

FEDERAL TRADEMARK APPLICATIONS CAN NO LONGER BE REJECTED ON GROUNDS OF DISPARAGEMENT

Intellectual Property & Technology Alert
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On June 19, 2017, the Supreme Court issued a unanimous ruling striking down a federal statute that prohibited registering a trademark if it disparages “any persons, living or dead.” In *Matal v. Tam*, the Court ruled that 15 U.S.C. 1052(a) is facially unconstitutional, as an infringement of free speech rights under the First Amendment.

The case involved a federal trademark application filed by Simon Tam, an Asian-American lead singer in the Slants band, who sought to register SLANTS for “Entertainment in the nature of live performances by a musical band.” Mr. Tam testified that he selected the band’s name to “reclaim” or “take ownership” of stereotypes about people of Asian ethnicity. The SLANTS application was rejected by an Examining Attorney at the U.S. Patent and Trademark Office on grounds that it violated the statutory prohibition on registration of trademarks likely to be viewed as offensive to a substantial portion of the disparaged group. Mr. Tam unsuccessfully appealed to the Trademark Trial and Appeal Board and then a 3-judge panel of the Federal Circuit Court of Appeals. Subsequently, the Federal Circuit Court of Appeals heard the case *en banc* and issued a ruling in Mr. Tam’s favor, finding the statute unconstitutional. On Monday, the Supreme Court affirmed the Federal Circuit ruling.

Monday’s decision was unanimous among the eight members of the Supreme Court who took part in the decision (the case was argued before Justice Gorsuch joined the Court), but no consensus was reached by a majority concerning the proper level of judicial scrutiny for this type of commercial speech. Nevertheless, the net result is that the floodgates are now opened at the U.S. Patent and Trademark Office to applications for federal registration of trademarks that may be deemed disparaging, and probably other offensive trademarks as well.

One takeaway from the ruling is the court’s discussion of the importance of registering a trademark. While unregistered trademarks may be entitled to some level of protection in the U.S., obtaining a federal registration provides many significant benefits. Every day we counsel clients on the many reasons why a federal trademark registration can be a critical tool both offensively and defensively. This is especially true in this day and age of the Internet.

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The court's ruling provides a good opportunity for business and nonprofit clients to revisit their trademark protection in the U.S. and abroad. If you have any questions about protecting your trademark rights, please contact any of the attorneys listed below:

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