



THINK FORWARD

Supreme Court Holds Statute Banning Registration of Disparaging Marks Violates the First Amendment

By [Howard Michael](#)

June 22, 2017

This past Monday, June 19, the Supreme Court unanimously ruled that Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), is unconstitutional under the First Amendment. *Matal v. Tam*, No. 15-1293, 582 U.S. ____ (2017). Section 2(a), often referred to as the “disparagement clause”, has been in effect since enactment of the Lanham Act in 1946. It prohibits federal registration of trademarks that comprise “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 disrepute.”

The case involves the rock band The Slants, which is composed of Asian-American musicians. The band’s founder and lead singer, Simon Shiao Tam, applied to federally register the band’s name as a trademark with the United States Patent and Trademark Office (“PTO”). The Examiner at the PTO refused registration, citing Section 2(a). In support of the refusal, the Examiner cited 162 examples of the term “slant” used in a derogatory way to refer to Asian people. In response, Tam argued that the band’s use of the term is an ironic re-appropriation meant to undercut the term’s racist connotation and empower Asians. The Trademark Trial and Appeal Board (“TTAB”), and later a Federal Circuit panel, agreed with the Examiner and affirmed refusal. However, an *en banc* panel of the Federal Circuit reversed its earlier decision and held Section 2(a) violates the First Amendment. The Supreme Court agreed with the *en banc* panel.

Justice Alito delivered an opinion in which four justices joined. Justice Alito first addressed whether Section 2(a) is immune from First Amendment scrutiny because, as the government alleged, federal trademark registrations are government speech or, alternatively, are a form of government subsidy. Justice Alito explained that registrations are not government speech because trademarks are created by and belong to private parties. Justice Alito added that the government’s viewpoint is neutral as to which marks can be registered as registration is automatic once statutory requirements are met, quipping that if registrations are government speech, the government is “babbling prodigiously and incoherently.” Further, Justice Alito noted that applicants and registrants, not the government, fund the PTO’s trademark registration system through application and maintenance fees. Justice Alito then stated that Section 2(a) violates the First Amendment even under the more relaxed intermediate scrutiny test for which the government advocated in the alternative. Justice Alito found that the government’s two interests in Section 2(a) do not pass muster. First, Justice Alito argued that the government interest in preventing hateful expression in fact “strikes at the heart” of the First Amendment protection. Second, the justices agreed that Section 2(a) goes further than necessary in protecting the government’s interest in promoting the orderly flow of commerce. Justice Alito explained that Section 2(a) reaches all applied-for marks that disparage any person, group, or institution, stating “[Section 2(a)] is not an anti-discrimination clause; it is a happy-talk clause.”

Justice Kennedy wrote a concurring opinion in which Justices Ginsburg, Sotomayor, and Kagan joined, finding that Section 2(a) violates the First Amendment because the statute is viewpoint discrimination that necessarily invokes, and fails to pass, heightened scrutiny. Justice Kennedy likened Section 2(a) to government censorship and warned of the danger of removing certain ideas or perspectives from a broader debate, especially where the ideas or perspectives that a particular audience might find offensive.

The invalidation of Section 2(a) likely impacts the Washington Redskins' pending high-profile case regarding the cancellation of its registrations under Section 2(a). In that case, a group of Native Americans petitioned the PTO to cancel the NFL team's federal registrations covering the mark REDSKINS under Section 2(a). The PTO granted the petition and the team's appeal is currently pending in the Fourth Circuit Court of Appeals. Beyond the Redskins case, the Court's decision potentially opens the floodgates to registration of a wide variety of colorful marks that Section 2(a) would have otherwise barred. These include marks the PTO and TTAB have previously refused and marks that Section 2(a) discouraged registering in the first place.

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