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IP FRONTIERS

Disparaging trademarks: A potentially new marketing avenue

At a time when the presidential race is a news cycle fixture, a theme in the news often lately is political correctness, used most often as a defense for a given candidate making statements that could be found particularly offensive to certain groups of people.

But the political correctness/offensive speech debate extends beyond the campaign trail, it is also a recent theme in trademark law, as the ability to protect the use of disparaging terms (which are most certainly not politically correct) in commerce through obtaining federal trademark registrations is being litigated in federal court.

Specifically, a recent decision by the Court of Appeals of the Federal Circuit, *In re Tam* (No. 14-1203, Fed. Cir. Dec. 22, 2015), held unconstitutional the ability of the United States Patent and Trademark Office to deny a trademark registration based on this mark "disparaging" a person (living or dead), or a national symbol. This decision has the potential to enable the protection of marks formerly found disparaging by obtaining federal trademark registrations.

In re Tam asked the question of whether by denying the registration of an arguably "disparaging" trademark, the United States Patent and Trademark Office had run afoul of the First Amendment. The mark in question was THE SLANTS, used by the registrant, Simon Shiao Tam, as his band's name, with Mr. Tam understanding that this mark could be used as a derogatory racial slur against individuals of Asians descent, and the band was comprised of Asian-American musicians.

At the USPTO, the Examining Attorney refused the application under Section 2(a) of the Lanham Act because the term "slants" is disparaging of Asians. The Trademark Trial and Appeal Board



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Daily Record
Columnist

(TTAB) upheld the Examining Attorney's decision, and Mr. Tam appealed to Court of Appeals for the Federal Circuit. Although the Federal Circuit originally affirmed the TTAB decision, they decided to rehear the case *en banc*.

At this time, rather than agree with the USPTO's stance on this mark, in a 9-3 decision, the Court held that the statutory provision that enabled the USPTO to deny registration of a trademark based on this criteria, section 2(a) of the Lanham Act, is unconstitutional. The Court stated, "The government cannot refuse to register disparaging marks because it disapproves of the expressive messages conveyed by the marks."

In issuing its decision, the Court held, among other things, that Section 2(a) of the Lanham Act denies rights to certain speakers, this denial is viewpoint-based, the trademark registration is not government speech, and that the government may not exclude disparaging marks on the theory that it doesn't want to be associated with those marks.

The Court also theorized that a finding for the government would give it similarly broad power to discriminate in granting copyrights, *e.g.*, enabling the government to deny copyright protection based on the content of the work. The USPTO, which is considering whether to appeal, filed a request for an extension of time, on March 9, asking for additional time in which to consider filing a request for judicial review of this decision.

This case is similar to the ongoing

cases involving the REDSKINS trademark registrations, which have been a regular part of the news cycle. The current litigation challenges the decision of the USPTO to grant a petition to cancel several REDSKINS registrations because they were disparaging of Native Americans (applying Section 2(a) of the Lanham Act).

Although the *In re Tam* decision of the Federal Circuit is not binding on the United States Court of Appeals for the Fourth Circuit, which is currently considering an appeal from the decision district court decision that upheld the USPTO's Trademark Trial and Appeal Board's decision to cancel the famous REDSKINS marks, it may at least be persuasive.

Also, depending on the decision, Supreme Court may step in to resolve what could be a split in the circuits. Given the request for extension of time, it is possible that the Supreme Court may weigh in on *In re Tam* before the Fourth Circuit issues its decision.

As the Supreme Court itself reiterated just last year in a trademark decision, registration is significant and confers legal rights and benefits to the owners who register their marks. *B&B Hardware, Inc. v. Hargis Ind., Inc.*, 135 S. Ct. 1293, 1300 (2015). The USPTO has a long history of (subjectively) rejecting applications to register marks that it finds to be disparaging.

Among the more famous rejected marks are: STOP THE ISLAMIZATION OF AMERICA, THE CHRISTIAN PROSTITUTE, AMISHHOMO, MORMON WHISKEY, KHORAN for wine, HAVE YOU HEARD THAT SATAN IS A REPUBLICAN?, RIDE HARD RETARD, ABORT THE REPUBLICANS, HEEB, SEX ROD, MARRIAGE IS FOR FAGS,

Continued on next page

Continued from previous page

DEMOCRATS SHOULDN'T BREED, REPUBLICANS SHOULDN'T BREED, 2 DYKE MINIMUM, WET BAC/WET B.A.C., URBAN INJUN, N.I.G.G.A. NATURALLY INTELLIGENT GOD GIFTED AFRICANS.

Although I have no special expertise in formulating arguably disparaging terms, a quick search of the USPTO's database revealed that any term I was able to come up with was in at least one rejected registration application at the USPTO. Between my own findings and those listed in the *In re Tam* decision, it is clear the desire of individuals and companies to utilize these types of terms in commerce is readily apparent. (Certain of the terms I found disparaging had obtained registrations with-

out rejection under Second 2(a).)

Although application of this rule is arguably subjective (e.g., CELEBRASIANS, ASIAN EFFICIENCY, THINK ISLAM, NEW MUSLIM COOL, MORMON SAVINGS, JEWISHSTAR, PROUD 2 B CATHOLIC, and WHORES FROM HELL are all registered trademarks), the elimination of this tool for rejecting trademark applications from the USPTO's toolkit has the potential to change the commercial landscape.

Certainly reasons for registering these types of words and marketing under them could range from reclaiming historically offensive terms, distinguishing products in a crowded marketplace (e.g., a name like Fat Bastard® for wine, Registration No. 78903984, is sure to attract buyers), and even, actually intending to disparage

a person or group of people.

This decision may open the door for federal registration of trademarks that many people would consider offensive or racially insensitive. Whether or not it ultimately makes sense to sell products or to provide services under a mark many people find disparaging becomes a business decision. However, given the opposing results of *In re Tam* versus the decisions on the REDSKINS marks thus far, it will be interesting to see whether the Supreme Court does weigh in on this matter and what it decides.

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