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Can Trademarks Violate Free Speech?

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Suppose that you want to register a trademark that identifies a source of goods or services for your business. What if the trademark may be scandalous or disparage a particular group of people? Should you register your trademark with the U.S. Patent and Trademark Office? Can you obtain a registration from the U.S. Patent and Trademark Office? The answer is YES!

Section 2(a) of the Trademark Act (15 U.S.C. § 1052) states in part:

> "No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—
>
> (a) Consists of 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…

The First Amendment of the U.S. Constitution states:

> "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

In the recent case of *Matal v. Tam*, 582 U.S. ____ (2017), Tam sought registration for the mark THE SLANTS for his rock band. The U.S. Patent and Trademark Office denied registration for the mark based on a two-part test by finding the likely meaning of the term "SLANTS" and that a substantial composite of persons find the term "SLANTS" offensive. After being denied registration, Tam appealed to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) and *en banc* the court found the disparagement clause of Section 2(a) to be unconstitutional under the First Amendment's Free Speech clause. The U.S. Government filed a petition for certiorari, which the U.S. Supreme Court granted. The U.S. Supreme Court decided that the disparagement clause violated the Free Speech Clause of the First Amendment. The U.S. Supreme Court found that trademarks are private speech and not government speech, that trademarks are not a form of government subsidized speech, and that the registration of trademarks is not a type of government program in which some content- and speaker-based restrictions are permitted. Thus, the U.S. Supreme Court held that the disparagement clause violated the Free Speech Clause of the First Amendment.

Since the disparagement clause violates the Free Speech Clause of the First Amendment, does the immoral or scandalous clause of Section 2(a) also violate the Free Speech Clause of the First Amendment? The Federal Circuit is currently addressing this issue in a case pending before them, *In re Brunetti*, No. 150-1109. In this case, the U.S. Patent and Trademark Office refused registration of the term "FUCT" for athletic apparel. The applicant, Brunetti, filed an appeal with the Federal Circuit. Both parties in this case have acknowledged that the U.S. Supreme Court's decision in *Tam* effectively invalidates Section 2(a)'s provision denying registration to marks considered to be scandalous or immoral. Although the disparagement portions of the Trademark Manual of Examining Procedure (TMEP) no longer apply, the U.S. Patent and Trademark Office continues to examine applications based on the existing TMEP related to immoral and scandalous matter. In addition, the U.S. Patent and Trademark Office has suspended action on any pending applications related to scandalous or immoral marks as outlined in Examination Guide 01-16 until a decision in *Brunetti* is finally issued.

Since trademarks can no longer be denied registration based on the disparagement clause, you should file an application to register the trademark as soon as possible. You should be able to have the trademark application examined and obtain a registration. However, it is still possible that once the application is published for opposition, a group disparaged by the trademark may attempt to oppose the mark. However, any opposition should be dismissed if the opposition is based on disparagement grounds. If the opposition, is based on other grounds, then you will be forced to proceed through an opposition if settlement is not possible. Ultimately, you should be able to obtain your registration.

However, what if your trademark is considered immoral or scandalous? Should you still file an application for trademark registration? Because of *Tam*, it is highly likely that the Federal Circuit will agree that the scandalous clause violates the Free Speech Clause of the First Amendment and issue a decision in *Brunetti* soon. Although an application may be suspended from examination, once *Brunetti* is decided, the U.S. Patent and Trademark Office will then begin examining these suspended

applications. Since priority is based on filing, it is recommended that the trademark application be filed immediately to reserve a place in line for priority and examination.

Thus, trademarks can no longer violate Free Speech. As such, you can obtain a registration from the U.S. Patent and Trademark Office if your trademark is considered immoral, scandalous, or disparaging. Although any application filed may be suspended from examination if the trademark is considered immoral or scandalous, you will have priority over a subsequent filer of the mark. If the mark is considered disparaging, it should not be suspended and examined for registration. However, someone may still oppose your trademark once it is published, but should not prevail if based on disparagement. Therefore, it is recommended that you register your trademark immediately with the United States Patent and Trademark Office.

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Headed by Eddie Powell of Fladgate LLP, London, and Norman Zivin of Cooper & Dunham LLP, New York, New York, the ILN's Intellectual Property Group provides the platform for enhanced communication, enabling all of its members to easily service the needs of their clients requiring advice on cross-border transactions. Members of the group meet regularly at ILN conferences and industry events, and have collaborated on discussions and publications of mutual interest.

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