



## SUPREME COURT

### ***Lee v. Tam* : Disparaging Trademarks versus Freedom of Speech**

On September 29, 2016, the Supreme Court of the United States (“Supreme Court”) granted certiorari in *Lee v. Tam* to consider whether the disparagement provision of the Lanham Act, 15 U.S.C. 1052(a), which says that no trademark shall be denied registration on account of its nature unless it “consists of ... matter which may disparage... persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute” is facially invalid under the Free Speech Clause of the First Amendment.

At issue in this case is Simon Tam who is seeking to register a trademark for his band’s name “The Slants.” The United States Patent and Trademark Office (“USPTO”) has refused to grant the mark on the grounds that it is disparaging toward persons of Asian descent.

On appeal, the Trademark Trial and Appeal Board (“TTAB”) affirmed the denial to register the trademark. Tam appealed the TTAB’s decision to the United States Court of Appeals for the Federal Circuit (“Federal Circuit”) on the grounds that 15 U.S.C. 1052(a), which was the basis for the rejection by both the USPTO and the TTAB, is unconstitutional. A panel of the Federal Circuit reaffirmed the TTAB’s decision again finding that the mark was disparaging. Additionally, the Federal Circuit panel found 15 U.S.C. 1052(a) constitutional based on precedent from *In re McGinley*. The Federal Circuit quoted the United States Court of Customs & Patent Appeals from *In re McGinley* saying:

“With respect to appellant’s First Amendment rights, it is clear that the PTO’s refusal to register appellant’s mark does not affect his right to use it. No conduct is proscribed, and no tangible form of expression is suppressed. Consequently, appellant’s First Amendment rights would not be abridged by the refusal to register his mark.”

The Federal Circuit *sua sponte* vacated its panel decision and organized a rehearing of the case. The *en banc* rehearing of the case held that the disparagement section of the Lanham Act was unconstitutional. The *en banc* Federal Circuit reasoned that the provision would fail under both intermediate and strict scrutiny saying, “every rejection under the disparagement provision is a message-based denial of otherwise-available legal rights,” and thus “§ 2(a) is invalid on its face.”

The government argued that 15 U.S.C. 1052(a) does not limit free speech because Tam is still able to speak as he would like. Citing *In re McGinley*, the government lead with the argument, “No conduct is proscribed, and no tangible form of expression is suppressed.” However, the First Amendment has evolved over the last 35 years and the Federal Circuit responded saying, “federal trademark registration bestows truly significant and financially valuable benefits upon markholders...Denial of these benefits creates a serious disincentive to adopt a mark which the government may deem offensive or disparaging...§ 2(a) has a chilling effect on speech.” After the *en banc* decision from the Federal Circuit, it appears that Tam and his band will receive their trademark registration.