

Scandalous, Immoral And Disparaging Patents In Light Of Tam

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The Federal Circuit sitting en banc recently held in *Tam* that Section 2(a) of the Lanham Act, which prohibits the [U.S. Patent and Trademark Office](#) from registering trademarks that “may disparage” persons, institutions, or beliefs, is unconstitutional and violates the First Amendment on its face.[1] The nine-judge majority found that trademarks generally contain some expressive content protected by the First Amendment, and that the regulation of such content “amounts to viewpoint discrimination” that fails strict scrutiny review.[2] In so holding, the majority noted that, although the statute does not prohibit an applicant from using a disparaging mark in commerce, it does deny the “truly significant and financially valuable benefits” that federal registration bestows. The denial of such benefits, according to the majority, creates an impermissible chilling effect on speech.

The majority opinion includes some discussion that extends beyond trademark law and touches upon the overall role of the government in granting and protecting intellectual property rights, including patent rights. For example, in rejecting the government’s argument that the registration of such rights reflects government (and not private) speech, the court explained that intellectual property registered by the PTO is not viewed as “government expression” or “government[] endorsement of the ideas, inventions, or trademarks of the private speakers to whom they are issued.” Thus, when the PTO registers intellectual property rights, including patents, “it regulates private speech.”

In this article, we explore the potential implications of *Tam* in the patent context, and, specifically, we review various circumstances under which the PTO and/or courts may be called upon to determine whether content in patents and patent applications is immoral, offensive, or disparaging. We first look back at the history of the “moral utility” doctrine, which was used as a basis for denying patent protection to inventions that were deemed “illegal,” “immoral,” and/or contrary to the “health and good order of society.” We then examine certain current Manual of Patent Examining Procedure provisions that appear facially similar to the disparagement provision struck down in *Tam*.

Moral Utility Doctrine

The “moral utility” doctrine, also known as the “beneficial utility” doctrine, has its origins in Justice Joseph Story’s decision in *Lowell v. Lewis*.^[3] Justice Story examined the “utility” requirement of the Patent Act^[4] and concluded that, for an invention to be “useful” within the meaning of patent law:



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the invention should not be frivolous or injurious to the well-being, good policy, or sound morals of society. The word “useful,” therefore, is incorporated into the act in contradistinction to mischievous or immoral. For instance, a new invention to poison people, or to promote debauchery, or to facilitate private assassination, is not a patentable invention.

Justice Story’s understanding of the utility requirement became widely accepted throughout the 19th and early 20th centuries. Courts cited the moral utility doctrine as the basis for denying or invalidating numerous patents that were deemed immoral or offensive. These included, for example, patents to inventions relating to gambling or lotteries,[5] inventions deemed too dangerous for public use or consumption (such as a windshield that obstructed the driver’s view),[6] and inventions that appeared to be designed to mislead, defraud, or deceive the public (such as processes for making tobacco or stockings appear more valuable than they actually were).[7]

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By the mid-to-late 20th century, however, the tide had turned.[8] The decision of the PTO Board of Appeals in *Ex parte Murphy* illustrates this shift in attitude.[9] The Board stated:

[W]e cannot find any basis in 35 U.S.C. 101 or related sections which justify a conclusion that inventions which are useful only for gambling ipso facto are void of patentable utility. ... [W]e think this office should not be the agency which seeks to enforce a standard of morality with respect to gambling, by refusing, on the ground of lack of patentable utility, to grant a patent on a game of chance.

The Federal Circuit also addressed the issue in *Juicy Whip Inc. v. Orange Bang Inc.*, which upheld the validity of a patent that was said to “deceive[] the public through imitation in a manner that is designed to increase product sales.”[10] The court began its analysis by noting that “the principle that inventions are invalid if they are principally designed to serve immoral or illegal purposes has not been applied broadly in recent years.” The court expressly declined to follow the earlier line of cases relating to deceptive inventions and held that there is “no basis in section 101 to hold that inventions can be ruled unpatentable for lack of utility simply because they have the capacity to fool some members of the public.”

Although Justice Story’s formulation of the moral utility doctrine continues to be cited,[11] no court in recent years has applied the doctrine as a basis for patent invalidity or ineligibility. And the MPEP now makes clear that “[a] rejection under 35 U.S.C. 101 for lack of utility should not be based on grounds that the invention is frivolous, fraudulent or against public policy.”[12] Legal commentators, however, appear to be split on whether the moral utility doctrine has any continuing vitality in light of the Federal Circuit’s decision in *Juicy Whip*. Some argue that “cases denying the protection

of the law on the ground of immorality are not of this generation,” and that “immorality or illegality is no longer a bar to an invention’s eligibility for a U.S. patent.”[13] Others suggest that, “[p]roperly viewed,” the “doctrine is a narrow one,” and that a patent should “be withheld only if the invention cannot be used for any honest and moral purpose.”[14]

Moral utility continues to play a more prominent role in foreign jurisdictions, such as Europe and India, as well as in international patent law.[15] For example, the Agreement on Trade-Related Aspects of Intellectual Property Rights allows member states to exclude inventions from patentability where the prevention of the commercial exploration “is necessary to protect ordre public or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment.”[16]

Current MPEP Guidance

Although the moral utility doctrine is in decline, there are other patent principles that appear to require the PTO to make the types of judgments required in Section 2(a) of the Lanham Act that the Tam court ruled unconstitutional. Section 2(a) prohibits federal registration of marks that “may disparage ... persons, living or dead, institutions, beliefs, or national symbols.”[17] The Tam court noted that, to determine whether a mark is disparaging, the Trademark Manual of Examining Procedure instructed examiners to evaluate whether the meaning of the mark “may be disparaging to a substantial composite of the referenced group.”[18] As it turns out, current PTO guidance in the MPEP requires patent examiners to make similar determinations as to whether content in a patent application “could be deemed offensive” to a particular group.

MPEP § 608, for example, states that a patent examiner may object to the use of certain language or drawings in a patent application “that could be deemed offensive to any race, religion, sex, ethnic group, or nationality.”[19] The provision, enacted in 1973, explains that “[t]he inclusion of such proscribed language in a federal government publication would not be in the public interest,” and provides that an application containing such language may not be published or granted issuance “until such language or drawings have been deleted, or questions relating to the propriety thereof fully resolved.”[20] In the design patent context, similar MPEP guidance prohibits subject matter, including “caricatures or depictions,” “which could be deemed offensive to any race, religion, sex, ethnic group, or nationality.”[21]

These provisions appear to be infrequently applied, at least in appeals from, and judicial review of, PTO determinations. But, by their terms, the provisions allow the PTO to deny patent protection to applications that contain content “that could be deemed offensive,” much like the disparagement statute at issue in Tam.

Other MPEP provisions prohibit disparaging language in patent applications directed toward other inventors, inventions, and trademarks. For example, MPEP §§ 608.01(r) and 1853 prohibit “disparaging comments” or “derogatory remarks” concerning the prior art search reports and prior art.[22] And MPEP § 1512 prohibits the “derogatory use of a trademark in a design application,” which the provision describes as “offensive” and “improper subject matter.”[23] While the MPEP cites as support for that prohibition certain early cases from the 1970s, several courts and academic articles have criticized

and questioned those cases in light of case law developments on First Amendment protection for parody trademark use.[24]

Stay Tuned for Developments in the Law

As shown above, while the moral utility doctrine has not been applied broadly (or at all) in the United States in recent years, certain lesser known bases for rejecting patent applications containing offensive or disparaging content still exist today. Those bases are embodied in PTO guidance to examiners and bear some facial resemblance to the disparagement provision struck down in *Tam*.

Time will tell whether the manner in which these PTO guidelines is enforced will change in the wake of *Tam*. But in the meantime, another court will soon weigh in on the constitutionality of Section 2(a)'s disparagement provision. The Fourth Circuit will address that issue in the highly publicized [Washington Redskins](#) case.[25] It has been widely suggested that an outcome in that case that is different from *Tam* could provoke [U.S. Supreme Court](#) review of these issues.

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[1] See *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015) (en banc).

[2] The majority also determined that Section 2(a) would fail intermediate scrutiny appropriate for restrictions on commercial speech. *Id.* at 1355-57.

[3] 15 F. Cas. 1018 (No. 8568) (C.C.D. Mass. 1817).

[4] 1 Stat. 318 (1793) (“[W]hen any person or persons[] . . . shall allege that he or they have invented any new and useful art, machine, manufacture or composition of matter,” a patent may be granted”).

[5] *Brewer v. Lichtenstein*, 278 F. 512 (7th Cir. 1922); *Schultze v. Holtz*, 82 F. 448 (C.N.D. Cal. 1897); *Meyer v. Buckley Mfg. Co.*, 15 F. Supp. 640 (N.D. Ill. 1936).

[6] *Twentieth Century Motor Car & Supply Co. v. Holcomb Co.*, 220 F. 669 (2d Cir. 1915).

[7] *Rickard v. Du Bon*, 103 F. 868 (2d Cir. 1900); *Scott & Williams, Inc. v. Aristo Hosiery Co.*, 7 F.2d 1003 (2d Cir. 1925).

[8] *Whistler Corp. v. Autotronics, Inc.*, 14 U.S.P.Q.2d 1885 (N.D. Tex. 1988) (“[R]adar detector patentees are entitled to the protection of the patent laws.”).

[9] 200 U.S.P.Q. 801 (B.P.A. 1977).

[10] 185 F.3d 1364, 1366-68 (Fed. Cir. 1999).

[11] See, e.g., *Geneva Pharm., Inc. v. Glaxosmithkline PLC*, 213 F. Supp. 2d 597, 609-10 (E.D. Va. 2002).

[12] MPEP § 706.03(a).

[13] John Gladstone Mills III et al., *Patent Law Fundamentals* § 11:5 (Nov. 2015).

[14] 1-4 Chisum on Patents § 4.03.

[15] See Joseph Strauss, *Ordre Public and Morality Issues in Patent Eligibility*, in *Intellectual Property in Common Law and Civil Law* (ed. Toshiko Takenaka 2013).

[16] TRIPS Art. 27(2).

[17] 15 U.S.C. § 1052(a), Lanham Act § 2(a).

[18] *Tam*, 808 F.3d at 1330-31 (quoting TMEP § 1203.03(b)(i)).

[19] MPEP § 608.

[20] *Id.* Similarly, 37 C.F.R. § 1.211(d) states that the PTO “may refuse to publish an application[] . . . if the application . . . contains offensive or disparaging material.”

[21] MPEP § 1504.01(e).

[22] *Id.* §§ 608.01(r), 1853; see also PCT Art. 21(6), Rule 9.1(iii).

[23] MPEP § 1512.

[24] See, e.g., *WHS Entm't Ventures v. United Paperworkers Int'l Union*, 997 F. Supp. 946, 953 (M.D. Tenn. 1998); Jessica Taran, *Dilution by Tarnishment: A Case for Vulgar Humor*, *Intell. Prop. L. Bull.* (Spring 2002).

[25] See *Pro-Football, Inc. v. Blackhorse*, No. 15-1874 (4th Cir.).