



Joseph Matal v. Tam 137 S. Ct. 1744 (2017)

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JOSEPH MATAL V. TAM 137 S. Ct. 1744 (2017)

I. INTRODUCTION

Respondent Simon Tam, lead singer of the band “The Slants,” filed an application for trademark registration with the United States Patent and Trademark Office (“USPTO”). The USPTO denied Tam’s application under the disparagement clause of the Lanham Act (“clause”),¹ a federal law which includes a provision prohibiting registration of marks that may disparage persons, living or dead.² Tam challenged the decision before the USPTO’s Trademark Trial and Appeal Board (“TTAB”) to no avail.³

Following the TTAB’s rejection of his appeal, Tam brought suit in the United States Court of Appeals for the Federal Circuit. The government argued that registered trademarks represent government speech, and that federal registration is auxiliary to the government.⁴ An *en banc* court rejected the government’s arguments and found the disparagement clause of the Lanham Act unconstitutional under the First Amendment.⁵ The majority found that the disparagement clause could not survive strict scrutiny.⁶ As a result, the Federal Circuit held the clause “regulates the expressive component” of trademarks, therefore prohibiting its application to commercial speech.⁷

The government filed a petition for certiorari to the United

¹ Tam’s application was denied under a provision within the Lanham Act referred to by the Court as the “disparagement clause.” The relevant portion of the Act prohibits registration of trademarks that “may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” *See generally* Matal v. Tam, 137 S.Ct. 1744, 1765 (2017); see also 15 U.S.C. § 1052 2(a).

² 15 U.S.C. §1052(a) (2006).

³ *Tam*, 137 S.Ct. at 1754.

⁴ *See Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

States Supreme Court.⁸ The Supreme Court granted certiorari to determine if the disparagement provision was facially invalid under the First Amendment.⁹ In its holding, the Court indicated that the provision violates a fundamental principle of the First Amendment by prohibiting speech because it expresses offensive ideas.¹⁰ The majority concluded that the provision was too broad; in its current interpretation, the commercial market is replete with “merchandise that disparages prominent figures and groups.”¹¹

In Justice Kennedy’s concurring opinion, he opined that while the Court was correct in its judgment, a more searching review was required.¹² According to Justice Kennedy’s opinion, the disparagement clause represented the essence of viewpoint discrimination because it allowed registration of a positive or benign mark, but not a derogatory one.¹³ The Supreme Court affirmed the Court of Appeal’s judgment in favor of respondent Tam.¹⁴

II. BACKGROUND

Simon Tam is the lead singer of the band The Slants.¹⁵ He chose the band’s epithet in an effort to denature stereotypes derogatory to Asian culture.¹⁶ Tam and fellow members of the dance-rock band are Asian-Americans hoping to contradict perception of the racial slur by incorporating it into pop culture.¹⁷ In support of their efforts, the group titled their albums “Slanted Eyes, Slanted Hearts” and “The Yellow Album,” and incorporated lyrics that “draw inspiration . . . from childhood slurs and mocking nursery rhymes.”¹⁸ The Slants began performing as a musical group using

⁸ *Id.* at 1755.

⁹ *Tam*, 137 S.Ct. at 1755.

¹⁰ *Id.* at 1759.

¹¹ *Id.* at 1765.

¹² *Id.*

¹³ *Id.* at 1766.

¹⁴ *Id.* at 1765.

¹⁵ *Tam*, 137 S.Ct at 1754.

¹⁶ *Id.*

¹⁷ *Id.* at 1751.

¹⁸ *Id.* at 1754.

the name in 2006.¹⁹

An examining attorney for the USPTO rejected Tam's application for federal trademark registration of THE SLANTS on the principal register in 2011.²⁰ The examiner's review included application of the USPTO's two-part disparagement test.²¹ After applying this test to Tam's application, the examining attorney found that a "substantial composite of persons" found the term "offensive."²² The examiner relied on dictionary definitions depicting 'slant' or 'slant-eyes' as derogatory terms, as well as bloggers and article commenters who indicated that they found the term offensive.²³

The TTAB affirmed the examining attorney's finding during Tam's appeal.²⁴ The panel found substantial evidence that public perception of the term was predominately negative.²⁵ Evidence supporting this perception included the fact that Tam's appearance at the 2009 Asian American Youth Conference in Portland was cancelled due to concerns regarding interpretation of the band's name.²⁶

Following the TTAB's decision regarding Tam's appeal, Tam filed suit in federal court.²⁷ The United States Court of

¹⁹ *In Re Tam*, 808 F.3d 1321, 1331 (Fed. Cir. 2015).

²⁰ *Id.*

²¹ *Tam*, 137 S.Ct. at 1754. The first step of the USPTO's two-part test considers the likely meaning of the questioned matter by evaluating dictionary definitions, the relationship of the matter to other elements in the mark, the nature of the goods or services in question, and the manner in which the mark is used in the marketplace. If that meaning is found to refer to "identifiable persons, institutions, beliefs, or national symbols," the examiner enacts the second step of the test. The second step considers whether a "substantial composite" of the group in question may find the meaning disparaging. If the examiner finds that substantial composite would find the proposed mark disparaging, the burden shifts to the applicant to prove the meaning is not disparaging.

²² *Id.* 1754.

²³ *Id.*

²⁴ *In Re Tam*, 808 F.3d at 1332.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Tam*, 137 S.Ct. at 1755.

Appeals for the Federal Circuit ruled that the disparagement clause used by both the USPTO and the TTAB to deny Tam's application was facially invalid under the First Amendment.²⁸ The court indicated that the clause promoted viewpoint-based discrimination by regulating the expressive component of trademarks.²⁹ This holding determined that trademarks under the disparagement clause could not be treated as commercial speech, disproving the government's assertions that under such cases, intermediate scrutiny was the appropriate determination.³⁰ The majority held that the clause would fail analysis under the Court's commercial speech cases, even under intermediate scrutiny.³¹

The government petitioned the Supreme Court for certiorari in 2016.³² The Supreme Court granted the order to determine whether the disparagement clause was facially invalid under the First Amendment.³³

III. LEGAL ANALYSIS OF THE SUPREME COURT'S OPINION

The Supreme Court held the disparagement clause unconstitutional, but could not reach unanimous reasoning. Justices Alito, Kennedy and Thomas delivered opinions concurring in parts and concurring in judgment.³⁴ To determine whether the clause violated the First Amendment, the Court considered the government's contentions that trademarks are examples of government speech, not free speech; trademarks are forms of government subsidy; and a new "government-program" doctrine should determine the constitutionality of the disparagement clause.³⁵

²⁸ *Id.*

²⁹ *Id.* at 1754.

³⁰ *Id.* at 1754-55.

³¹ *Id.*

³² *Id.* at 1754.

³³ *Tam*, 137 S.Ct. at 1755.

³⁴ *Id.* at 1751; *Id.* at 1765.

³⁵ *Id.* at 1757.

A. The Government's Arguments

Before addressing the government's arguments, Justice Alito noted Tam's argument that the disparagement clause does not reach marks disparaging racial or ethnic groups.³⁶ Justice Alito explained that it was not granted certiorari because the argument was not raised before either the USPTO or the Federal Circuit.³⁷ Tam asserted that the clause challenged the definition of the term "persons."³⁸ He claimed the definition of "persons" included "natural and juristic person" and not "non-juristic entities such as racial and ethnic groups."³⁹ The Court found Tam's reading of the term too narrow.⁴⁰ To reach this conclusion, the Court looked to the language of the clause itself, which indicated "persons" plural, not "person" singular, as evidence that Tam's interpretation did not encompass the breadth of the disparagement clause.⁴¹

After discussing Tam's interpretation of the disparagement clause, the Court considered the government's argument that trademarks constitute government speech.⁴² Justice Alito's opinion noted that trademarks have not historically been used to express a government message, nor has evidence indicated that the public associates trademark messages with the government.⁴³ The Court held that trademarks are private speech, not government speech.⁴⁴ The government's argument that trademarks are government subsidies conveying a specific viewpoint was also rejected.⁴⁵ After evaluating supporting case law, the Court distinguished the present case by emphasizing that, unlike those instances, the USPTO does not extend monetary compensation to trademark registration

³⁶ *Id.* at 1755.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Tam*, 137 S.Ct. at 1755.

⁴⁰ *Id.* at 1756.

⁴¹ *See Id.*

⁴² *Id.* at 1757-1758.

⁴³ *Id.* at 1759.

⁴⁴ *Id.* at 1760.

⁴⁵ *Tam*, 137 S.Ct. at 1761.

applicants.⁴⁶ This distinction drew a clear line of demarcation because “government service requires the expenditure of government funds.”⁴⁷

Finally, the Court addressed the government’s argument that the disparagement clause could be sustained under a “government-program” doctrine.⁴⁸ The government supported this argument with case law upholding restriction of speech based on the content of such speech.⁴⁹ The Court drew a distinction between these cases and Tam’s trademark application. Specifically, the Court indicated that some content- and speaker-based restrictions may be allowed, but even in cases condoning those restrictions, “viewpoint discrimination” is prohibited.⁵⁰ Broadly speaking, because the disparagement clause applies evenhandedly to all types of groups, the clause discriminates on the basis of viewpoint.⁵¹ The Court stated that denial of a mark, based on its potential to offend necessarily represents viewpoint discrimination; in essence, offense is a viewpoint.⁵²

After determining the government’s arguments unpersuasive, the Court evaluated a debate between the parties.⁵³ The debate focused on whether trademarks, if considered commercial speech, should be subject to more relaxed scrutiny.⁵⁴

⁴⁶ *Id.* at 1761. The government relied on *Rust v. Sullivan*, 500 U.S. 173 (1991) (holding that federal law that funded private parties for their family planning was a government subsidy); *National Endowment for Arts v. Finely*, 524 U.S. 569 (1998) (holding that artists who received cash grants were receiving government subsidies); and *United States v. American Library Assn., Inc.*, 539 U.S. 194 (2003) (holding federal funding for public libraries was government subsidy).

⁴⁷ *Tam*, 137 S.Ct. at 1761.

⁴⁸ *Id.* at 1763.

⁴⁹ *Id.* at 1761-62. The Court acknowledged that these cases occupied a special areas of First Amendment law that is far removed from the registration of trademarks.

⁵⁰ *Id.* at 1763.

⁵¹ *Id.* at 1763.

⁵² *Id.*

⁵³ *Tam*, 137 S.Ct. at 1763.

⁵⁴ *Id.* at 1763.

The government argued that trademarks are commercial speech, while Tam looked to the expressive content of trademarks to refute the government's claim.⁵⁵ Tam asserted that trademarks do not only identify a source of a product or service.⁵⁶ Instead, trademarks extend further into representation – in his case, THE SLANTS is not simply a band name, but an expression of social views.⁵⁷ The Court found the government's contention too broad, and pointed to the presence of merchandise that disparages groups, figures, and individuals as an indication of such.⁵⁸ Allowing a commercial label to suppress speech of political or social nature would endanger free speech.⁵⁹ Applying this analysis, the Court declined the government's argument.⁶⁰

B. *Content v. Viewpoint Discrimination*

Justice Kennedy, concurring, expressed that a more searching exploration of First Amendment protections of viewpoint discrimination to trademarks was required.⁶¹ He stated that content-based discrimination includes speech suppression aimed at particular subject matter, with a subcategory attempting to suppress particular views on a subject.⁶² That subcategory, viewpoint discrimination, is an abhorrent form of content discrimination.⁶³ The test used to determine viewpoint discrimination considers whether the government has isolated messages for disapproval based on its expressed views.⁶⁴ In the instant case, the government identified the subject as “persons,” creating an isolated group subject to evaluation under the disparagement clause.⁶⁵ According

⁵⁵ *Id.* at 1764.

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.* at 1765.

⁵⁹ *Tam*, 137 S.Ct. at 1765.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.* at 1765-1766.

⁶³ *Id.* at 1766.

⁶⁴ *Id.*

⁶⁵ *Tam*, 137 S.Ct. at 1766.

to the disparagement clause, an applicant can register a positive mark within that subject, but not a derogatory or disparaging one.⁶⁶ The Court found the government's disfavoring of a category of messages to be the intrinsic definition of viewpoint discrimination.⁶⁷

Justice Kennedy's conclusion refuted the government's arguments. First, the government asserted that the law was viewpoint-neutral because it applied equally to all trademarks.⁶⁸ The Court reasoned that this perspective allowed laws to be viewpoint neutral if they praised, but not if they condemned.⁶⁹ However, the Court indicated that the First Amendment protects more than identification with a specific side.⁷⁰ The First Amendment allows arguments for "particular positions in particular ways."⁷¹ Second, the government argued the disparagement clause is viewpoint-neutral because it concerns trademarks generally, regardless of an applicant's choice of mark or personal views.⁷² The government explained that Tam's application was not rejected based on a belief that Tam intended to offend, rather because of the government's concerns that it would be offensive to some Asian-Americans.⁷³ The Court did not allow insulation of a law from charges of viewpoint discrimination based on censorship simply because of an audience's potential reaction.⁷⁴ Allowing such insulation would remove the potential for a positive expression in instances such as Tam's, where reclaiming the term would stimulate celebration of our diverse nation.⁷⁵ Concluding this idea, the Court explained that the public deserved the opportunity to learn from the trademark's message, regardless of the government's negative perception.⁷⁶

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Tam*, 137 S.Ct. at 1766.

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *Id.* at 1767.

⁷⁵ *Id.*

⁷⁶ *Id.*

In consideration of the parties' commercial speech debate, Kennedy's opinion indicated the issue was resolved when such speech was determined viewpoint discrimination.⁷⁷ Trademarks, when qualifying as commercial speech, are not exempted from the First Amendment's requirement of viewpoint neutrality.⁷⁸ Marks exist in a tangible marketplace replete with messages expressing a multitude of everyday expressions ranging from political organizations to entertainment networks.⁷⁹ Allowing viewpoint discrimination in such context would be to allow government censorship.⁸⁰ Kennedy concluded his opinion by asserting that a law prohibiting offensive speech defies the First Amendment by permitting government benevolence.⁸¹

Justice Thomas wrote briefly, to express his belief that strict scrutiny is required when the government restricts speech in order to suppress the ideas it conveys.⁸² According to Justice Thomas, this applies regardless of whether the speech is categorized as commercial speech.⁸³

IV. FUTURE IMPLICATIONS

The significance of the *Matal v. Tam* decision rests in its unique position of evaluating a trademark issue under constitutional analysis.⁸⁴ In previous intellectual property cases considering First Amendment scrutiny, the United States Supreme Court determined that U.S. copyright laws were constitutional so long as traditional

⁷⁷ *Tam*, 137 S.Ct. at 1767

⁷⁸ *Id.*

⁷⁹ *Id.* at 1768.

⁸⁰ *Id.*

⁸¹ *Id.* at 1769.

⁸² *Id.*

⁸³ *Tam*, 137 S.Ct. at 1769.

⁸⁴ Lisa Ramsey, *Symposium: Increasing First Amendment scrutiny of trademark law after Matal v. Tam*, SCOTUSBLOG (Jun. 20, 2017, 2:33 PM), <http://www.scotusblog.com/2017/06/symposium-increasing-first-amendment-scrutiny-trademark-law-matal-v-tam/>.

protections remained unaltered by Congress.⁸⁵ Despite copyright considerations, the Court had not considered trademark constitutionality.⁸⁶

Prior to *Tam*, the disparagement clause had been upheld in Federal Court.⁸⁷ In *Pro-Football, Inc. v. Blackhorse*, the United States Court of Appeals for the Fourth Circuit reviewed an appeal by the owner of the Washington Redskins after the TTAB cancelled the team's trademark registration under the disparagement clause.⁸⁸ The Federal Court indicated that the mark THE REDSKINS may dishonor Native American groups,⁸⁹ and held the disparagement clause was not facially void for vagueness under Due Process principles, nor vague as applied.⁹⁰

Prior to the Supreme Court's holding in *Tam*, the Federal Court in *Pro-Football* also determined that trademark expressions did not constitute commercial speech.⁹¹ Following denial of the appeal, the plaintiff in *Pro-Football* filed a petition for review with the Supreme Court.⁹² The Supreme Court subsequently denied certiorari.⁹³ After announcement of the decision in *Tam*, the attorney for the Washington Redskins stated "the Supreme Court vindicated the Team's position that the First Amendment blocks the government from denying or cancelling a trademark registration

⁸⁵ *Id.* With respect to copyright constitutionality, the Supreme Court has considered *Eldred v. Ashcroft*, 123 S.Ct. 769, 770 (2003) (holding that plaintiff's First Amendment rights were not violated under the Copyright Term Extension Act, and that their use of previously copyrighted acts that had fallen out of protection, but regained protection through the Act, was improper use); *See Golan v. Holder*, 132 S.Ct. 873 (2012) (holding that the First Amendment did not inhibit restoration authorized under the Uruguay Round Agreements Act, which granted protection for certain preexisting works that were copyrighted in the work's country of origin, but not in the United States).

⁸⁶ *Id.*

⁸⁷ *See Pro-Football, Inc. v. Blackhorse*, 112 F.Supp.3d 439 (E.D.Va. 2015).

⁸⁸ *Id.* at 450.

⁸⁹ *Id.* at 447.

⁹⁰ *Id.* at 452.

⁹¹ *Id.* at 457.

⁹² *Pro-Football, Inc. v. Blackhorse*, 137 S.Ct. 44 (2016) (Cert. denied.).

⁹³ *Id.*

based on the government's opinion."⁹⁴

While the Court's decision in *Tam* broadens the acceptability scope of marks previously condemned as disparaging, it is significant to note Tam's assertion that his choice of band name was meant to embrace a contemptuous term directed at a class of which Tam himself was a member. To the contrary, the Washington Redskins are not typically comprised of Native Americans seeking to embrace a derogatory term in effort to change its meaning. This is a key distinction between the two. By modern standards, it is undeniable that the name "Redskins" is decidedly meant to insult a group not represented by those seeking trademark approval of the term. The statement by the Redskins' attorney disregards the dissimilarity between the team's composition and that of The Slants, and appears to embrace trademark registration as freely accessible in light of the decision in *Tam*, regardless of the intention behind the application for registration. Should USPTO respond accordingly, *Tam* may have broadened the opening for registration of trademarks that are *intended* to disparage. The wake of *Tam* begs a simple question – how far is too far?

While no further action has been taken to date on behalf of the Washington Redskins,⁹⁵ others have taken the *Tam* decision as an opportunity to pursue what previously had been prevented.⁹⁶ The day following issuance of the decision, eleven applications for marks that could be perceived as offensive or disparaging were filed.⁹⁷ These applications currently await review by the USPTO.⁹⁸ There is little doubt that additional filings will follow suit as the public attempts to determine the new standard in disparaging

⁹⁴ Lake Lewis, TWITTER (Jun. 19, 2017, 10:46am), <https://deadspin.com/supreme-court-strikes-down-provision-that-would-have-ba-1796223919>.

⁹⁵ *Pro-Football, Inc.*, 137 S.Ct. at 44 (Cert. denied.).

⁹⁶ Tim Lince, *Numerous 'Offensive' Trademark Applications Filed Following Tam Ruling; Applicants Reveal Commercial Hopes and Exploitation Fears*, WORLD TRADEMARK REVIEW (Jun 26, 2017), <http://www.worldtrademarkreview.com/Blog/detail.aspx?g=5f074f89-0f55-4af4-9341-e605facc7776>.

⁹⁷ *Id.*

⁹⁸ *See Id.*

trademark acceptability.

Consideration must be also given to the remaining language of Section 2(a) of the Lanham Act. Portions of the provision other than the disparagement clause have been questioned, including clauses prohibiting registration of immoral and scandalous marks.⁹⁹ Currently, a case pending before the Federal Circuit challenging the constitutionality of the scandalousness provision, which prohibits marks deemed “immoral, deceptive or scandalous,”¹⁰⁰ awaits review following the ruling in *Tam*.¹⁰¹ There, the petitioner seeks review of denial of his application for protection of his mark, “FUCTION” for certain apparel.¹⁰² Though represented merely as a brand name, the inference to an often used slang term is apparent in the pronunciation. Pending resolution of litigation in this case, the USPTO has suspended review of trademark applications that may lie within the scope of the scandalousness provision.¹⁰³ The Federal Circuit has requested the parties involved in the case submit supplemental briefs regarding resolution of the scandalousness provision’s constitutionality.¹⁰⁴

Though constitutional distinctions could be drawn between portions of the provision, it seems unlikely given the rationale in *Tam*, that the Supreme Court would choose to bifurcate the language. Acceptance of trademarks that would not achieve

⁹⁹ Monica Riva Talley, *Bring On The Bad Word Brands?*, NATIONAL LAW REVIEW (July 3, 2017), <https://www.natlawreview.com/article/bring-bad-word-brands-what-supreme-court-s-decision-matal-v-tam-means-trademark>.

¹⁰⁰ 15 U.S.C. § 1052 (2)(a) (2012).

¹⁰¹ Talley, *supra* Note 9.

¹⁰² Louis S. Ederer, Roberta L. Horton, Paul C. Llewellyn, Kyle D. Gooch, *Supreme Court Strikes Down 70-Year Old Statutory Provision Barring the Registration of “Disparaging” Trademarks*, ARNOLD & PORTER KAYE SCHOLER (June 21, 2017), <https://www.apks.com/en/perspectives/publications/2017/06/supreme-court-strikes-down-70yearold-statutory>.

¹⁰³ U.S. Patent and Trademark Office, *Examination Guidance for Section 2(a)’s Disparagement Provision after Matal v. Tam and Examination for Compliance with Section 2(a)’s Scandalousness Provision While Constitutionality Remains in Question* (2017), *Examination Guide 1-17*.

¹⁰⁴ Ederer, *supra* Note 102.

approval in the current climate due to their vulgar or scandalous nature could be perceived as a natural progression of our ever-evolving culture, or evidence of the fluidity of language. Throughout society's evolution, language has adapted with the invention of new terminology or interpretation of common vocabulary. Perhaps, under the constitutional scrutiny that discharged the disparagement clause, the scandalousness provision will reach the same fate. The establishment of new thresholds for trademark registration acceptance could continue to broaden utilization of language.

V. CONCLUSION

After review of the government's arguments in favor of upholding the disparagement clause, the Supreme Court found that by prohibiting offensive speech, the provision violated the First Amendment.¹⁰⁵ This decision broadens review for future trademark registration cases, and sets precedent for additional constitutional challenges to language within the Lanham Act. With that in mind, though the constitutionality of the disparagement clause has not survived the Court's scrutiny, the consequential breadth of its demise remains uncertain. This controversy teeters on interpretation of *Tam* as either simple and clear rationale, or having the potential to unravel a history of increased protections afforded to persons and groups who have suffered. The future of trademark registration, following *Matal v. Tam*, will continue to attempt achievement of that the tenuous balance.

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¹⁰⁵ *Matal v. Tam*, 137 S.Ct. 1744, 1765 (2017).

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