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TRENDS IN TECHNOLOGY - SPECIAL ADVERTISING SECTION

Can “immoral” or “scandalous” terms be registered as trademarks?

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In a widely publicized decision last June, the U.S. Patent and Trademark Office (USPTO) Trademark Trial and Appeal Board (TTAB) canceled six federal trademark registrations used by the Washington Redskins professional football team. The ruling was affirmed by a federal judge on July 8, 2015, and is now on appeal to the U.S. Court of Appeals for the Fourth Circuit based in Richmond, Virginia. Despite widespread media interest, the extent to which the *Redskins* case affects the wider world of trademarks and the advertising industry could be minimal unless something significant happens in the Fourth Circuit or the Supreme Court.

The ultimate outcome and legal future of the trademark rights of the Washington Redskins may be significantly influenced by a more recent case, *In re Tam*, decided by the U.S. Court of Appeals for the Federal Circuit last December. Though followed closely by the legal and trademark communities, the *Tam* case has had little coverage in the general press. And yet, *Tam* has the potential of not only dictating the fate of the Redskins trademarks, but also of changing the advertising and the trademark landscape in the United States.

In re Tam

The Slants is a six-person dance band from Portland, Oregon founded by Asian-American frontman Simon Tam, who describes their music as “Chinatown dance rock.” Tam applied for federal registration of the mark *The Slants*, and the USPTO refused registration of the mark because it was disparaging of people of Asian descent and violated the trademark statute prohibiting registration of marks that are “immoral” or “scandalous.” Lanham Act, Section 2 (a). This refusal was affirmed by the TTAB. In the *Redskins* case, the parties alleged to be damaged by the contest-



ed registration are Native Americans; while with *Tam*, the band seeking registration is part of the disparaged group and is seeking to register the mark as “a way to reclaim a racial slur and to assert Asian pride.”

There are alternative appeal paths from the TTAB. Unlike the path taken by in the *Redskins* case, Tam appealed his adverse TTAB decision to the Federal Circuit. After a three judge panel initially affirmed the refusal, the Federal Circuit reheard the case by all 12 judges on the court.



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The Federal Circuit reversed the initial affirmance. More significant than the reversal itself is the basis of the refusal - it found the disparagement provision of the trademark statute to be facially invalid and unconstitutional because the provision inherently required the government to refuse to register a mark because it disapproved of the message conveyed by the mark. A similar constitutional argument, which was rejected by the TTAB, is being advanced by the Washington Redskins in the Fourth Circuit.

Does the degree of offensiveness matter?

The *Redskins* and *Tam* cases were each replete with factual disputes about whether or not the marks were disparaging. The *Redskins* case is important because of its po-

tential to change standards for the level of disparagement permitted and the audience that might find a particular term offensive, yet *Tam* goes much further. Eliminating the ban on disparaging marks has the potential of accelerating an already existing tendency to use divisive and offensive language, particularly for niche products where the majority of the potential market is insensitive to or condones disparagement of particular groups or individuals. Under *Tam*, the federal government has no right to “censor” marks that might convey disparaging messages, opening the door for the federal registration of other offensive trademarks, including trademarks with far more disparaging potential.

Right now it is unclear whether the USPTO will ask the Supreme Court to hear the *Tam* case. The USPTO recently filed an extension of time to appeal the decision and is currently refusing to issue a registration to Tam, claiming that it need not register *The Slants* trademark until all appeals have been decided. Regardless of whether the TTAB is forced to issue a federal registration for *The Slants* trademark in the near future, the larger question of whether disparaging trademarks can be federally registered ultimately might not be decided until the issue is addressed by the Supreme Court.

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