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PERSPECTIVE

Shifting policy on disparaging marks?

By Travis J. Burch

One of the least satisfying parts of practicing law is answering clients' questions with "it depends." The frustration is no less when the authority is a Patent and Trademark Office examining attorney determining whether a mark is worthy of being placed on the federal register. But perhaps the uncertainty will soon be alleviated for trademark prosecutors counseling clients seeking to register possibly disparaging marks.

On April 27, the U.S. Court of Appeals for the Federal Circuit issued a sua sponte order vacating its April 20 decision in *In re Tam*, 14-1203. The dispute began in 2010 when the front man for an Asian-American band called The Slants sought registration of the mark "the slants." Tam submitted specimens featuring the mark set against various Asian motifs. Not surprisingly, the examiner found the mark disparaging to persons of Asian descent under Section 2(a) of the Lanham Act and refused to register it. Tam appealed, but ultimately abandoned the appeal and instead sought to register "the slants" again for essentially the same services. Having learned his lesson, the specimens for the second application omitted the Asian motifs. Once again, the examining attorney declined to register the mark because it was disparaging. The examiner cited materials Tam submitted in the first application.

The Trademark Trial and Appeal Board affirmed the examiner's refusal to register the mark. The board found that the band meant "the slants" to refer to persons of Asian descent. The board cited Tam's own statements that he selected the mark to embrace and "own" the stereotype it represented regarding people of Asian ethnicity.

Tam then appealed to the Federal Circuit arguing that the board erred in finding the mark disparaging, and he also challenged the constitutionality of Section 2(a).

Applying the two-part disparagement test formulated in *In re Geller*, 751 F.3d 1355 (Fed. Cir. 2014), the Federal Circuit affirmed the board's decision. In *Geller*, the Federal Circuit asked: (1) What is the likely meaning of the matter in question; and (2) if that meaning is meant to re-

fer to identifiable persons, institutions, beliefs or national symbols, whether it may be disparaging to a substantial composite of the referenced group. Thus, the Federal Circuit affirmed the board's decision and held that it was not error for the board to use the materials submitted in the prior abandoned application to determine the mark's manner of use.

The Federal Circuit rejected Tam's constitutional arguments, including his First Amendment challenge to the anti-disparagement provision in Section 2(a), relying on the U.S. Court of Customs and Patent Appeals' opinion in *In re McGinley*, 660 F.2d 481 (C.C.P.A. 1981). The panel reasoned that Section 2(a) does not abridge the First Amendment because it only restricts a right to register, rather than use, an applied-for mark.

Although the affirmation of the refusal to register Tam's mark was fairly unremarkable, what followed shortly thereafter was rather unorthodox. On April 27, just one week after its affirmation, the Federal Circuit issued an order stating it was vacating its three-judge panel decision and that it would sit en banc to decide whether the bar on registration of disparaging marks in Section 2(a) violated the First Amendment. The court's decision was sua sponte and occurred before Tam sought review.

The road map the Federal Circuit may follow is found in Judge Kimberly Moore's separate opinion in *Tam*. Moore said it is time to revisit *McGinley*'s holding on the constitutionality of Section 2(a), which gives the PTO discretion to refuse immoral, scandalous or disparaging marks. She noted that 30 years have passed since *McGinley* and First Amendment jurisprudence on the "unconstitutional conditions" doctrine and commercial speech protection have evolved since that decision.

Moore then began her analysis of whether Section 2(a) was unconstitutional by setting forth the three requirements for finding a First Amendment violation: (1) The speech is protected speech; (2) government action abridges that speech; and (3) the abridgment is unconstitutional when analyzed under the proper analytical framework.

First, Moore noted that trademarks are protected speech under Supreme

Court commercial speech jurisprudence. She added that Tam's mark had additive protective qualities above and beyond mere source identifiers. For example, Tam sought to "reclaim" and "take ownership" of Asian stereotypes by selecting "the slants" for registration.

Next, Moore turned to whether Section 2(a) bridges speech. This section of Moore's analysis sets forth why *McGinley* is no longer valid. *McGinley* held that refusal to register a mark under Section 2(a) does not bar the applicant from using the mark, thus it cannot implicate the First Amendment. While this is correct, it is undeniable (as every trademark prosecutor counsels their clients) that the benefits, both substantive and procedural, of federal registration are myriad. Thus, these facts need to be filtered through the "unconstitutional conditions" doctrine, which *McGinley* did not do.

Under the "unconstitutional conditions" doctrine, even though a person has no right to a valuable governmental benefit and even though the government may deny a benefit for any number of reasons, there are some reasons upon which the government may not rely. It may not deny a benefit to a person on the basis that infringes constitutionally protected interests such as freedom of speech. And, even though the "unconstitutional conditions" doctrine is tempered when Congress' power stems from the spending clause of the Constitution, the spending powers of Congress no longer apply to the PTO; since 1991, operations have been funded entirely by registration fees, not taxpayers.

Moore rounded out her analysis stating that content-based regulations are presumptively invalid and viewpoint based regulations more so. Thus, because Section 2(a) prohibits marks that disparage a group, but not one that promotes a group, it is viewpoint discriminatory and resultantly must satisfy the strict scrutiny standard. Which it does not.

But Moore went a step further and found that even under the intermediate scrutiny test applied to commercial speech, Section 2(a) still violates the First Amendment. Under the Supreme Court's test in *Central Hudson Gas & Electric Corp. v. Public Service Com-*

mission, 447 U.S. 557 (1980), commercial speech restrictions are constitutional if the regulation directly advances a substantial governmental interest, and is not more extensive than necessary to serve the governmental interest. Moore easily dispatched every purported governmental interest and stated that the Federal Circuit has not been presented with any substantial governmental interest that would justify the PTO's refusal to register disparaging marks. As she cited, it has long been a "bedrock principle underlying the First Amendment ... that the Government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable." Thus, if the en banc panel adopts Moore's analysis, Section 2(a) will be stricken as unconstitutional.

In addition to the broader First Amendment impact, hopefully trademark prosecutors can glean practice points from *Tam*. For instance, would the examiner have refused registration of the mark had Tam omitted trademark specimens with Asian motifs? Without the Asian motifs, would the examiner have scoured the public domain for statements attributable to Tam as to what the term "the slants" meant? Obviously, if a client has a borderline mark, the PTO may use the clients' own words against them and clients must be informed of this potential.

Finally, if the time has come to strike Section 2(a), it will be a victory not only for free speech, but for PTO coffers. Trademark prosecutors will no longer have to point out to prospective trademark applicants that, while the PTO has let through marks such as "dykes on bikes," the client's mark will likely be rejected. Thus, the PTO should see a concomitant uptick in filings for what would not have been sought to be registered.



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