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## The Aftermath of *Matal v. Tam*: Unanswered Questions and Early Applications

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## THE AFTERMATH OF *MATAL V. TAM*: UNANSWERED QUESTIONS AND EARLY APPLICATIONS

*Andrew M. Lehmkuhl II*

### I. INTRODUCTION

Seven applications to register a trademark for the N-word were filed since June 19, 2017.<sup>1</sup> Similar applications were filed for the swastika symbol.<sup>2</sup> Prior to that date, a provision of the federal statute governing trademark registration (The Lanham Act) expressly made federal registration unavailable for disparaging terms or symbols.<sup>3</sup> In the landmark decision in *Matal v. Tam*, the Supreme Court held that this ban on disparaging trademarks violated the First Amendment as an unconstitutional restriction on free speech.<sup>4</sup>

Many questions remain following the decision in *Tam*. Primarily, clear guidance does not exist for whether similar trademark subject prohibitions included in the Lanham Act also violate the First Amendment as an unconstitutional abridgement of speech. Additionally, significant questions arise as to the level of First Amendment involvement in the statutory bans on federal registration of certain trademarks. However, while careful consideration confirms indirect First Amendment implication, these statutory prohibitions still would not survive the rational basis review that would be afforded otherwise.

Regardless of the remaining questions involving trademark law and the First Amendment, the decision in *Tam* will have broad resounding effects in other areas of government registration. Early applications and adherence of the analysis set forth in *Tam* show that District Courts and Circuit Courts alike are applying the *Tam* holding in other cases involving government registration programs that fall outside of the umbrella of trademark law.

### II. BACKGROUND

This section will first provide an overview of the history of trademark law and the development of the Lanham Act, primarily Section 2(a) which prohibited trademark registration for disparaging terms. Next, this section will introduce Simon Tam and his band the Slants, and briefly

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1. Andrew Chung, *U.S. Supreme Court Ruling Leads to Offensive Trademark Requests*, Reuters (June 23, 2017), <https://goo.gl/Xv4Sr8>; NIGGA, Registration No. 87496454.

2. *Id.*; Swastika, Registration No. 87503998.

3. 15 U.S.C. § 1052(a).

4. *Matal v. Tam*, 137 S. Ct. 1744 (2017).

summarize Tam's initial dispute over Section 2(a). Finally, this section will summarize and provide relevant highlights from the Supreme Court's holding and analysis in *Matal v. Tam*.

#### A. Trademark Law and the Lanham Act

Trademarks consist of words, names, symbols, or devices that a person uses to identify and distinguish his or her goods or services from those manufactured, sold, or otherwise provided by others.<sup>5</sup> In the simplest sense, trademarks are designed to identify the source of goods or services, and may be commonly understood as a brand.<sup>6</sup> The use of trademark has deep historical underpinnings, and modern trademark law presents an interesting dynamic between state and federal law, as well as statutory and common law.

Trademarks have been widely used for centuries, dating back as long as the origins of commerce itself.<sup>7</sup> Archaeologists excavating ancient Egyptian sites have discovered building bricks imprinted with the names of the manufacturers.<sup>8</sup> Asian ceramics produced in approximately 2700 B.C. carried marks indicating the name of their maker or their place of origin.<sup>9</sup> Humans are naturally competitive, so temptation arose early for a producer of goods to simply apply the trademark of a better known, more successful producer on his or her own goods in order to increase sales. To protect against this falsehood, many societies enacted laws prohibiting the copying of established trademarks.<sup>10</sup>

Prior to the mid-20<sup>th</sup> century in the United States, trademark law was

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5. 15 U.S.C.S. § 1127; *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 115 (2004). The term "service mark" is specifically used to describe a trademark that identifies the source of a service. However, the terms "trademark" and in short, "mark," encompass trademarks, service marks, brand names, trade dress, certification marks, and collective marks. *Protecting Your Trademark: Enhancing Your Rights Through Federal Registration*, United States Patent and Trademark Office, <https://goo.gl/VPZnKw> (last visited Feb. 7, 2018); William M. Borchard, *A Trademark is Not a Copyright or a Patent* 1, 3 (2014).

6. *KP Permanent Make-Up, Inc.*, 543 U.S. at 115.

7. Benjamin G. Paster, *Trademarks – Their Early History*, 59 *Trademark Reporter* 551, 552 (1969); Samuel Birch, *History of Ancient Pottery: Egyptian, Assyrian, Greek, Etruscan, and Roman*, 12, 17, 2nd ed. (1873).

8. *Id.*

9. Paster, *supra* note 7.

10. In France, holders of infringed trademarks were entitled to civil remedies as early as the thirteenth century. *Id.* at 557. In other areas during the Middle Ages, trademark infringement was criminalized; sometimes rising to the level of felony. *Id.*

embedded almost entirely in common law.<sup>11</sup> Under common law, an individual earned the exclusive right to a trademark simply by using it.<sup>12</sup> This right was geographically-dependent, meaning it was applicable only within the territory the mark was used so it would expand and shrink according to the region served by the trademark holder's business.<sup>13</sup> In addition to the common law, many states also enacted statutes governing trademark registration and protection.<sup>14</sup> Ultimately, in 1946, Congress enacted the Lanham Act,<sup>15</sup> creating a federal source of trademark law and protection. In sum, trademarks may be recognized and protectable via common law, state law, federal law, or some combination of the three.

Through the Lanham Act, Congress constructed a national system of trademark registration<sup>16</sup> and created federal rights of action against trademark infringement<sup>17</sup> among many other provisions generally governing trademark law. Federal registration under the Lanham Act is not mandatory,<sup>18</sup> but it affords several advantages to the trademark holder. Federal trademark registration provides notice to the public regarding the trademark holder's official ownership of the mark.<sup>19</sup> Additionally, while a trademark holder is still required to enforce their own rights to using their mark, a legal presumption of valid mark ownership is created in all states through federal registration.<sup>20</sup>

Notably, § 1052 of the Lanham Act applies a series of limitations to the subject matter that is eligible for trademark registration and protection under federal law. The initial limitation, known as the

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11. Jane C. Ginsburg et al., *Concepts of Trademarks and Unfair Competition*, 5 TRADEMARK AND UNFAIR COMPETITION LAW: CASES AND MATERIALS 7, 21 (2013). Congress enacted several statutes in the 1870s to allow individuals to register their trademarks with the United States Patent Office and receive federal trademark rights, as well as to provide causes of action against infringement of registered trademarks. 16 Stat. 198; 19 Stat. 141. However, in 1879, the Supreme Court of the United States held this statute unconstitutional in the famous "Trade-Mark Cases." Trade-Mark Cases, 100 U.S. 82, 99 (1879).

12. Ginsburg, *supra* note 11; *see also* Trade-Mark Cases, 100 U.S. at 94.

13. Ginsburg, *supra* note 11; *see also* Trade-Mark Cases, 100 U.S. at 94.

14. Ohio Rev. Code Ann. § 1329.54 *et seq.*; Ky. Rev. Stat. § 365.560 *et seq.*; Ind. Code. Ann. § 5-28-39-1 *et seq.*

15. 15 U.S.C. § 1051 *et seq.*

16. However, note that registration is not a prerequisite to receive trademark protection. Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768 (1992) ("... it is common ground that § 43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).").

17. 15 U.S.C. § 1114 *et seq.*

18. *Trademark Basics*, United States Patent and Trademark Office (Feb. 16, 2018), <https://goo.gl/fBKQCo> (last visited Apr. 23, 2018).

19. *Id.*

20. *Id.*

Disparagement Clause (“Section 2(a)”), prohibits trademarks that “[consist] of or [comprise] 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.”<sup>21</sup>

To determine whether a trademark is disparaging, the examining attorney for the patent and trademark office employs a two-part test. First, the examiner assesses “the likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the other elements in the mark, the nature of the goods or services, and the manner in which the mark is used in the marketplace in connection with the goods or services.”<sup>22</sup> Next, the examiner determines “[i]f that meaning is found to refer to identifiable persons, institutions, beliefs or national symbols, whether that meaning may be disparaging to a substantial composite of the referenced group.”<sup>23</sup>

Section 2(a) of the Lanham Act stood for nearly 70 years, and many disparaging terms were denied federal trademark registration.<sup>24</sup> At one of arguably the most extremes in 1999, an individual was able to establish standing to oppose O.J. Simpson’s trademark registrations of O.J. SIMPSON, O.J., and THE JUICE solely by arguing that “as a Christian, family man,” the marks were offensive to him because they were synonymous with a “wife-beater and wife-murderer.”<sup>25</sup> Several years later, the state of Section 2(a) swung to the complete opposite extreme in the cornerstone case for this article: *Matal v. Tam*.<sup>26</sup>

### B. *In re Tam*

Enter Simon Tam, an Asian-American musician and activist from San Diego, California. Tam witnessed “the power of language” at an early

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21. 15 U.S.C. § 1052(a).

22. Trademark Manual of Examining Procedure § 1203.03(b)(i), <https://goo.gl/Zzfz8E> (last visited Feb. 14, 2018).

23. *Id.*

24. *Id.* In re Geller, 751 F.3d 1355 (Fed. Cir. 2014), Geller v. PTO, 135 S. Ct. 944 (2015), *cert. denied* (affirmed the registration refusal of the mark STOP THE ISLAMISATION OF AMERICA under Section 2(a)).

25. Ritchie v. Simpson, 170 F.3d 1092, 1098 (Fed. Cir. 1999) (finding that the plaintiff’s opposition to Simpson’s marks have a “reasonable basis in fact” and remanded for further proceedings). Simpson eventually abandoned his trademark registration applications. Christina Mitropoulos, *American Trademark Story: Ritchie v. Simpson*, The George Washington University Law School Intellectual Property and Entertainment Law Brief (2016), <https://goo.gl/qsqbsh>.

26. *Matal v. Tam*, 137 S. Ct. 1744 (2017).

age.<sup>27</sup> In an opinion piece published in *The New York Times*, Tam described experiencing race-based torment by other children, being called racial and ethnic slurs such as “gook” and “Jap.”<sup>28</sup> At only eleven years of age, the young Tam defiantly “threw back, ‘I’m a chink, get it right.’”<sup>29</sup> Through this act of defiance, Tam aimed to expressly claim his own identity and to spin the negative words being used by others into a positive part of his identity.<sup>30</sup>

In 2006, Tam founded an all Asian-American dance rock band in Portland, Oregon.<sup>31</sup> When the time arrived to choose a name for the band, Tam solicited ideas from friends by asking about common stereotypes of Asian-Americans.<sup>32</sup> Tam’s friends commonly responded that individuals of Asian descent stereotypically have “slanted eyes.”<sup>33</sup> Thus, he named the band *The Slants* “in order to ‘reclaim’ the term and drain its denigrating force as a derogatory term for Asian persons.”<sup>34</sup>

Tam and *The Slants* popularity grew. They began to tour “the country, promoting social justice, playing anime conventions, raising money for charities and fighting stereotypes about Asian-Americans by playing bold music.”<sup>35</sup> Then in 2010, Tam learned that some fans had accidentally purchased tickets for another band also with the name *The Slants*.<sup>36</sup> So to avoid the continuance of this problem, Tam sought trademark registration for the name in 2011.<sup>37</sup> Accordingly, Tam filed an application with the United States Patent and Trademark Office (PTO).<sup>38</sup>

In 2012, the PTO issued a refusal to Tam’s trademark registration application on the basis of the Disparagement Clause found in Section 2(a) of the Lanham Act, finding that the mark “consists of or includes matter which may disparage or bring into contempt or disrepute persons, institutions, beliefs or national symbols.”<sup>39</sup> Specifically, the examining attorney of the PTO refused the application on the grounds that “THE

27. Simon Tam, *The Slants on the Power of Repurposing a Slur*, *The New York Times* (June 23, 2017), <https://goo.gl/JYVRXA>.

28. *Id.*; “Gook” and “Jap” are derogatory terms aimed at individuals of Korean and Japanese descent or ethnicity.

29. *Id.*

30. *Id.*

31. *Id.*

32. Kat Chow, *What's Next for The Founder of The Slants, And the Fight Over Racial Slurs*, NPR (July 6, 2017 at 6:00 AM ET), <https://goo.gl/a5rgEU> (last visited Feb. 12, 2018).

33. *Id.*

34. *Matal v. Tam*, 137 S. Ct. 1744, 1747 (2017).

35. Tam, *supra* note 27.

36. Chow, *supra* note 32.

37. THE SLANTS, FEDTM 85472044.

38. *In re Simon Shiao Tam*, 2013 TTAB LEXIS 485 \*1 (TTAB 2013).

39. *Id.*; 15 U.S.C. § 1052(a).

SLANTS is a highly disparaging reference to people of Asian descent, that it retains this meaning when used in connection with the applicant's services, and that a substantial composite of the referenced group finds it to be disparaging."<sup>40</sup> Applying the requisite two-part test under Section 2(a), the PTO examiner argued that use of The Slants was meant to be derogatory.<sup>41</sup> Further, the examiner found that a substantial composite of people find the term offensive.<sup>42</sup>

Tam appealed directly to the Trademark Trial and Appeal Board (TTAB), the administrative board of the PTO to which initial appeals of trademark registration decisions are made.<sup>43</sup> Tam argued that the examiners "improperly condition registration on the ethnic background of an applicant," and that specifically, "based on the examining attorney's logic, non-Asians would be entitled to registration of the word 'slants' but Asians are not."<sup>44</sup> Despite Tam's clear expression of his goal to reclaim the stereotype and weaken the derogatory force of the slur The Slants, the TTAB affirmed the refusal of Tam's registration application.<sup>45</sup> Notably, the TTAB emphasized that the USPTO's refusal to register Tam's mark in no way affected Tam's right to use The Slants as his band name.<sup>46</sup> Specifically, the TTAB characterized such refusal as unrelated to Tam's First Amendment rights to free speech and expression because "[n]o conduct is proscribed, and no tangible form of expression is suppressed," but rather the restriction only implicates the availability of federal government resources in assisting with enforcing the applicant's mark.<sup>47</sup>

Tam then filed another appeal in the United States Court of Appeals for the Federal Circuit, whose jurisdiction applied under § 1295.<sup>48</sup> While maintaining his previous arguments, Tam also challenged the constitutionality of Section 2(a) on the grounds that the restriction on disparaging trademarks violate the First Amendment, directly attacking the TTAB's point of distinction in earlier proceedings.<sup>49</sup>

In April 2015, the three-judge panel of the Federal Circuit expanded upon the TTAB's point of distinction to some extent, holding that refusal of the registration as disparaging was within the discretion of the

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40. In re Simon Shiao Tam, 2013 TTAB LEXIS 485 at \*2-\*3.

41. *Id.* at \*16.

42. *Id.* at \*23-\*24.

43. *About the Trademark Trial and Appeal Board*, United States Patent and Trademark Office, <https://goo.gl/mBu9Ya> (last visited Feb. 13, 2018).

44. In re Simon Shiao Tam, 2013 TTAB LEXIS 485 at \*9-\*10.

45. *Id.* at \*25.

46. *Id.* at \*24.

47. *Id.*

48. In re Tam, 785 F.3d 567, 568 (Fed. Cir. 2015).

49. *Id.* at 571.

PTO, and that such refusal under Section 2(a) does not violate the Constitution because: (1) denial of the registration does not prohibit use of the mark;<sup>50</sup> (2) Section 2(a)'s ban of disparaging trademarks was sufficiently precise so as not to be void for vagueness;<sup>51</sup> (3) the process of applying for registration met standards of due process;<sup>52</sup> and (4) equal protection was not violated because the registration refusal was based on disparagement rather than race.<sup>53</sup>

However, a *sua sponte* request for the case to be reheard *en banc* was granted, and so the initial Federal Circuit opinion was vacated, and Tam's appeal was resurrected.<sup>54</sup> Judge Kimberly Moore delivered the majority opinion for the twelve-judge panel, which then vacated the TTAB's holding, finding that Section 2(a) is an unconstitutional violation of the First Amendment and remanding for further proceedings.<sup>55</sup> Notably, the Federal Circuit limited the parties' briefs to solely the issue of First Amendment implication in Section 2(a)'s bar on registration of disparaging trademarks, highlighting that the TTAB's outright rejection of a First Amendment implication, at the very least, did not employ as thorough of an analysis as necessary.<sup>56</sup>

### C. *Matal v. Tam*

Less than five months after the *en banc* Federal Circuit's opinion, the PTO petitioned the Supreme Court of the United States to review the Federal Circuit's invalidation of Section 2(a) as unconstitutional.<sup>57</sup> By Fall 2016, the Supreme Court granted certiorari.<sup>58</sup> Ultimately, the Supreme Court unanimously affirmed the Federal Circuit's finding that Section 2(a) is an unconstitutional violation of the First Amendment, but significant questions remain.<sup>59</sup>

First, the Court held that Section 2(a) applies to trademarks that disparage members of a race or ethnicity.<sup>60</sup> Section 2(a) provided that federal trademark registration was unavailable to marks that "disparage or falsely suggest a connection with persons."<sup>61</sup> Tam argued that the

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50. *Id.* at 572 (citing *In re McGinley*, 660 F.2d 481, 484 (Cust. & Pat. App 1981)).

51. *Id.*

52. *Id.* at 573-74.

53. *Id.* at 573.

54. *In re Shiao Tam*, 600 Fed. Appx. 775 (Fed. Cir. 2015).

55. *In re Tam*, 808 F.3d 1321, 1358 (Fed. Cir. 2015).

56. *Id.* at 1334. The Federal Circuit also received ten amicus briefs on the same issue.

57. *Lee v. Shiao Tam*, 2016 U.S. S. Ct. Briefs LEXIS 1726 (2016).

58. *Lee v. Tam*, 137 S.Ct. 30 (2016).

59. *Matal v. Tam*, 137 S. Ct. 1744 (2017).

60. *Id.* at 1756.

61. 15 U.S.C. § 1052(a).

definition of the term “persons,” as used in Section 2(a), extended only to “natural and juristic persons” and did not include “non-juristic entities such as racial and ethnic groups.”<sup>62</sup> Tam pointed to the definition of “person” included in the Lanham Act, which provided that “[i]n the construction of this chapter, unless the contrary is plainly apparent from the context . . . [t]he term ‘person’ and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person.”<sup>63</sup> The Court found that a plain meaning of the text refuted Tam’s argument because Section 2(a) prohibited marks that disparage “persons” and the disparagement of a racial group certainly disparages persons included in that racial group.<sup>64</sup>

Tam also turned to the history of the enforcement of Section 2(a) to support his narrow construction of the term “persons” in Section 2(a).<sup>65</sup> He contended that for many years, the PTO allowed registration of “marks that plainly denigrated African-Americans and Native Americans.”<sup>66</sup> However, the Supreme Court found this point unpersuasive, stating that the PTO’s early practice of Section 2(a) was “unenlightening” because the vagueness of the provision has “produced a haphazard record of enforcement.”<sup>67</sup>

The majority then addressed whether Section 2(a) violated the First Amendment, specifically addressing three arguments by the government to overcome First Amendment violation.<sup>68</sup> The government argued that trademark registration is government speech or commercial speech, not pure private speech, and therefore, First Amendment restraints do not apply.<sup>69</sup> Additionally, the government argued that federal trademark registration was a government subsidy, and if not, then Section 2(a) should be analyzed under a new “government-program” doctrine.<sup>70</sup>

The Court rejected the argument that federal trademark registration constitutes government speech, finding that the actual marks being registered by the PTO, a government agency, were not created by the government, did not convey a government message, and the public did

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62. *Matal*, 137 S. Ct. at 1755.

63. *Id.* at 1755; 15 U.S.C.S. § 1127.

64. *Matal*, 137 S. Ct. at 1756.

65. *Id.*

66. *Matal v. Tam*, 137 S. Ct. 1744, 1756 (2017).

67. *Id.* at 1756-57.

68. *Id.* at 1757.

69. *Id.*; *Pleasant Grove City v. Summum*, 555 U.S. 460, 467 (2009); *Johanns v. Livestock Marketing Ass’n.*, 544 U.S. 550, 553 (2005); *Board of Regents of Univ. of Wis. System v. Southworth*, 529 U.S. 217, 235 (2000).

70. *Matal*, 137 S. Ct. at 1757.

not associate the mark with the government.<sup>71</sup> Because federal trademark registration did not constitute government speech, First Amendment protections apply.

The government also argued that trademark registration is commercial speech.<sup>72</sup> The basis of trademark rights exist in their use in commerce and the purpose of trademarks are to distinguish between sources of goods and services. Even if federal trademark registration was commercial speech, the Court found that Section 2(a) would fail the appropriate First Amendment analysis.<sup>73</sup> To assess whether the First Amendment has been violated in the context of commercial speech, the restriction on speech must be narrowly drawn to serve a substantial interest.<sup>74</sup> The Court held that at best, the government's most substantial interest involved insulating the "orderly flow of commerce from disruption caused by trademarks that support invidious discrimination."<sup>75</sup> But most likely, the purpose of Section 2(a) was to prevent offensive speech, which "strikes at the heart of the First Amendment."<sup>76</sup> Further, the Court held that prohibiting any trademark that disparages *any* person or group could not be narrowly drawn, and therefore violates the First Amendment.

The government argued that Section 2(a) constitutes a government subsidy, and therefore First Amendment protections do not apply.<sup>77</sup> Traditionally, the Supreme Court has held that the "government is not required to subsidize activities that it does not wish to promote."<sup>78</sup> Under this argument, if federal trademark registration were to be considered a government subsidy, the government would be afforded deference free from First Amendment protections in choosing which trademarks to register and which to deny. However, the Supreme Court also rejected this argument, finding a clear distinction from cases involving government subsidy questions, all of which involved direct *monetary* subsidies.<sup>79</sup> In federal trademark registration, the PTO does not provide payment to applicants seeking registration, but rather

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71. *Id.* at 1760.

72. *Id.* at 1764.

73. *Id.*

74. *Central Hudson Gas & Electric Corp. v. Public Serv. Comm'n of Cent. Hudson Gas & Electric Corp.*, 447 U.S. 557 (1980).

75. *Matal*, 137 S. Ct. at 1749.

76. *Id.*

77. *Id.* at 1760.

78. *Id.* (citing *Agency for International Development v. Alliance for Open Society International, Inc.*, 133 S. Ct. 2321 (2013)).

79. *Id.*; *Rust v. Sullivan*, 111 S. Ct. 1759 (1991); *National Endowment for Arts v. Finley*, 118 S. Ct. 2168 (1998); *United States v. Am. Library Ass'n*, 123 S. Ct. 2297 (2003).

collects money from applicants in exchange for review.<sup>80</sup>

Finally, the government proposed a novel “government-program doctrine” for First Amendment analysis.<sup>81</sup> This proposed doctrine would merge the analyses and precedent from government speech First Amendment case law and government subsidy case law.<sup>82</sup> This would ultimately afford the government more deference in refusing registration based on content or based on speaker.<sup>83</sup> The Court expressly rejected such a doctrine on the grounds that this would allow for vast viewpoint discrimination, and viewpoint discrimination is expressly forbidden.<sup>84</sup>

With all three of the government’s arguments failing, the Court ultimately held that Section 2(a) was an unconstitutional abridgement of an applicant’s First Amendment right to free speech and expression by limiting the scope of marks available for federal trademark registration on the grounds of disparagement.<sup>85</sup>

### III. POTENTIAL IMPLICATIONS OF UNANSWERED QUESTIONS AND EARLY APPLICATIONS OF *MATAL V. TAM*

While the Supreme Court’s ruling in *Matal v. Tam* may seem direct on its face, many questions remain as to the effect of the overturning of Section 2(a). This section will discuss major points of uncertainty and potential implications that arise therefrom. First, using the case of *In re Brunetti* as context, this section will address whether the analysis in *Tam* regarding Section 2(a)’s disparagement clause should apply similarly to its “immoral or scandalous” provision. Next, this section will argue that Section 2(a) may not be as clear of a First Amendment issue as the *Tam* Court conveyed, and at most, Section 2(a) is an indirect restriction of an applicant’s First Amendment right to free speech and expression. Finally, this section will discuss an early application of the *Tam* holding and analysis out of the Second Circuit in *Wandering Dago v. Destito*,<sup>86</sup> and explain why the First Amendment implications were much more concrete in that case than in *Tam* despite the clear similarities.

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80. *Matal*, 137 S. Ct. at 1761.

81. *Id.*

82. *Id.* at 1761-62.

83. *Id.* at 1763.

84. *Id.*

85. *See id.*

86. *Wandering Dago, Inc. v. Destito*, 879 F.3d 20, 28 (2nd Cir. 2018).

*A. Unanswered questions*

1. Section 2(a)'s "immoral and scandalous" provision should be interpreted similarly to the disparagement clause.

The majority in *Matal v. Tam* clearly determined that Section 2(a)'s prohibition of disparaging trademarks constitutes unconstitutional viewpoint-based discrimination by the government. However, the Court narrowly applied this analysis to only the provision of Section 2(a) prohibiting trademarks that "may disparage . . . persons, living or dead."<sup>87</sup> This leaves unanswered whether refusal of other types of trademarks prohibited by Section 2(a) should be treated likewise because Section 2(a) does not limit the prohibition to only disparaging trademarks. Rather, Section 2(a) in its entirety also prohibits registration of trademarks that "[consist] of or [comprise] immoral . . . or scandalous matter."<sup>88</sup>

Notably, Justice Kennedy explained that the majority did not address First Amendment implications of the other provisions of the Lanham Act.<sup>89</sup> Disparaging trademarks are one of a handful of grounds for registration refusal found in 15 U.S.C. § 1052. Others include marks featuring the flag of any country or state, marks using an individual's name without their consent, and descriptive or deceptively misdescriptive marks.<sup>90</sup>

Around the time that Simon Tam brought the issue of constitutionality of the prohibition of disparaging trademarks to the Federal Circuit, Erik Brunetti raised a similar constitutional argument against Section 2(a)'s "immoral and scandalous" clause. While the resulting court decisions were pending, the USPTO placed a hold on the examination of registration applications for trademarks implicating Section 2(a)'s disparagement clause or immoral and scandalous clause.<sup>91</sup>

Following the decision in *Matal v. Tam*, the USPTO issued guidance stating that it was lifting the suspensions on applications for trademarks implicating Section 2(a)'s disparagement clause or immoral and

87. 15 U.S.C. § 1052(a).

88. Section 2(a) provides several other provisions primarily prohibiting deceptive trademarks. 15 U.S.C. § 1052(a). Because the primary purpose of trademarks is to distinguish between the sources of goods, prohibitions against deceptive marks certainly qualifies as a substantial government interest to justify registration refusal. For this reason, those provisions will not be discussed here.

89. *Matal*, 137 S. Ct. at 1768.

90. 15 U.S.C. § 1052.

91. John L. Welch, *USPTO Exam Guide 2-18: Scandalousness Refusals on Hold Pending Final Resolution of In re Brunetti*, The TTABlog (May 31, 2018), <https://goo.gl/PGDpsS> (last visited Oct. 22, 2018).

scandalous clause.<sup>92</sup> However, the Court in *Tam* provided no guidance on whether Section 2(a)'s immoral and scandalous clause suffered from the same First Amendment defect as its disparagement clause.

In December 2017, the Federal Circuit answered this question in the affirmative in *In re Brunetti*.<sup>93</sup> Erik Brunetti applied to register the trademark FUCT for his clothing brand, but the examining attorney rejected Brunetti's application, finding that when FUCT is spoken aloud it sounds similar to the word "fucked" and Section 2(a) prohibits registration of trademarks comprising immoral or scandalous matter.<sup>94</sup>

Brunetti appealed to the TTAB, but the appellate board affirmed the decision after consulting references such as Urban Dictionary<sup>95</sup> and Google Images, which associated the term "fuct" with vulgar material.<sup>96</sup> Specifically, the TTAB found that Brunetti's use of the term would create inferences of "strong and often explicit, sexual imagery that objectifies women and offers degrading examples of nihilism."<sup>97</sup>

The Federal Circuit recognized that the TTAB correctly held that the mark was immoral or scandalous, but held that the TTAB wrongfully ruled that the mark was ineligible for registration because Section 2(a)'s "bar on registering immoral or scandalous marks is an unconstitutional restriction of free speech."<sup>98</sup> The government's position was that refusal of Brunetti's trademark was warranted, primarily contending that the Supreme Court's holding in *Tam* only applies when Section 2(a) implicates viewpoint discrimination, and therefore, is not applicable to the prohibition of immoral or scandalous trademarks, which is viewpoint neutral.<sup>99</sup>

The Federal Circuit refused to address whether the immoral or scandalous provision of Section 2(a) is viewpoint neutral, but ruled that regardless, it is an unconstitutional content-based restriction on speech for which the government has no adequate interest.<sup>100</sup> The Supreme Court in *Tam* did not directly address the immoral and scandalous provision, but the *Brunetti* Court still argued that the *Tam* decision

92. *Trademark Examination Guides*, United States Patent and Trademark Office, <https://goo.gl/Nq65cp> (last visited Mar. 6, 2018).

93. *In re Brunetti*, 877 F.3d. 1330 (Fed. Cir. 2017).

94. *Id.* at 1337.

95. Urban Dictionary, <https://www.urbandictionary.com/>, (last visited Apr. 15, 2018).

96. *In re Brunetti*, 2014 TTAB LEXIS 328 (Trademark Trial & App. Bd., 2014).

97. *Id.* at \*11.

98. *Id.* However, if the government's intent is that a mark such as FUCT be unregistrable, an avenue may exist. Congress could amend Section 2(a) to prohibit federal trademark registration for **obscene** marks since the First Amendment traditionally has been interpreted to not protect obscenity. Federal Circuit Court Justice Dyk highlighted this path being available to the government in his concurring opinion in *Brunetti*. 877 at 1358 (J. Dyk, concurring).

99. *Id.*

100. *Id.* at 1351-52.

supports a finding that protecting the public from offensive marks is an inadequate interest to justify speech restriction.<sup>101</sup> Writing for the majority in *Tam*, Justice Alito asserted that restriction for being offensive “offends a bedrock First Amendment principle.”<sup>102</sup> Similarly, in Justice Kennedy’s concurring opinion, he reported the Court’s long history of precluding the government from identifying the offensive nature of speech as a justification for restriction.<sup>103</sup> Additionally, the *Brunetti* Court pointed to the long-standing uncertainty with how the USPTO has applied the immoral or scandalous provision, noting that it allowed registration for some immoral or scandalous marks, such as MUTHA EFFIN BINGO,<sup>104</sup> FUGLY,<sup>105</sup> and FAT MILF,<sup>106</sup> but refused registration for others, including NO \$#!+, NO BS ZONE, and MILF MANIA.<sup>107</sup>

Because the Federal Circuit employed such a similar analysis in *Brunetti* as the Supreme Court did in *Tam*, it’s likely that the Federal Circuit *Brunetti* decision will remain the highest authority on the issue of First Amendment analysis regarding Section 2(a)’s immoral or scandalous provision. The Supreme Court in *Tam* indeed failed to take advantage of the opportunity to provide the most authoritative and clear answer on this topic, but that should have little impact. The Federal Circuit’s *Brunetti* analysis and holding is clearly consistent with the Supreme Court’s ruling and it would be unlikely for the Supreme Court to grant certiorari only to end up affirming the decision outright.

## 2. Is this really a Free Speech issue?

A significant question remains apparent: is Section 2(a) even a First Amendment issue? Of course, the restriction set forth in Section 2(a) must have some level of First Amendment implication or it would not have played such a major role in many levels of the *Tam* proceedings. However, the extent to which Section 2(a) truly constitutes an abridgement of an applicant’s First Amendment right to free speech and expression is not as concrete as the Supreme Court laid it out to be.

As the TTAB emphasized in earlier proceedings, the refusal of the PTO to register an applicant’s trademark does not involve the

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101. *Id.*

102. *Matal v. Tam*, 137 S. Ct. 1744, 1751 (2017). Justice Alito later cited twelve Supreme Court cases striking down the government’s restrictions aimed at offensive speech. *Id.* at 1763.

103. *Id.* at 1767.

104. MUTHA EFFIN BINGO, Reg. No. 4,183,272.

105. FUGLY, Reg. No. 5,135,615.

106. FAT MILF, Reg. No. 3,372,094.

107. *In re Brunetti*, 877 F.3d. 1330, 1353-54 (Fed. Cir. 2017).

government *restricting* the applicant from using that particular mark, but rather it's the government refusing to grant the applicant a monopoly on using the mark in commerce and the availability of federal government resources to assist in enforcing a trademark holder's right to their federally registered trademarks. Federal trademark registration may provide additional favorable protections to a trademark from that afforded at common law.<sup>108</sup> However, federal trademark registration is not a prerequisite to the ability to use a mark, nor is it a prerequisite for a mark to be afforded protections.<sup>109</sup> Likewise, refusal of registration by the PTO is not equivalent to the PTO proscribing an applicant from using the mark moving forward.

In effect, Simon Tam still had the ability to use the name THE SLANTS despite the initial rejection of his federal trademark registration application. Tam's mark simply wouldn't be afforded the same protections that a federally registered mark would receive. This doesn't necessarily mean that Tam's mark would receive no protections as it may very well have warranted protections available via the common law. Essentially, by denying federal trademark registration, the government is not restricting Tam's speech because it wouldn't have precluded him from using the mark, and therefore wouldn't have restricted his speech outright.

However, a more nuanced approach to analyzing the role that the First Amendment plays in assessing the constitutionality of Section 2(a) reveals that barring federal trademark registration for disparaging, immoral, or scandalous terms undoubtedly approaches free speech and expression. While they may not directly proscribe an individual using a particular term as their mark, Section 2(a)'s prohibitions create a chilling effect on freedom of speech and expression. Essentially, not affording federal registration effectively forces self-censorship by applicants. For example, if an applicant has an expressive trademark that approaches the concept of disparaging, or immoral, or scandalous, he or she may choose to revise their mark in favor of a safer mark. In this situation, the government has, in effect, suppressed that applicants First Amendment right to freedom of speech and expression. However, this restriction would be completely indirect because the applicant would still have the ability to use the mark, just not the ability to register the mark with the federal government.

Remarkably, an argument can be made that federal trademark registration imparts a much more concrete First Amendment restriction on individuals not applying for trademarks than on the applicants

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108. *See supra* section II(a).

109. *Id.*

themselves. By granting the registration of a trademark, the government effectively prohibits the speech of individuals other than the trademark holder. Granting an applicant's federal trademark registration application undeniably results in a restriction placed on others from using the applicant's mark, or else they face liability to the trademark holder for trademark infringement. This restriction effectuates the social justice theory offered by Tam and Tam's supporters of "taking back" disparaging terms such as THE SLANTS in order to weaken their derogatory force. In theory, having virtuous individuals granted the exclusive right to use a derogatory term or slur in commerce as a trademark would then prohibit hateful individuals from potentially profiting off such a term when using them in malicious manners.

*B. Wandering Dago:<sup>110</sup> an example of rightfully applying the Tam First Amendment analysis to a non-trademark government registration program.*

Questions have risen as to whether the holding in *Tam* applies to government registration or licensure programs outside of the area of trademark law. The decision in *Tam* obviously creates repercussions in trademark law: registration applications for disparaging terms are likely to increase significantly.<sup>111</sup> Following *Brunetti*, where the Federal Circuit applied analysis consistent with *Tam*, registration applications for immoral or scandalous terms are likely to increase as well. However, *Tam*'s implications may result in a much broader change than solely that seen in trademark law. As evidenced by early applications of the *Tam* decision, courts have applied a similar First Amendment approach in other areas of the law involving a denial of government registration based on ethnic-slur branding.<sup>112</sup>

This line of inquiry arose during the earlier *Tam* proceedings themselves as the TTAB addressed the issue of whether First Amendment analysis applied to Section 2(a)'s disparagement clause. The TTAB justified the initial rejection of Tam's application by emphasizing that the refusal of registration only applied to Tam's right to register the term THE SLANTS but does not affect his right to use the term.<sup>113</sup> Following this argument, Tam's First Amendment right to free speech and expression was not suppressed because his speech was not actually restricted. On the same note, the government argued that

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110. *Wandering Dago, Inc. v. Destito*, 879 F.3d 20, 28 (2nd Cir. 2018).

111. As previously mentioned, in the period following the Supreme Court's decision in *Matal v. Tam*, applications to register trademarks for disparaging terms noticeably increased.

112. *Wandering Dago*, 879 F.3d at 28.

113. *In re Simon Shiao Tam*, 2013 TTAB LEXIS 485 \*1 (TTAB 2013).

trademark registration is a government subsidy, and so First Amendment analysis would not apply.<sup>114</sup> However, the Supreme Court rejected the notion that federal trademark registration is a government subsidy program and applied First Amendment analysis separate from a body of case law involving government subsidies accordingly.<sup>115</sup>

In addressing the government's litany of contentions that trademark registration was a government subsidy, or that trademark registration should be analyzed under a novel "government-program doctrine," the Court acknowledged that "[t]rademark registration is not the only government registration scheme."<sup>116</sup> In fact, many forms of government registration exist, including copyrights and patents at the federal level, and driver's licenses or hunting permits at the state level. Despite this acknowledgement, the Court did not state, or even suggest, that the *Tam* analysis and holding applied to all government registration programs, and not just trademark registration. Even further, cases involving these government subsidy programs on which the government relied were deemed to be entirely unhelpful in terms of assessing the constitutionality of speech restrictions imposed with the government program.<sup>117</sup> Nonetheless, recent cases suggest that the *Tam* holding has already impacted non-trademark government registration programs.

In 2013, two food truck owners, Andrea Loguidice and Brandon Snooks, operating their food truck under the brand Wandering Dago ("WD"), sought a permit from the New York State Office of General Services ("OGS"), which requires vendors selling food on the Empire State Plaza in Albany, NY to obtain a permit.<sup>118</sup> OGS rejected WD's permit application on the grounds that their name was an offensive ethnic slur for individuals of Italian descent, and that the names of the sandwiches they served involved other ethnic slurs.<sup>119</sup> Like Simon Tam, the WD operators saw their use of the slurs as "giving a 'nod to [their] Italian heritage' and to their ancestors."<sup>120</sup> By using these slurs, they believed that they were conveying to other immigrants a welcoming message and that they were weakening the derogatory impact that the slurs may have.<sup>121</sup> Accordingly, WD brought suit alleging that OGS violated its First Amendment rights to free speech by rejecting the

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114. *Matal v. Tam*, 137 S. Ct. 1744, 1761 (2017).

115. *Id.*

116. *Id.*

117. *Id.*

118. *Wandering Dago, Inc. v. Destito*, 879 F.3d 20, 28 (2nd Cir. 2018).

119. *Id.* Other slurs used included "Dago," "Castro," "American Idiot," "Goombah," "Guido," "Polack," "El Guapo," and "KaSchloppas."

120. *Id.* at 25.

121. *Id.*

application on the basis of using ethnic slurs for branding purposes.<sup>122</sup>

Citing *Tam* in their analysis, the Second Circuit held that the rejection of WD's use of ethnic slurs as branding in this case amounted to a viewpoint and the rejection of WD's permit application on the basis of using those ethnic slurs amounted to viewpoint-based restriction—thus, the denial was an unconstitutional abridgement of WD's First Amendment rights to free speech.<sup>123</sup> However, the First Amendment issues are much more applicable in the case of *Wandering Dago*. Denial of WD's right to use their branding in the plaza, on the basis of the words used in their branding, is an outright restriction of WD's ability to use the terms, and therefore a *direct* restriction of free speech and expression.

Conversely, in *Tam*, even after the USPTO denied Simon Tam federal trademark registration for the band name THE SLANTS, he still could have used that mark as a band name wherever he saw fit, just without the mark being registered federally. The vital point of distinction is that Simon Tam would not have been prohibited from using his speech, whereas *Wandering Dago* would have been prohibited from selling their food from their food truck at the plaza without the requisite permit. Ultimately, this point of distinction conveys an explanation as to why the *Tam* First Amendment analysis is more appropriate in *Wandering Dago* and other government registration cases where speech is **actually restricted**, than it is in the case of *Tam* itself.

*C. No matter the level of First Amendment involvement, Section 2(a) does not survive even rational basis review.*

After several contentions from the government and subsequent lengthy discussions regarding what type of speech restriction Section 2(a) involves, the Court ultimately determined that Section 2(a)'s disparagement clause constituted unconstitutional viewpoint-based restriction on *private* speech.<sup>124</sup> The government contended that federal trademark registration was a form of government speech, because the First Amendment does not regulate government speech, and so the government would not be required to remain viewpoint-neutral in its own speech.<sup>125</sup> However, Justice Alito noted that “affixing a government seal of approval” does not alone constitute speech made by the government, and so the USPTO registering a trademark created by a

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122. *Id.* at 29.

123. *Id.*

124. *Matal v. Tam*, 137 S. Ct. 1744, 1748 (2017).

125. *Id.* at 1757; (citing *Pleasant Grove City v. Summum*, 555 U.S. 460, 467 (2009) (“[t]he Free Speech Clause . . . does not regulate government speech”).

private actor could not constitute speech made by the government.<sup>126</sup>

Outside of government speech, regardless of the category of First Amendment restriction that Section 2(a) falls into, the government would have to provide a sufficient justification in order for the restriction to be upheld as constitutional.<sup>127</sup> The only legitimate justification that could be provided by the government for the prohibition against federal trademark registration for disparaging, immoral, or scandalous terms is to protect the public from being subjected to offensive terms and ideas. However, there is a long-standing history of the Supreme Court rejecting protection against offensive ideas as a justification for First Amendment restrictions. Justice Alito cites twelve cases alone in support of this continuous rejection.<sup>128</sup> No matter how direct or indirect, or concrete or nebulous, the implication of the First Amendment under Section 2(a), the government could not have provided a substantial justification to allow Section 2(a) to remain constitutional.

#### IV. CONCLUSION

Several ambiguities remain following the Supreme Court's decision in *Matal v. Tam*. However, some of the answers may be becoming apparent through early applications of the *Tam* holding. Adherence to *Tam* by the Federal Circuit in *In re Brunetti* strongly suggests that the prohibition against federal trademark registration of immoral or scandalous terms as set forth by Section 2(a) of the Lanham Act should undoubtedly be afforded the same analysis as Section 2(a)'s provision proscribing federal trademark registration of disparaging terms. Accordingly, the immoral or scandalous provision suffers from the exact same First Amendment fate as the disparagement clause—an unconstitutional restriction placed on the applicant's right to free speech and expression.

Even more broadly, however, *Matal v. Tam* suggests that the government may violate an individual's First Amendment right to free speech and expression even when it does not place a restriction on the

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126. *Matal*, 137 S. Ct. at 1758.

127. *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*, 447 U.S. 557 (1980).

128. *Matal*, 137 S. Ct. at 1763; *Hustler Magazine, Inc. v. Falwell*, 485 U.S. 46, 55-56 (1988); *Coates v. Cincinnati*, 402 U.S. 611, 615 (1971); *Bachellar v. Maryland*, 397 U.S. 564, 567 (1970); *Tinker v. Des Moines Independent Community School Dist.*, 393 U.S. 503, 509-14 (1969); *Cox v. Louisiana*, 379 U.S. 536, 551 (1965); *Edwards v. South Carolina*, 372 U.S. 229, 237-38 (1963); *Terminiello v. Chicago*, 337 U.S. 1, 4-5 (1949); *Cantwell v. Connecticut*, 310 U.S. 296, 311 (1940); *Schneider v. State (Town of Irvington)*, 308 U.S. 147, 161 (1939); *De Jonge v. Oregon*, 299 U.S. 353, 365 (1937).

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speech or expression outright. Federal trademark registration does not grant a trademark holder the right to use a term in commerce, nor does refusal of federal trademark registration preclude that individual from using the term. Because of this, no speech or expression is directly suppressed by Section 2(a) of the Lanham Act, which prohibited the federal registration of disparaging terms as trademarks.