



THINK FORWARD

Lee v. Tam: Supreme Court Hears Oral Arguments On Lanham Act Section 2(a) Prohibition of Registration of Disparaging Marks

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Earlier this month, the Supreme Court of the United States heard oral arguments in *Lee v. Tam* to examine the constitutionality of Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a). Section 2(a) prevents the registration of a mark that “consists 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 disrepute...*” (emphasis added).^[1]

Background

In 2011, Simon Shiao Tam, of an Asian-American dance-rock band called “The Slants,” applied to register THE SLANTS with the United States Patent and Trademark Office (“PTO”) for “entertainment in the nature of live performances by a musical band” based on his use of the mark since 2006. The examining attorney denied registration on the ground that the mark is disparaging toward Asian Americans. Mr. Tam appealed to the PTO’s Trademark Trial and Appeal Board (“TTAB”), which affirmed the denial.

Mr. Tam then appealed to the Federal Circuit, and a panel of the Federal Circuit likewise affirmed the denial. However, the Federal Circuit, *sua sponte*, ordered a rehearing *en banc*. The Federal Circuit subsequently reversed the panel decision and held that:

“[i]t is beyond dispute that § 2(a) discriminates on the basis of content in the sense that it applies to particular speech because of the topic discussed. Section 2(a) prevents the registration of disparaging marks—it cannot reasonably be argued that this is not a content-based restriction or that it is a content-neutral regulation of speech.”^[2]

The *en banc* court further held Section 2(a) to be viewpoint discrimination, as it discriminates based on the message expressed by the mark.^[3] The court noted that the purposes of the Lanham Act are to protect consumers from confusion and to ensure that markholders can protect investments in their marks. The court observed that some restrictions in the Lanham Act serve these purposes, for example, by prohibiting registration of marks that are deceptive or misleading. The court explained that, in contrast, the anti-disparagement provision of Section 2(a) focuses on the expressive nature of the content and does not further the Lanham Act’s purposes.^[4]

The Supreme Court granted *certiorari* and heard oral argument on January 18, 2017.

Brief Summary of Oral Argument

Presented below is a brief summary of the argument. The PTO argued that Section 2(a)’s

disparagement provision is a reasonable limit on access to its trademark registration program and not a restriction on speech in violation of the First Amendment. The PTO explained that its refusal to register the mark “did not limit Respondent’s ability to use the mark in commerce, or otherwise to engage in expression or debate on any subject he wishes.”

Several justices focused on the purpose of a trademark and what is appropriate to serve that purpose. The PTO agreed that a trademark serves as a source identifier, but also did not deny that trademarks may have expressive purposes as well. Some comments from the Court suggested agreement that language traditionally not afforded First Amendment protection, such as statements subject to claims for libel or slander, could be refused registration as a trademark. However, when pressed on how Section 2(a) furthered the goal of identifying source, the PTO answered that Section 2(a) prevents words that would distract the consumer from identifying what was the source of the product. Justice Breyer, in response, noted that many registered trademarks contain distracting language.

The Justices raised several other points with the PTO. For example, after discussion of the fact that the PTO allows registration of marks that contain “complimentary” language, the PTO was asked why allowing such language but denying disparaging language was not viewpoint discrimination, which is prohibited for government programs. The PTO also was asked whether the language of Section 2(a) is vague, since it would be possible for trademark examining attorneys to disagree as to what constituted a disparaging mark.

During Mr. Tam’s argument, some Justices pointed out that even if a mark is refused registration as disparaging, it may still be used as a trademark and the mark owner can assert common law trademark rights under Lanham Act Section 43(a). Mr. Tam’s attorney was asked whether his client was significantly injured by denial of registration, as he “can still sue... [and] still compete” based on his common law rights. Mr. Tam’s attorney responded that registration of trademarks is a government program that provides several advantages to trademark owners, and that denial of these advantages to markholders based on the viewpoint expressed in the mark is a significant burden on free speech.

Some Justices asked whether the registration of trademarks amounts to government speech. Mr. Tam’s attorney answered that registration is not government speech because the register simply serves as a recordation, and the mark’s message, creation, and design is, at all times, in the complete control of the applicant.

When asked to comment on the proposition that denying registration for disparaging trademarks serves the source-identifying purpose of the trademark system because such marks distract from that function, Mr. Tam’s attorney responded that the disparaging qualities of such marks do not in any way detract from the source-identifying function of the marks.

The Court’s decision in this case could have a significant effect on the kinds of trademarks that may be registered. We will provide a further alert after the Court decides the case.

Contact Us

If you have any questions or wish to discuss how this Alert impacts your business, please contact one of our [Brinks attorneys](#).

[1] This is not the first time in the recent past that Section 2(a) has been in the spotlight. In 2014, in *Blackhorse v. Pro-Football Inc.*, 2014 TTAB LEXIS 231, 111 USPQ2d (BNA) 1080 (Trademark Trial & App. Bd. June 18, 2014), the Trademark Trial and Appeal Board (“TTAB”) decided that registered trademarks consisting in whole or in part of the term REDSKINS for professional football-related services were registered in violation of Section 2(a) of the Lanham Act, because they were disparaging to Native Americans at the time they were registered. Accordingly, the TTAB ordered the cancellation of the registrations. The Eastern District of Virginia affirmed the TTAB’s decision. The district court noted that the marks may still be used in commerce even though the registrations have been cancelled. The *Blackhorse* case is on appeal to the Court of Appeals for the Fourth Circuit.

[\[2\]](#) *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015)(internal quotations omitted)

[\[3\]](#) *Id.* at 1336-37.

[\[4\]](#) *Id.* at 1329-30.