

Matal v. Tam

137 S. Ct. 1744 (2017)

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BACKGROUND

Today, more than two million trademarks have active federal certificates of regulation. To establish a national uniformity of trademark regulation, Congress enacted The Lanham Act in 1946, which is the foundation of current federal trademark law. Trademarks that are “used in commerce” may be placed on the principal register to be federally registered as a trademark. The system of federal registration helps to ensure that trademarks are fully protected and support the free flow of commerce. Furthermore, the Lanham Act provides national protection of trademarks to secure the goodwill of the owners, and to protect the ability of consumers to differentiate among competing marks.

Plaintiff, and respondent here, Simon Tam, is the lead singer of the band, named “The Slants.” The group “draws inspiration for its lyrics from childhood slurs and mocking nursery rhymes” and has given its albums names such as “The Yellow Album” and “Slanted Eyes, Slanted Hearts”. The term “slants” is often regarded as a derogatory term for persons of Asian descent. But, to the band members who are all Asian American, the band name served the purpose of helping them to “reclaim” the term and dissolve its “denigrating force.”¹ The band hoped to take ownership of stereotypes about people of Asian ethnicity by using their band name as a vehicle for changing the public perspective.²

The defendant in opposition is Joseph Matal, the Interim Director for the United States Patent and Trademark Office (USPTO). Matal, as the examining attorney for Tam’s federal registration, denied the application based on the Lanham Act, a provision of federal law prohibiting the registration of disparaging trademark.

PROCEDURAL HISTORY

Simon Tam initiated this suit after the USPTO’s examining attorney denied his band’s name for violating the disparagement clause of the Lanham Act. The PTO applied a two-part framework, first finding a substantial group

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1. Matal v. Tam, 137 S. Ct. 1744, 1751 (2017).

2. *Id.* at 1754.

of people that would find the term, “slants” as offensive. The examining attorney then relied in part on the fact that the term insinuated a derogatory feel amongst bloggers and commenters on articles that have mentioned the band. The examining attorney also noted instances in which the band’s concert performances had been canceled as a result of the moniker.

Tam contested the denial of registration before the examining attorney and before the PTO’s Trademark Trial and Appeal board (TTAB). But he was unsuccessful in his appeal. Tam then took the case to federal court, where the Federal Circuit ultimately found the disparagement clause facially unconstitutional under the First Amendment’s Free Speech Clause.³ The majority held that the disparagement clause engages in viewpoint-based discrimination because it regulates the *expressive component* of trademarks that cannot be treated as “commercial speech.”⁴ The Federal Circuit held that the clause could not satisfy strict scrutiny sufficient to remain constitutional.⁵ The Government filed a petition for certiorari, which was granted here to decide the facial constitutionality of the disparagement clause of the Lanham Act.

ISSUE

The Supreme Court of the United States addressed one primary issue: whether the disparagement clause pursuant to 15 U.S.C. §1052(a) is facially invalid under the Free Speech Clause of the First Amendment.

DECISION

The Supreme Court affirmed the Federal Circuit Court, holding that the disparagement clause of 15 U.S.C. §1052 violated the Free Speech Clause of the First Amendment.⁶ The Court concluded that the USPTO’s denial of Tam’s band name was a violation of Tam’s First Amendment right to “reclaim” his national origin, in efforts of replacing the racial epithet and public perception.

REASONING

Before testing whether the disparagement clause violated the Freedom of Speech Clause of the First Amendment, the Court first assessed Tam’s interpretation argument of whether the disparagement clause even applied to racial and ethnic groups as a whole. The clause reads: to “disparage...or bring...into contemp[t] or disrepute” any “persons, living or dead.” 15 U.S.C. §1052(a)⁷ Tam’s initial contention was that the term “persons” does

3. *Id.*

4. *Id.*

5. *Id.*

6. *Id.* at 1751.

7. 15 U.S.C. § 1052(a) (2006).

not extend to protecting disparagement towards “racial and ethnic” groups. Tam’s narrow reading of the statute purported to claim that the term “persons” is not synonymous with racial and ethnic groups, because these groups were neither natural nor “juristic” persons identified in the statute. Tam argued that the disparagement clause was backed by legislative history, as well as the USPTO’s past acceptance of applications for trademarks with have denigrating connotations towards African-American and Native American persons. However, the Court stated that the term “persons” encompassed institutions, beliefs, and extended to those members of any group who share those beliefs, such as political, ideological, and religious groups. Therefore, the Supreme Court found Tam’s initial argument meritless, concluding that the disparagement clause indeed applied to those racial and ethnic groups.

Since the disparagement clause did apply to racial and ethnic groups, the Supreme Court proceeded in the analysis to test whether the disparagement clause violated the Free Speech Clause of the First Amendment. The Government presented three arguments: “(1) Trademarks are governmental speech, not private speech, (2) Trademarks are a form of government subsidy, and (3) The constitutionality of the disparagement clause should be tested under a new ‘government-program’ doctrine.”⁸

First, the government argued that trademarks should be regarded as governmental speech. This argument would seemingly disallow the Free Speech Clause to apply because the First Amendment’s Free Speech Clause is restricted from applying to governmental speech. The Government argued that since the USPTO is an arm of the federal government, any federal trademark registrations should be deemed as governmental speech. However, the Court was not convinced, citing several examples in which trademark phrases of corporations had no governmental efficacy. The Court used a three-part factor test to determine whether it was “government speech.” The three factors were: (1) whether the trademark had traditionally been used to convey a government message, (2) whether the viewpoints of the trademark played a role in the decision whether to place it on the principal register, and (3) whether there was any evidence that the public associates the contents of the trademark with the federal government. The Government relied on three cases in attempting to advance their position, but the Court displayed that those three cited cases satisfied the three-factor test, which the federal government did not satisfy here cite.

The Government next contended that the Court has upheld the constitutionality of government programs that subsidize speech of a specific viewpoint. The Government purported that the trademarks are a form of subsidy. However, the Supreme Court was not convinced, stating that the cases cited depend on *cash* subsidies, or their equivalent. Here, however, the federal registration of a trademark is unlike the programs at issue in the cited cases because the USPTO did not pay money to parties seeking registration.

8. *Id.* at 1757.

On the contrary, Tam paid \$275 to federally register his band name. This argument was dismissed by the Court.

Finally, the Government argued that the disparagement clause's constitutionality should be examined under via a new means, the "government-program" doctrine. The Court was quick to state that this was merely an attempt to broaden the doctrine so that it can be applied to the registration of trademarks. cite Again, the Court, unconvinced, stated that it would have been more analogous for the Government to cite to cases where a unit of government creates a limited public forum for private speech.

For the foregoing reasons, the Supreme Court found the disparagement clause to be in violation of the Free Speech Clause of the First Amendment, therefore allowing Tam and "The Slants" to rock on.

CONCURRENCE

Justice Kennedy's concurrence of the decision, joined by four other Justices, highlighted the viewpoint discrimination inherent in §1052(a), which explained in greater detail why the First Amendment's protections against viewpoint discrimination apply to the trademark here. Justice Kennedy furthered the Court's decision by stating that the statute carried, "a form of speech suppression so potent that it must be subject to rigorous constitutional scrutiny." As Justice Kennedy states, the test for viewpoint discrimination is whether the government has discriminated a specific message that it has disfavored based on its particular views. A fundamental principle of the First Amendment is that the government may not suppress speech based on disapproval of the perspectives the speech conveys, which here, the disparagement clause has suppressed. As Justice Kennedy put it, the danger of viewpoint discrimination is that the government is attempting to remove certain ideas or perspectives from a broader debate, which ultimately foster the development of free and open discussion in a democratic society.

Justice Thomas wrote separately to concur in the judgment by adding that whenever the government attempts to suppress speech based on the idea being expressed, the courts will analyze using strict scrutiny, regardless of whether the speech is commercial.