of extreme inconsistency in the application of Section 2(a), as discussed by the majority above, are readily apparent.¹³⁸ Additionally, Judge O’Malley notes that the Trademark Manual of Examination Procedures (TMEP) compounds the confusion when it states, “a mark can be rejected whenever a mark’s meaning may be disparaging to a ‘substantial composite’ of an ‘identifiable’ group”¹³⁹ Therefore, to be rejected a mark would only need to be “*potentially*” disparaging to a portion of a group so long as that group can be “*identified*.”¹⁴⁰

The Due Process Clause requires that the provision “give the person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he may act accordingly.”¹⁴¹ Here, “disparaging” is highly subjective and the PTO’s Assistant Commissioner was correct in 1939 in expressing concern that “the word ‘disparage’ . . . is going to cause a great deal of difficulty in the Patent Office, because . . . it is always going to be just a

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.* at 1358.

¹³⁶ *Id.*

¹³⁷ *Id.* (emphasis omitted).

¹³⁸ *Id.*

¹³⁹ *Id.* at 1359.

¹⁴⁰ *Id.* (emphasis added).

¹⁴¹ *Grayned v. City of Rockford*, 408 U.S. 104, 108 (1972).

2017]

SECTION 2(A) OF THE LANHAM ACT

211

matter of the personal opinion of the individual parties as to whether they think it is disparaging.”¹⁴²

With this concurrence, Judge O’Malley and Judge Wallach agreed with the majority’s opinion and their “thoughtful First Amendment analysis” but believed that it was not the only “predicate to the conclusion that § 2(a) is unconstitutional.”¹⁴³

V. THE DISSENTS

The dissent opinions filed by Circuit Judges Dyk, Lourie, and Reyna illustrate that despite the strong majority, differing opinions exist which deem the protections provided by the disparagement provision of Section 2(a) valuable, necessary, and constitutional.¹⁴⁴

A. *Dissent by Judge Dyk*

Judge Dyk agreed with the majority’s opinion that the disparagement provision of Section 2(a) is unconstitutional but only so far as to Mr. Tam’s mark.¹⁴⁵ Judge Dyk states that the purpose of the statute is protection.¹⁴⁶ “Underrepresented groups” within our society are to be protected from advertising that demeans and belittles them.¹⁴⁷ However, as Judge Dyk notes, the question is whether a statute designed to provide these worthy protections can survive a First Amendment challenge and the scrutiny required from such a challenge.¹⁴⁸

Judge Dyk answers that question by drawing lines between purely commercial trademarks and those trademarks that embody political speech.¹⁴⁹ Judge Dyk defines Mr. Tam’s mark as political speech and, as such, the statute is unconstitutional when it denies registration of his

¹⁴² *Hearing on H.R. 4744 Before the Subcomm. on Trade-Marks of the H. Comm. on Patents, 76th Cong. 21 (1939) (statement of Leslie Frazer).*

¹⁴³ *Tam IV*, 808 F.3d at 1363.

¹⁴⁴ *See id.* at 1363 (Dyk, J., dissenting).

¹⁴⁵ *See id.* at 1364.

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *See id.*

mark.¹⁵⁰ However, he separates from the majority in the realm of purely commercial speech.¹⁵¹

Judge Dyk states that he “do[es] not think that the government must support, or society tolerate, disparaging trademarks in the name of commercial speech.”¹⁵² Judge Dyk asserts that disparagement requires no First Amendment protection.¹⁵³ Not all trademarks contain an “expressive character” worthy of protection and as such, he finds that the blanket ban on the disparagement provision is not supported.¹⁵⁴

Additionally, Judge Dyk wholeheartedly disagreed with the majority and finds trademark registration to be a clear subsidy.¹⁵⁵ Judge Dyk points to the recent decisions in *Davenport* and *Ysursa* – neither of which involved government funding, which the majority determined was a prerequisite to government restrictions.¹⁵⁶ In *Ysursa*, the Supreme Court held that only “reasonableness” as to the government interest was required to justify a restriction.¹⁵⁷ As Judge Dyk asserts, “the protection of disparaged groups is sufficient.”¹⁵⁸

B. Dissent by Judge Lourie

Judge Lourie, in his dissent, holds firm to the proposition of *stare decisis*.¹⁵⁹ Judge Lourie asks “why a statute that dates back nearly seventy years—one that has been continuously applied—is suddenly unconstitutional as violating the First Amendment.”¹⁶⁰ Judge Lourie points to over one hundred years of the PTO’s authority to refuse offensive trademarks, well before the Lanham Act of 1946, and is unwilling to interfere with the delegation of this power from Congress.¹⁶¹

¹⁵⁰ *Id.*

¹⁵¹ *See id.*

¹⁵² *Id.*

¹⁵³ *Id.* at 1365.

¹⁵⁴ *Id.* at 1368.

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*; *see also* *Ysursa v. Pocatello Educ. Ass’n*, 555 U.S. 353 (2009); *Davenport v. Wash. Educ. Ass’n*, 551 U.S. 177 (2007).

¹⁵⁷ *See Ysursa*, 555 U.S. at 359.

¹⁵⁸ *Tam IV*, 808 F.3d at 1372 (Dyk, J., dissenting).

¹⁵⁹ *Id.* at 1374 (Lourie, J., dissenting).

¹⁶⁰ *Id.*

¹⁶¹ *See id.*

Judge Lourie upholds the reasoning in *In re McGinley* and argues that “[the court] should not further the degradation of civil discourse by overturning our precedent that holds that the First Amendment is not implicated by §2(a)’s prohibition against disparaging trademarks.”¹⁶² Judge Lourie further finds that federally registered trademarks are government speech, “[s]imilarly to specialty license plates,” and are not simply private speech and as such, may be subject to regulation.¹⁶³

C. Dissent by Judge Reyna

Judge Reyna states, “the refusal to register disparaging marks under § 2(a) of the Lanham Act is an appropriate regulation that directly advances the government’s substantial interest in the orderly flow of commerce.”¹⁶⁴ As commercial speech, Judge Reyna asserts that regulations of that speech are to be reviewed under an intermediate standard of scrutiny because “the Constitution accords less protection to commercial speech than to other constitutionally safeguarded forms of expression.”¹⁶⁵

Judge Reyna asserts that the majority’s contention that as commercial and expressive speech elements are “inextricably intertwined” and so must be treated only as expressive speech is not correct.¹⁶⁶ Judge Reyna contends that despite the mixed characteristics of the speech, the essential commercial character is not altered.¹⁶⁷

Additionally, Judge Reyna determined that the intermediate standard of scrutiny applies, as Section 2(a) is content-neutral because the purpose of the regulation is “to promote the orderly flow of commerce” and the purpose is to be addressed not the “secondary effect.”¹⁶⁸ Judge Reyna notes, “[t]he Supreme Court has repeatedly applied this ‘Secondary Effects’ doctrine to uphold not only time, place, and manner restrictions on particular types of speech . . . but also regulations on the content of expression itself”¹⁶⁹

¹⁶² *Id.*

¹⁶³ *See id.* at 1375.

¹⁶⁴ *Id.* at 1376 (Reyna, J., dissenting).

¹⁶⁵ *Id.* (quoting *Bolger v. Youngs Drug Products Corp.*, 463 U.S. 60, 64–65 (1983)).

¹⁶⁶ *See id.* at 1377–78.

¹⁶⁷ *See id.*

¹⁶⁸ *Id.* at 1378.

¹⁶⁹ *Id.* (citing *City of Erie v. Pap’s A.M.*, 529 U.S. 277, 302 (2000) (upholding ban on fully nude dancing); *Barnes v. Glen Theatre*, 501 U.S. 560 (1991) (same)).

If the intermediate standard of scrutiny is applied, Judge Reyna contends that Section 2(a) survives the analysis.¹⁷⁰ Only a small burden is placed upon the speech compared with the substantial government interest in the orderly flow of commerce.¹⁷¹ As Judge Reyna notes, “One can hardly imagine what legitimate interest a vendor of goods or services may have in insulting potential customers. Whatever value disparaging speech might possess when used in private life, it loses when used in commerce.”¹⁷²

VI. IS THIS THE END OF THE DISPARAGEMENT PROVISION WITHIN SECTION 2(A) OF THE LANHAM ACT?

The Federal Circuit declared the disparagement provision of Section 2(a) of the Lanham Act unconstitutional.¹⁷³ However, the court clearly indicated that the ruling should not be viewed as an “endorsement” of Mr. Tam’s proposed mark, THE SLANTS.¹⁷⁴

To be clear, the court did find the mark disparaging but holds the refusal to register the mark unconstitutional.¹⁷⁵ The holding from this opinion is limited to the constitutionality of the Section 2(a) disparagement provision and recognizes that other portions of Section 2 referring to immoral or scandalous marks require further review by the Federal Circuit.¹⁷⁶ Additionally, the court explicitly noted that this holding overrules *In re McGinley* and other precedent that could be cited to prevent a future panel from considering the constitutionality of the other portions of Section 2 of the Lanham Act.¹⁷⁷

As the Federal Circuit acknowledges:

[I]nvalidating this provision may lead to the wider registration of marks that offend vulnerable communities. Even Mr. Tam, who seeks to reappropriate the term “slants,” may offend members of his community with his use of the mark. But much the same can be (and has been) said of many decisions upholding First Amendment

¹⁷⁰ See *Tam IV*, 808 F.3d at 1381 (Reyna, J., dissenting).

¹⁷¹ See *id.* at 1382.

¹⁷² *Id.*

¹⁷³ *Id.* at 1357.

¹⁷⁴ *Id.*

¹⁷⁵ See *id.*

¹⁷⁶ *Id.* at 1330 n.1.

¹⁷⁷ *Id.*

protection of speech that is hurtful or worse. Whatever our personal feelings about the mark at issue here, or other disparaging marks, the First Amendment forbids government regulators to deny registration because they find the speech likely to offend others. Even when speech “inflict[s] great pain,” our Constitution protects it “to ensure that we do not stifle public debate.”¹⁷⁸

The Federal Circuit’s thoughtful and in-depth analysis of the provision and complete evisceration of the government’s arguments paved a clear path for the Supreme Court to follow. But, the true sounding of the death knell for the disparagement provision within Section 2(a) of the Lanham Act will only come from the Supreme Court.

Mr. Tam and the Slants are still waiting for the final word, and in an unusual move, asked the Supreme Court to review their victory at the Federal Circuit on June 20, 2016.¹⁷⁹ In their brief, Tam cited the Redskins case, which is still making its way through lower appeals courts, and urged the court to consider hearing both cases jointly.¹⁸⁰ Tam is concerned that “trademark rights will not be secure until th[e] Court decides the issue once and for all.”¹⁸¹ The PTO has stopped processing applications involving the Lanham Act’s disparagement provision until the Supreme Court settles the issue.¹⁸² This is not an effective or just solution to the Federal Circuit’s decision.

Five years is too long to wait – it’s time to let the music play on and on *with* federal trademark protection.

NOTE: The Supreme Court of the United States agreed to hear the case.¹⁸³ Oral arguments were heard on Wednesday, January 18, 2017. Malcolm L. Stewart, Deputy Solicitor General, Department of Justice,

¹⁷⁸ *Id.* at 1357–58 (quoting *Snyder v. Phelps*, 562 U.S. 443, 461 (2011)) (internal citations omitted).

¹⁷⁹ Ian Shapira, *The Slants and the Redskins push trademark battles to the Supreme Court*, THE WASHINGTON POST (June 20, 2016), https://www.washingtonpost.com/local/the-slants-and-the-redskins-push-trademark-battles-to-the-supreme-court/2016/06/20/55ba4fb0-3712-11e6-9ccd-d6005beac8b3_story.html.

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² *Id.*

¹⁸³ *In re Tam (Tam IV)*, 808 F.3d 1321 (Fed. Cir. 2015) (en banc), *cert. granted sub nom.* Lee v. Tam, 137 S. Ct. 30 (U.S. Sept. 29, 2016) (No.15-1293).

appeared for the petitioner. John C. Connell of Haddonfield, New Jersey, appeared for the respondents.

Threats to freedom of speech . . . though often trivial in isolation, are cumulative in their effect and, unless checked, lead to a general disrespect for the rights of the citizen.¹⁸⁴

- George Orwell

As a matter of constitutional tradition, in the absence of evidence to the contrary, we presume that governmental regulation of the content of speech is more likely to interfere with the free exchange of ideas than to encourage it. The interest in encouraging freedom of expression in a democratic society outweighs any theoretical but unproven benefit of censorship.¹⁸⁵

- Justice John Paul Stevens

¹⁸⁴Freedom Defence Committee, Socialist Leader, Open Letter (Sept. 18, 1948).

¹⁸⁵*Reno v. ACLU*, 521 U.S. 844, 885, 117 S. Ct. 2329, 2351 (1997).