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Prohibition of 'derogatory' marks held unconstitutional by the Supreme Court

Examination/opposition
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On June 19 2017 the Supreme Court issued a landmark decision in *Matal v Tam* (582 US (2017)), unanimously holding the disparagement clause in the Lanham Act unconstitutional on the ground that it violates the First Amendment. This decision upends over 70 years of practice under Lanham Act § 2(a) (15 USC § 1052(a)). The case will likely have an immediate effect on other pending 'derogatory' mark cases, including *Blackhorse v Pro-Football, Inc*, No 15-874 (Fourth Circuit) and may signal the court's willingness to find the analogous Lanham Act provision prohibiting registration of "immoral, deceptive, or scandalous matter" also unconstitutional.

This case concerned the registration of the trademark THE SLANTS, identifying a rock band composed of Asian-American members. The term 'slants' is considered to be a derogatory term for Asians, and the band chose this name to "reclaim" the term and weaken its use as a slur. The US Patent and Trademark Office (USPTO) denied registration on the ground that the mark "may disparage…persons, living or dead…or bring them into contempt or disrepute" because "there is…a substantial composite of persons who find the term in the applied-for mark offensive" (Lanham Act § 2(a); Trademark Manual of Examining Procedure §1203.03 (b)(i) (April 2017), p 1200–150). The Trademark Trial and Appeal Board affirmed the decision. However, on appeal, an *en banc* Federal Circuit reversed, finding the disparagement clause unconstitutional. The Supreme Court affirmed this judgment on the same ground.

The First Amendment forbids the government to regulate speech that would favour certain views, unless it is considered "government speech". The court rejected the government's argument that trademark registrations are government speech, noting that if the government is expressing itself through the trademarks it registers then it is "babbling prodigiously and incoherently", "expressing contradictory views" and "endorsing a vast array of commercial products and services" (582 US (2017)) (slip op at 15). The court distinguished the primary case relied on by the government – *Walker v Texas Div, Sons of Confederate Veterans, Inc* (576 US (2015)) – which affirmed the state of Texas' refusal to issue specialty license plates on the ground that this service is government speech. Further, adopting this view implies that copyrighted works should also be considered government speech.

The court was not persuaded that, by granting trademark registrations, the government is providing a subsidy to trademark owners, as it is the trademark applicants that are paying the USPTO for registration. Similarly, the court rejected the government's argument that the disparagement clause should be sustained under the "government-program" doctrine. In summary, the court held that the First Amendment requires that the government be viewpoint-neutral, but this term must be interpreted broadly, since "[g]iving offense is a viewpoint", choosing to refuse trademarks that are considered disparaging "is the essence of viewpoint discrimination" (582 US (2017)) (slip op at 22; 3).

This decision marks not only a victory for Mr Tam and his band, but also for the Washington Redskins, which have been involved in a battle to retain their REDSKINS trademark registration for decades, most recently in *Blackhorse*, which is pending at the Fourth Circuit. As a result of the Supreme Court's decision, the *Blackhorse* cancellation case should become moot. This decision could also result in many new trademark applications for so-called 'derogatory' marks, including marks that are critical of public officials or other individuals. In addition, it is expected that this ruling will be extended to immoral and scandalous marks also mentioned in section 2(a) of the Lanham Act, as it concerns the same First Amendment issues addressed in this opinion.

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