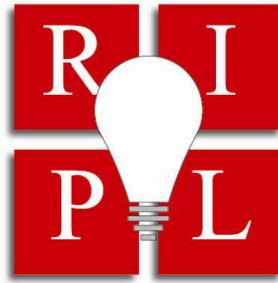


THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW



IT'S MY MARK, I CAN OFFEND IF I WANT TO! THE WANING OF THE GOVERNMENT'S
POWER TO PROTECT ITS CITIZENS FROM WIDESPREAD DISCRIMINATORY MARKS

PAUL SANDERS

There is an inherent tension between the First Amendment and trademark law. For over 100 years the United States Patent and Trademark Office has protected American citizens from Marks of ill-repute. In the wake of the *In re Tam* decision, this may become more difficult if not impossible. This comment analyzes the Federal Circuit Court of Appeal's decision in *In re Tam*, as well as explores the First Amendment's guarantee of free speech and trademark law, and how each intersects with one another. Additionally, this comment proposes solutions that will allow the government to continue protecting its citizens from Marks that should have no place in commerce.

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I. INTRODUCTION

“A great trademark is appropriate, dynamic, distinctive, memorable, and unique.”

-Primo Angeli

The United States Patent and Trademark Office (“USPTO”) is a federal agency charged with the duty of granting U.S. patents and registering trademarks.¹ The USPTO registers trademarks based on the commerce clause of the United States Constitution,² and is governed by the Lanham Act (“the Act”).³

The USPTO prides itself in protecting new ideas and promoting creativity in various ways.⁴ However, the agency's duties reach far beyond the scope of simply granting patents and/or registering trademarks.⁵ In essence, the USPTO serves as the gatekeeper to the marketplace.⁶ As an extension of the government, the USPTO has the power to, in the case of trademarks, approve or deny registration based on certain criteria set forth in the Lanham Act.⁷

On December 22, 2015, the United States Court of Appeals for the Federal Circuit made a ruling that could have devastating backlash in the wake of the country's

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¹ United States Patent and Trademark Office, <http://www.uspto.gov/about-us> (last visited Feb. 12, 2017). The USPTO was established on January 2, 1975 by the United States Department of Commerce. The USPTO is uniquely situated to support the accomplishment of the Department's mission to create the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

² Art. 1, § 8, cl. 3. The Commerce Clause gives Congress the power “to regulate commerce with foreign nations, and among the several states, and with the Indian tribes.”

³ See 15 U.S.C. § 1052 (formally known as the Trademark Act of 1905). See 1 Jerome Gilson et al., *Trademark Protection and Practice* § 3.04(4), at 3 (December 2003). The Lanham Act was the product of several modifications regarding trademark law.

⁴ United States Patent and Trademark Office, *supra* note 1.

⁵ See *id.* The USPTO must adhere to relevant law and extensively research a multitude of things, whether for patent grants or trademark registration.

⁶ See *id.* The USPTO furthers effective Intellectual Property (IP) for United States innovators and entrepreneurs worldwide by working with other agencies to secure strong IP provisions in free trade and other international agreements.

⁷ See 15 U.S.C. § 1052(a), (b), (c), (d), (e).

apparent race and inequality issues.⁸ Not only did the Court negate over 100 years of jurisprudence, it also negated over 100 years of government protection.⁹

Mr. Simon Shiao Tam named his band THE SLANTS to “make a statement about racial and cultural issues in this country.”¹⁰ He filed an application to register his Mark/band name, but the USPTO denied registration.¹¹ The USPTO examiner denied registration pursuant to section 2(a) of the Lanham Act.¹² The Board affirmed the examiner’s refusal to register the Mark based on the same findings of the examiner.¹³ Tam appealed the Board’s decision arguing that it erred in finding his Mark disparaging and that section 2(a) was unconstitutional.¹⁴ The panel affirmed the Board’s determination that his Mark was disparaging.¹⁵ Due to the panel’s reliance on *In re McGinley*,¹⁶ the United States Court of Appeals for the Federal Circuit, sua sponte, ordered rehearing en banc.¹⁷

The majority invalidated section 2(a) of the Lanham Act, ruling that it suppresses the First Amendment’s free speech guarantee,¹⁸ while the splintered dissent says something quite different.¹⁹

This comment examines the *Tam* decision in greater detail throughout four sections. Part I provides background information on the Lanham Act, more specifically, section 2(a) of the Act and its importance to trademark law. Part I additionally explores

⁸ See *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015).

⁹ See *In re Lebanese Arak Corp.*, 94 U.S.P.Q. 2d 1215 (2010). Beginning with the Trademark Act of 1905, registration could be denied based on “immoral or scandalous” matters.

¹⁰ See *Tam*, 808 F.3d at 1331. Tam was the lead singer for the Asian-American dance-rock band. Tam claims that he named his band THE SLANTS to “reclaim” and “take ownership” of Asian stereotypes.

¹¹ See *id.*

¹² 15 U.S.C. § 1052(a). The examiner used subsection (a) to deny registration deeming the mark disparaging. Subsection (a) bars an examiner from registering scandalous, immoral, and/or disparaging marks. The examiner found that the mark negatively referred to people of Asian descent.

¹³ See *Tam*, 808 F.3d at 1332. To support the finding that the mark referred to people of Asian descent, the Board looked to dictionaries and referenced different works. All of the evidence discovered categorized the word “slant” as meaning a person of Asian descent and it is viewed as a disparaging remark among a majority of the Asian community. This was solidified by objections to Tam’s band and community viewpoints.

¹⁴ *Id.*

¹⁵ See *id.* at 1332-34. The panel explained that although the term “slants” has several meanings, there was substantial evidence that supported the finding that the mark refers to people of Asian descent. The panel looked to articles where Tam spoke about his band name, dictionaries, and the fact that Tam was to speak at an Asian American Youth Leadership Conference, but was not allowed because there was concern of his band being offensive and racist.

¹⁶ 660 F.2d 481 (C.C.P.A. 1981). The reviewing panel relied on the precedent set forth by the *McGinley* Court, which held that the First Amendment is not implicated by Section 2 of the Lanham Act.

¹⁷ See *Tam*, 808 F.3d at 1339-40. The Court sought to address the issue between the First Amendment and section 2 of the Lanham Act, essentially, by reviewing the *McGinley* decision.

¹⁸ See *id.* at 1331.

¹⁹ See *id.* at 1363-1382. Judge Dyk agrees with the majority that the bar on registration of disparaging marks is unconstitutional as applied to Tam; however, Dyk states that in the case of purely commercial speech, the decision would be different. Dyk, J., concurring in-part and dissenting in-part. Judge Lourie finds issue with the majority’s swift decision to invalidate a law that has been applied for nearly seventy years. Lourie, J., dissenting. Lastly, Judge Reyna dissents because the government has a substantial interest in the orderly flow of commerce and § 2(a) was an appropriate regulation. Reyna, J., dissenting.

the inherent tension between the First Amendment and trademark law. Part II discusses how the Court ruled incorrectly and what its decision means going forward. Part III introduces a new way of looking at trademark law and First Amendment issues. Part IV summarizes the comment's main points and reiterates the USPTO duties and the new way of looking at trademark law.

II. BACKGROUND

A trademark typically protects brand names and logos used in connection with good and services.

Applicants desiring Mark registration must file an application with the USPTO.²⁰ An examiner's review of an application is intricate, not every Mark is registrable or even legally protectable.²¹ Once the USPTO determines that the applicant has met the minimum filing requirements, the application is forwarded to an examining attorney.²² The examining attorney reviews the application to determine whether it complies with all applicable rules and statutes, and includes all required fees.²³ Approval of the Mark is first manifested through publication in the weekly publication of USPTO, the "Official Gazette", after informing the applicant of the fact.²⁴ A party has 30 days from the date of publication to come forward with oppositions to the Mark.²⁵ If there are no oppositions, the Mark is registered.²⁶

An examiner can deny registration for many reasons.²⁷ An examiner's ability to deny registration gives rise to section 2(a) of the Lanham Act.²⁸ This section discusses the history of trademark law, and the law as it was as it relates to the First Amendment.

A. *The Birth of Lanham Act*

The first trademark statute was enacted shortly after the Civil War.²⁹ The statute came as a response to the significant growth of trade that followed the Reconstruction period.³⁰ The first Federal Trademark law was enacted in 1870.³¹ The law was

²⁰ United States Patent and Trademark Office, <http://www.uspto.gov/trademarks-getting-started/trademark-process> (last visited Feb. 12, 2017).

²¹ *Id.* Some marks may contain words that are too common or too generic to be protected. Also, marks which are too similar to other registered marks or are likely to confuse consumers are not protectable.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ See United States Patent and Trademark Office, <https://www.legalzoom.com/knowledge/trademark/topic/trademark-grounds-for-refusal>.

²⁸ See *id.*; see United States Patent and Trademark Office, *supra* note 20.

²⁹ Spiegel and Utrera Lawyers, *A Brief History of Trademark Law in the USA*, (last accessed Feb. 10, 2017, 5:15 P.M.), available at <http://www.amerilawyer.com/pdf/404.pdf>.

³⁰ See *id.*

³¹ See *id.*

amended in 1878, and shortly thereafter it was struck down by the Supreme Court.³² Congress responded with the Trademark Act of 1881, which was based on its Commerce Clause powers.³³ This law, however, was unable to accommodate the development of the American economy and underwent a major amendment in 1905.³⁴

After World War II, there was an explosion of trademark activity and the need to educate the public about trademark law surfaced.³⁵ As a result, the Lanham Act was enacted on July 5, 1946.³⁶ The Act was named after a congressman who had devoted himself to its creation and progress.³⁷

The Act establishes a procedure for the federal registration of trademarks.³⁸ If a Mark meets certain qualifications, it can be listed on the Principal Register, which affords the owner of the mark many benefits.³⁹ Registration is not mandatory to receive trademark protection, but federally registered trademarks receive stronger protection than unregistered trademarks.⁴⁰ Federal registration is limited to trademarks and service marks being used by the Mark owner in interstate commerce.⁴¹

In addition to federal registration, each of the fifty states have its own system of trademark registration.⁴² If a trademark meets the state's qualifications, it can be listed on the state's trademark registry.⁴³ Similar to federal registration, state registration is not mandatory to receive trademark protection or to use a state's court system to enforce trademark rights.⁴⁴

³² See *The Trade-Mark Cases*, 100 U.S. 82, 98-99 (1879). The Court struck down the law for exceeding the powers granted by the patent and copyright clauses of the Constitution.

³³ See U.S. Const. art. 1, § 8, cl. 3.

³⁴ See Trademark Act of 1905. Section 5(a) was a simple bar against registration of marks comprising "immoral or scandalous" matters—Section 5 later became Section 2 of the Trademark Act of 1946 with some additions.

³⁵ See Spiegel, *supra* note 29.

³⁶ See *id.*

³⁷ See Texas State Historical Association, <https://tshaonline.org/handbook/online/articles/fla33> (last visited Sept. 14, 2016). The Lanham Act was named after Fritz G. Lanham. He served on Congress from 1919 until 1947. He was a great advocate for strong trademark protection.

³⁸ See Spiegel, *supra* note 29.

³⁹ See United States Patent and Trademark Office, <https://www.uspto.gov/about-trademarks> (last visited Feb. 12, 2017). See also 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 26:31 (4th ed.).

⁴⁰ See McCarthy at § 26:31.

⁴¹ See Spiegel, *supra* note 29. See also *B&B Hardware, Inc. v. Hargis Ind., Inc.*, 135 S. Ct. 1293, 1300 (2015) (explaining that registration is significant. The Lanham Act confers important legal rights and benefits on trademark owners who register their marks). See *Tam*, 808 F.3d at 1328. The holder of a federal trademark has a right to exclusive nationwide use of that mark where there was no prior use by others (citing 15 U.S.C. §§ 1072, 1115). See also 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 26:32 (4th ed.). "Because common law grants a mark holder the right to exclusive use only in the geographic areas where he has actually used his mark, holders of a federally registered trademark have an important substantive right they could not otherwise obtain."

⁴² See United States Patent and Trademark Office, <https://www.uspto.gov/trademarks-getting-started/process-overview/state-trademark-information-links> (last visited Feb. 12, 2017).

⁴³ See *id.*

⁴⁴ See *id.* It is possible for a state-registered trademark, or a common law unregistered trademark, to have rights superior to a trademark with a valid federal registration, due to an earlier date of adoption combined with actual and continuous use.

Prior to Congress amending the Lanham Act,⁴⁵ there was a test utilized to address whether a Mark was scandalous.⁴⁶ However, as the court in *In re Lebanese* explicitly addressed, the test for scandalous-ness was not the proper test to use when addressing marks that may be disparaging.⁴⁷ The disparagement bar differs from the scandalous bar, mostly because there is a specific object of disparagement.⁴⁸

Determining whether a Mark is disparaging requires application of a two-part test: (1) what is 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; and (2) if 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.⁴⁹ Ultimately, a disparaging mark is a mark which “dishonors by comparison with what is inferior, slights, deprecates, degrades, affects or injures by unjust comparison.”⁵⁰

An examiner applies this two-part test when investigating whether a proposed Mark is disparaging in violation of section 2(a) and whether it should be registered.⁵¹ The examiner, sometimes multiple examiners, research the terms used, mostly looking up definitions and finding evidence that may or may not lead them to rejecting the Mark.⁵² The examiner’s thorough background check on the marks give insight to what the marks may express to the referenced group.

⁴⁵ See 15 U.S.C. § 1052. Legislation added the “disparagement” language into the Act.

⁴⁶ See *In re Mavety Media Group*, 33 F.3d 1367, 1371 (Fed. Cir. 1994) (holding that a mark may be found scandalous only if it is offensive to a substantial composite of the general public).

⁴⁷ 94 U.S.P.Q. 2d 1215, 1216-17 (2010). See *In re Riverbank Canning Company*, 95 F.2d 327 (CCPA 1938); see also *In re Sociedade Agricola E. Comercial Dos Vinhos Messias, S.A.R.L.*, 159 USPQ 275 (TTAB 1963). These cases utilized the “scandalous analysis” as opposed to the “disparagement analysis.” The newly developed two-part disparagement test took into account the sensibilities of ethnic and/or religious groups, which the scandalous test failed to do.

⁴⁸ See 1 Jerome Gilson et al., *Trademark Protection and Practice* § 3.04(6)(a)(i)(B), at 3-122 (December 2003). Gilson recognizes that a person, group, set of beliefs, institution or symbol, is typically the object of disparagement and the statutory bar depends on the perspective of the object of disparagement. In contrast, the scandalousness provision protects the public as a whole and the effect of the trademark is judged from the perspective of the general public.

⁴⁹ *Lebanese Arak Corp.*, 94 U.S.P.Q. 2d at 1217; Trademark Manual of Exam. Proc. (“TMEP”) § 1203.03(b)(i) (Jan. 2015 ed.).

⁵⁰ See *In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014) (affirming the Board’s decision not to register the mark “STOP THE ISLAMISATION OF AMERICA” because evidence suggests that the religious and political meanings of “Islamisation” were disparaging to American Muslims, and the word “STOP” sets a negative tone).

⁵¹ See 15 U.S.C. § 1052(a); see also *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 490 (2015) (affirming cancellation of Redskins “Indian Logo”); see also *Geller*, 751 F.3d 1355 (“STOP THE ISLAMISATION OF AMERICA”); see also *Bos. Red Sox Baseball Club L.P. v. Sherman*, 88 U.S.P.Q.2d 1581 (T.T.A.B. Sept. 9, 2008) (denying registration to the mark “SEX ROD”). Other denials consisted of marks such as: THE CHRISTIAN PROSTITUTE (2013); HAVE YOU HEARD THAT SATAN IS A REPUBLICAN? (2010); ABORT THE REPUBLICANS (2009); MARRIAGE IS FOR FAGS (2008); DEMOCRATS SHOULDN’T BREED (2007); 2 DYKE MINIMUM (2007); DON’T BE A WET BACK (2006); and N.I.G.G.A. (NATURALLY INTELLIGENT GOD GIFTED AFRICANS) (1996).

⁵² See *Tam*, 808 F.3d at 1332-34. USPTO examiners reference dictionaries, articles, statements regarding the mark, the internet, and the specified community’s stance. See also *Lebanese*, 94 U.S.P.Q. 2d at 1217. Evidence was submitted by examiners which demonstrated that drinking alcohol is considered unacceptable by Muslims, and it is disparaging to place “KHORAN” on a liquor bottle.

B. Freedom of Speech Guarantee

The First Amendment guarantees freedoms concerning religion, expression, assembly, and the right to petition.⁵³ In regard to speech, the First Amendment guarantees freedom of expression by prohibiting Congress from restricting the rights of individuals to speak freely.⁵⁴ However, the right to speak freely is not absolute.⁵⁵

Congress cannot regulate content-based speech;⁵⁶ and strict scrutiny is applied to laws which seek to regulate such speech.⁵⁷ Content-neutral speech, however, may be regulated when the government seeks to regulate the “secondary effects” of such speech.⁵⁸ In a secondary effects analysis, the Court looks to the time, place, and manner of the regulation.⁵⁹ Content-neutral speech is reviewed under intermediate scrutiny because the speech, itself, is not sought to be regulated.⁶⁰ The Supreme Court developed a four-factor test to apply when analyzing whether restricting content-neutral speech is constitutional.⁶¹ Congress also cannot regulate based on its

⁵³ See U.S. CONST. amend. I.

⁵⁴ See *id.*

⁵⁵ See *Schenck v. United States*, 249 U.S. 47, 52 (1919) (holding that words may become subject to prohibition when used in such circumstances that create a clear and present danger and will bring about the substantive evils which Congress has a right to prevent). See also *Roth v. United States*, 354 U.S. 476, 485 (1957) (holding that lewd and obscene language is not within the area of constitutionally protected speech). See also *Chaplinsky v. N.H.*, 315 U.S. 568, 573 (1942) (holding that words that have a direct tendency to cause acts of violence in a public place are not constitutionally protected). There are areas of speech which are of slight social value that any benefit that may be derived from them is outweighed by the social interest in order and morality.

⁵⁶ *Reno v. ACLU*, 521 U.S. 844, 874 (1997). The Court invalidated the Communications Decency Act of 1996, holding that it lacked the precision that the First Amendment required when a statute regulates the content of speech. The statute’s overbreadth proved problematic by protecting children from potentially harmful materials, the statute suppressed a large amount of speech that adults have a constitutional right receive.

⁵⁷ See Tom W. Bell, *Free Speech, Strict Scrutiny, and Self-Help: How Technology Upgrades Constitutional Jurisprudence*, 87 MINN. L. REV. 743, 745 (2003). The First Amendment requires that the government prove that a content-based restriction on speech (1) advances a compelling government interest, and (2) is narrowly tailored to achieve that interest. See *Reno*, 521 U.S. at 879. The government could not meet the least restrictive means standard to establish that its regulation was narrowly tailored to achieve its government interest of protecting children from obscenities.

⁵⁸ See *Renton v. Playtime Theatres, Inc.*, 475 U.S. 41, 49 (1986). In *Renton*, the Court upheld a zoning ordinance that kept adult movie theatres out of residential neighborhoods. The ordinance was aimed, not at the content of the films shown in the theatres, but rather at the “secondary effects” such as crime and deteriorating property values that the theatres foster.

⁵⁹ See *Reno*, 521 U.S. at 868. The Court held that the secondary effects analysis could not apply because the Communications Decency Act was a content-based blanket restriction on speech.

⁶⁰ See *Ward v. Rock against Racism*, 491 U.S. 781. Content neutral time, place and manner regulations are permissible if they are narrowly tailored to serve a substantial government interest and do not unreasonably limit alternative avenues of expression. See *Members of City Council v. Taxpayers for Vincent*, 466 U.S. 789, 817 (1984). The restriction on expression which results from a city’s attempt to eliminate visual clutter is justified as a reasonable regulation of the time, place, or manner of expression if it is narrowly tailored to serve that interest.

⁶¹ See *United States v. O’Brien*, 391 U.S. 367, 377 (1968). A government regulation is justified if 1.) it is within the constitutional power of the government, 2.) it furthers an important or substantial governmental interest, 3.) the governmental interest is unrelated to the suppression of free expression, and 4.) the incidental restriction on alleged First Amendment freedoms is no greater than is essential to the furtherance of that interest. See also *Ladue v. Gilleo*, 512 U.S. 43, 56 (1994) (recognizing a fifth factor—whether the restriction leaves open ample channels of communication).

disagreement with a viewpoint.⁶² The First Amendment does not permit the government imposing special prohibitions on speakers who express disfavored views.⁶³

Additionally, the Supreme Court has made a distinction between commercial speech⁶⁴ and noncommercial speech.⁶⁵ Though, what constitutes commercial speech is somewhat fact intensive,⁶⁶ typically, when advertisements and/or transactional-type dealings are present, courts view those dealings as commercial speech.⁶⁷ The protection available for commercial speech depends on the nature of both the expression and of the governmental interests served by its regulation.⁶⁸ Noncommercial speech consists of private or political speech, which cannot be regulated.⁶⁹ Speech dealing with information or knowledge is viewed as noncommercial speech and receives full protection.⁷⁰

⁶² See *R.A.V. v. St. Paul*, 505 U.S. 377, 387 (1992) (holding an ordinance unconstitutional because it prohibited otherwise permitted speech solely on the basis of the subjects the speech addressed). The Court's opinion stressed that even though the statute served a compelling interest, there were content-neutral alternatives available.

⁶³ See *id.* at 383. See *Police Dep't of Chicago v. Mosley*, 408 U.S. 92, 98 (1972). The Court found that Louisiana attempted to pick and choose the views it was willing to have discussed on its streets by permitting picketing for labor union views, but prohibiting other sorts of picketing such as views against racial discrimination.

⁶⁴ See *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66-67 (1983). The Court laid out a three-part inquiry in determining whether speech is commercial: (1) is the material meant to be an advertisement, (2) does the material reference a particular product, and (3) is there is an economic motivation for disseminating the material? Commercial speech exists when all of the attributes are present. See *Virginia State Bd. Of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748, 762 (1976). Speech which does no more than propose a commercial transaction is not so removed from any exposition of ideas and from truth, science, morality, and arts in general, that it lacks all protection under the First Amendment.

⁶⁵ See *Boos v. Barry*, 485 U.S. 312, 318 (1988). The Supreme Court recognized that the First Amendment reflects a profound national commitment to the principle that debate on public and political issues should be uninhibited and wide-open (citing *New York Times Co. v. Sullivan*, 376 U.S. 254, 270 (1964)). See *Snyder v. Phelps*, 362 U.S. 443, 452 (2011). Speech concerning public matters, rather than private, receives the highest degree of protection because it is more than self-expression; it is the essence of self-government. Private speech, while protected, receives less protection because there is no threat to the robust debate of public issues.

⁶⁶ See *Breard v. Alexandria*, 341 U.S. 622, 642 (1951) (noting that the selling aspect brings into the transaction a commercial feature). See also *Martin v. Struthers*, 319 U.S. 141, 144-45 (holding that distribution of leaflets publicizing a religious meeting has no commercial element).

⁶⁷ See *Bolger*, 463 U.S. 60; *Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of New York*, 447 U.S. 557 (1980).

⁶⁸ See *Bigelow v. Virginia*, 421 U.S. 809, 826 (1975) (holding that advertising, like all public expression, may be subject to reasonable regulation that serves a legitimate public interest). To the extent that commercial activity is subject to regulation, the relationship of speech to that activity may be one factor, among others, to be considered in weighing the First Amendment interest against the governmental interest alleged.

⁶⁹ See *Pleasant Grove City v. Summum*, 555 U.S. 460, 467. The Free Speech Clause restricts government regulation of private, expressive speech.

⁷⁰ See *Bolger*, 463 U.S. at 63. The government attempted to suppress the mailing of contraceptive information to individuals. The Court held the law unconstitutional because the decision to withhold information of that nature is the right of the parents. *Id.* at 74. The restriction of "the free flow of truthful information" constitutes the basic constitutional defect regardless of the strength of government's interest. *Id.* at 75. The Court was silent on whether the ruling would have been different if there were solicitations being mailed.

The *Central Hudson* Court laid out four factors to analyze when assessing the validity of restrictions on commercial speech. It is essential to determine: (1) whether the expression is constitutionally protected, for commercial speech to receive protection, it must be lawful activity and not be misleading; (2) whether the governmental interest asserted is substantial, if so, (3) whether the regulation directly advances the government interest asserted; and (4) whether the regulation is not more extensive than necessary to serve that interest.⁷¹ The First Amendment and its application was at the forefront of the *Tam* discussion.

C. *The Tam of it All*

Prior to the *Tam* decision, this area of law was unaltered for over one hundred years;⁷² and the Lanham Act gave the proper amount of discretion to the USPTO.⁷³ Monitoring marks that may be immoral, scandalous, and/or disparaging has been the duty of the examiners since the Trademark Act of 1905.⁷⁴ Examiners are trusted to analyze particular marks and decide whether the marks should be registered based on a multitude of factors.⁷⁵ More specifically, prior to the *Tam* decision, the disparagement bar was intact and the Courts did not realize any First Amendment issues.⁷⁶

In re McGinley was highly discussed within *Tam* as it was the leading precedent.⁷⁷ In that case, the Court was presented with similar issues as the court in *Tam*.⁷⁸ *McGinley* stood for the proposition that an applicant's First Amendment rights were

⁷¹ See *Central Hudson*, 447 U.S. at 566.

⁷² See *Tam*, 808 F.3d at 1374. Judge Lourie pointed out that “the USPTO’s authority to refuse to issue trademark registrations with certain offensive content has existed in U.S. law for over one hundred years.” Lourie, J., dissenting.

⁷³ See 15 U.S.C. § 1052. Specifically, sections a-e explicitly gives an examiner the power to investigate and refuse registration of a mark if the mark or its representation falls into one of the mentioned categories.

⁷⁴ See Trademark Act of 1905; see also *Tam*, 808 F.3d at 1374. The Trademark Act of 1905 provided specific authority to refuse to register immoral or scandalous marks. Lourie, J., dissenting.

⁷⁵ See 15 U.S.C. § 1052. Sub-sections (a)-(f) set forth limitations to mark registration.

⁷⁶ See *Tam*, 808 F.3d. See also *In re McGinley*, 660 F.2d 481 (1981) (ruling that First Amendment rights are not infringed when an applicant’s mark is denied registration).

⁷⁷ See *Tam*, at 1333. The Court has been criticized for more than 30 years for its reliance on the *McGinley* decision.

⁷⁸ See *id.*; see also *McGinley*, 660 F.2d. 481. The questioned marks in both cases were evaluated using section 2 of the Lanham Act.

not suppressed due to a denial of federal trademark registration.⁷⁹ The United States Court of Appeals for the Federal Circuit turned this proposition on its head.⁸⁰

III. ANALYSIS

Tam brought suit questioning the validity of section 2(a) of Lanham Act.⁸¹ Tam asserted that § 2(a) burdened his First Amendment right to free speech and therefore was unconstitutional.⁸²

A. Section 2(a) of the Lanham Act is Constitutional

Section 2(a) of the Lanham Act prohibits disparaging marks from being federally registered.⁸³

Tam alleged that § 2(a) violates free speech because it suppresses the content of speech and examiners arbitrarily deny marks because of what they think is disparaging to a group of people.⁸⁴

The *Tam* Court applied strict scrutiny to the challenged government regulation,⁸⁵ and held that the act of discriminating based on message disapproval is not content or viewpoint neutral.⁸⁶ Furthermore, the Court concluded that trademark registration is

⁷⁹ See *McGinley*, 660 F.2d at 484. In *McGinley*, an applicant sought to register a photograph of a nude man and woman kissing and embracing in a manner appearing to expose the male genitalia. Allegedly, the photograph was to be used for "Newsletter Devoted to Social and Interpersonal Relationship Topics" and "Social Club Services." The examiner found evidence that showed that the newsletter dealt with discussions of sexual topics such as bisexuality, masturbation, and fornication; and that the services included sponsoring and arranging parties for "swinging," which appeared to be a form of group sex. The U.S. Court of Customs and Patent Appeals affirmed the board's decision and held that "the board's refusal to register the mark did not affect the applicant's right to use the mark so no conduct was proscribed, no tangible form of expression was suppressed, and no First Amendment rights were abridged."

⁸⁰ See *Tam*, 808 F.3d at 1357-58. The Court reversed the *McGinley* decision and ruled that section 2(a) of the Lanham Act is unconstitutional because it suppresses free speech.

⁸¹ See *Tam*, 808 F.3d at 1332.

⁸² *Id.*

⁸³ See 15 U.S.C. § 1052(a).

⁸⁴ See *Tam*, 808 F.3d at 1333-34; see *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 466 (Ed. Virginia, 2015). The Court noted that the Act does not authorize or encourage "arbitrary and discriminatory enforcement." A statute authorizes or encourages arbitrary and discriminatory enforcement when there are minimal guidelines that indicate what the law applies to. *Id.* (citing *Kolender v. Lawson*, 461 U.S. 352, 358 (1983)). The Court found that the USPTO sets forth sufficient guidelines that identify which matters "may disparage" under § 2(a). *Id.* Among other things, the USPTO publishes the letters of Examining Attorneys' decisions to approve or deny registration on its website. *Id.* The USPTO has also published instructions for Examining Attorneys in its Trademark Manual of Examining Procedure ("T.M.E.P."). T.M.E.P. § 1203(b) addresses the "may disparage" portion of section 2(a). See Trademark Manual of Exam. Proc. ("TEMP") § 1203.03(b)(i) (Jan. 2015 ed.).

⁸⁵ See *Tam*, 808 F.3d at 1339-40. The Court uses strict scrutiny as the standard of review when a governmental regulation burdens private speech based on message disapproval.

⁸⁶ See *id.* at 1340-43.

not government speech.⁸⁷ Lastly, the Court concluded that § 2(a) is also unconstitutional under the *Central Hudson* Test for Commercial Speech.⁸⁸

The majority in the *Tam* decision erred in determining that bars on marks that may disparage persons are unconstitutional because those restrictions do not further the Lanham Act's purpose.⁸⁹ A disparaging mark is a mark which "dishonors by comparison with what is inferior, slights, deprecates, degrades, or affects or injures by unjust comparison."⁹⁰ The Trademark Board defined disparagement by stating that it is "essentially a violation of one's right of privacy-the right to be let alone from contempt or ridicule."⁹¹ The evaluation of disparagement is not based on the government's moral judgment;⁹² but based only on evidence of the perception of the "affected persons."⁹³ The examiners utilize an objective test-one that does not allow for the examiners to arbitrarily make decisions.⁹⁴

The majority interprets the government's intent behind the Lanham Act too narrowly.⁹⁵ As Judge Lourie makes clear, "the Lanham Act declares unequivocally that the "intent of this chapter is to regulate commerce.""⁹⁶ It is the government's duty to regulate commerce, commerce, meaning trademarks that can and will be used among state lines.⁹⁷ Since 1905, the government has upheld the duty of refusing mark registrations that may be offensive and/or scandalous.⁹⁸ There is no reason for the

⁸⁷ See *id.* at 1345-48. The Court referenced the *Walker* case, which dealt with specialty license plates in determining that trademarks are not government speech.

⁸⁸ See *id.* at 1355-57.

⁸⁹ See *Tam*, 808 F.3d at 1329. The majority explains that the Act's purpose is to prevent consumers from being deceived, eliminate consumer confusion, and protect the mark holder's investment in the mark.

⁹⁰ See *In re Geller*, 751 F.3d at 1358 (Fed. Cir. 2014); see TEMP § 1203.03(b)(i) (Jan. 2015 ed.).

⁹¹ See TMEP § 1203.03(b).

⁹² See *Tam*, 808 F.3d at 1375. Lourie, J., dissenting.

⁹³ See *id.* at 1375-76. The government action does not include a judgment on the worthiness or the effectiveness of the mark; if it did, it might venture into viewpoint discrimination territory. See also *Lebanese Arak Corp.*, 94 U.S.P.Q. 2d at 1218. The proper ground for refusing marks which would offend the sensibilities of an ethnic or religious group is that the matter is disparaging to the members of that group, rather than that the matter is offensive or scandalous.

⁹⁴ See *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 466 (Ed. Virginia, 2015); see TEMP § 1203.03(b)(i) (Jan. 2015 ed.). The Trademark Trial and Appeal Board established a two-part test to determine whether a mark contains matter that "may disparage:"

(1) what is the likely meaning 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; and (2) if 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.

⁹⁵ See *supra* note 87.

⁹⁶ 15 U.S.C. § 1127. See *Tam*, 808 F.3d at 1378. Lourie, J., dissenting.

⁹⁷ See U.S. CONST. art. I, § 8, cl. 3. See also *Tam*, 808 F.3d at 1379. The government has a substantial interest in the orderly flow of commerce.

⁹⁸ See Trade Mark Act of 1905, Federal Register of Legislation, <https://www.legislation.gov.au/Series/C1905A00020NO> (last visited Mar. 10, 2017). See *Tam*, 808 F.3d at 1374. The USPTO has been declining to register disparaging trademarks years before the Lanham Act even existed. Lourie, J., dissenting.

Federal Court to end the USPTO's duty in filtering out certain undesirable marks, which advance egregious messages, from the federal trademark registration system.⁹⁹

B. There is No First Amendment Violation

Most the *Tam* discussion revolves around the First Amendment and its guarantee of free speech.¹⁰⁰ *Tam* argued that his speech was suppressed when the USPTO denied his mark federal registration.¹⁰¹ He alleged that the mark was wrongly denied registration because the message is not one of ill repute.¹⁰²

A case similar to the present one at issue is *In re Geller*.¹⁰³ Applicants Pamela Geller and Robert Spencer filed an intent-to-use application to register the mark "Stop the Islamisation of America" in connection with providing information about preventing terrorism.¹⁰⁴ The examiner refused to register the Mark on the ground that the Mark may be disparaging to American Muslims pursuant to section 2(a) of the Lanham Act.¹⁰⁵ The Federal Circuit affirmed the Board's decision holding that associating peaceful political Islamisation with terrorism would be disparaging to a substantial composite of American Muslims.¹⁰⁶

In the present case, the Federal Circuit invalidated section 2(a) of the Lanham Act holding that the content and viewpoint based regulation did not survive strict scrutiny.¹⁰⁷ However, the Court should not have applied strict scrutiny because § 2(a) is not content based discrimination.

1. Content and Viewpoint Based Discrimination

The Federal Circuit Court erred when it interpreted § 2(a) to be content based and viewpoint discriminatory on its face. Content-based statutes regulate speech based on

⁹⁹ *Id.* at 1374. The purpose of § 2(a) is to protect underrepresented groups in our society from being bombarded with demeaning messages in commercial advertising.

¹⁰⁰ *See Ysursa v. Pocatello Educ. Ass'n*, 555 U.S. 353, 360-61 (2009). The First Amendment protects the right to be free from government abridgement of speech.

¹⁰¹ *See Tam*, 808 F.3d at 1332. *Tam* named his band "The Slants" to make a statement about racial and cultural issues in the country.

¹⁰² *Id.* *Tam* also questioned the constitutionality of § 2 of the Lanham Act.

¹⁰³ *See Geller*, 751 F.3d 1355. The United States Court of Appeals for the Federal Circuit affirmed the Trademark Board's denial of the mark "Stop the Islamisation of America." *Id.* at 1361. The Court used the disparagement test to shut down the appellant's argument that the mark had only one meaning—a political meaning, as opposed to, a religious meaning. *Id.* at 1361. The Court explained that under both meanings, the mark may be found disparaging. *Id.* at 1361.

¹⁰⁴ *Id.* at 1357.

¹⁰⁵ *See* 15 U.S.C. § 1052(a).

¹⁰⁶ *See Geller*, 751 F.3d at 1358-62. The reviewing board found that the term "Islamisation" had a political meaning, as well as, a religious meaning. The Board looked to dictionaries, essays posted on the appellant's website, and the public. Furthermore, the word "Stop" in front of the statement, brought a negative connotation to the phrase.

¹⁰⁷ *See Tam*, 751 F.3d at 1357-58.

its subject matter.¹⁰⁸ Section 2(a) does not restrict speech itself, only what the speech may represent to targeted individuals.¹⁰⁹ For § 2(a) to be a content-based regulation, the government would have to regulate all content within §2 (a), regardless of interpretation or meaning.¹¹⁰ This is not the government's intention, otherwise an objective test would not exist.¹¹¹

Similar to content-based discrimination, viewpoint-based discrimination is reviewed under strict scrutiny.¹¹² Section 2(a) is not viewpoint discrimination because the government is not favoring one opinion or viewpoint over another.¹¹³ The bedrock principle of viewpoint neutrality demands that the "State not suppress speech where the real rationale for the restriction is disagreement with the underlying ideology or perspective that the speech expresses."¹¹⁴ The government is not in disagreement with messages that specific marks display,¹¹⁵ the citizens or the specific group that the mark potentially singles out are the ones disagreeing.¹¹⁶ The USPTO makes its decisions based on evidence proffered by the applicant, the affected parties, dictionary definitions, and societal norms.¹¹⁷

In *Boos v. Barry*, the Supreme Court addressed a similar issue as applied to political speech.¹¹⁸ The relevant law prohibited the display of any sign within 500 feet of a foreign embassy if the sign would tend to bring that foreign government into "disrepute."¹¹⁹ Justice O'Connor's plurality opinion established that the provision was

¹⁰⁸ See *Carey v. Brown*, 447 U.S. 455, 462-63 (1980). A Chicago ordinance described permissible picketing in terms of its subject matter. It permitted peaceful picketing about a school's labor-management dispute, but prohibited all other peaceful picketing.

¹⁰⁹ See *Tam*, 751 F.3d at 1364.

¹¹⁰ See § 1052(a). The government would have to regulate disparaging marks regardless of whether the specified group thinks that the marks are disparaging.

¹¹¹ See *Lebanese*, 94 U.S.P.Q. 2D at 1217. The two-part test calls for (1) the investigation of the mark's likely meaning; and (2) whether that meaning may be disparaging to a substantial composite of that referenced group. This is determined by research, evidence, and referenced groups' testimonies. Examiners look to outside evidence, not their subjective views. Courts analyzing content-based regulations have not encountered regulations that involve tests for determining whether an individual is in violation, rather the activity itself constitutes a prima facie violation. Section 2(a) is for commercial activity and that is what it seeks to regulate.

¹¹² See *Perry Educ. Ass'n v. Perry Local Educators' Ass'n*, 460 U.S. 37, 66 (1983). The Supreme Court noted that viewpoint discrimination implicates core First Amendment values and is permissible only if the government can show that a regulation is "a precisely drawn means of serving a compelling state interest."

¹¹³ See § 1052(a). See *Perry*, 460 U.S. at 48-49. The Court of Appeals ruled that the access policy, which only allowed the teachers union to access an inter-school mailing system, favored a particular viewpoint on labor relations, and consequently must be strictly scrutinized. *Id.* at 48. However, there was no indication that the School Board intended to discourage one viewpoint and advance another. *Id.* at 49. The Supreme Court ruled that it is more accurate to characterize the access policy as based on the status of the respective unions rather than their views.

¹¹⁴ *Ridley v. Mass. Bay Transp. Auth.*, 390 F.3d 65, 82 (1st Cir. 2004).

¹¹⁵ See *id.* at 82. The essence of viewpoint discrimination is not that the government incidentally prevents certain viewpoints from being heard in the course of suppressing certain general topics of speech, rather, it is a governmental intent to intervene in a way that prefers one particular viewpoint in speech over other perspectives on the same topic.

¹¹⁶ See *Lebanese*, 94 U.S.P.Q. 2D at 1219. The disparagement test is in place so that the affected group can be at the center of the concern.

¹¹⁷ See TMEP § 1203.03(b)(i) (Jan. 2015 ed.). See *Tam*, 808 F.3d at 1359.

¹¹⁸ *Boos*, 485 U.S. at 315.

¹¹⁹ *Id.*

not viewpoint discrimination because the display clause determined which viewpoint was acceptable in a neutral fashion by looking to the policies of foreign governments.¹²⁰ The same reasoning applies to the present case. Section 2(a) is not advancing the government or any **one** person's viewpoint.¹²¹ The disparagement test determines which viewpoints are acceptable by looking to targeted group's stances on the subject matter of particular marks.¹²²

As previously mentioned, the Federal Circuit interpreting § 2(a) as content-based and viewpoint discriminatory was error; the regulation is content-neutral.¹²³ The Supreme Court has held that if the government's interest is unrelated to the suppression of the expression, then the regulation is content-neutral.¹²⁴ The government's interest in the orderly flow of commerce is unrelated to the suppression of Tam's speech.¹²⁵ Furthermore, the government is seeking to address the harmful secondary effects of disparaging marks.¹²⁶ Allowing disparaging marks to enter the stream of commerce can have negative consequences.¹²⁷ For example, certain groups may begin to stray away from places that promote or show these marks, which ultimately, may affect interstate commerce.¹²⁸ Section 2(a) of the Lanham Act can be read to be content neutral and intermediate scrutiny should apply.¹²⁹ Additionally, intermediate scrutiny should be applied to trademarks because they have commercial

¹²⁰ *Id.* at 319. The Court did hold that the statute was content-based and applied strict scrutiny. The Court affords the highest degree of protection to political speech.

¹²¹ See Ridley, 390 F.3d at 90-91. A regulation prohibiting disparaging ads was viewpoint neutral because "the state is not attempting to give one group an advantage over another in the marketplace of ideas."

¹²² See *Lebanese*, 94 U.S.P.Q. 2D at 1216.

¹²³ See *Clark v. Community for Creative Non-Violence*, 468 U.S. 288, 293 (1984). The Supreme Court held that a Park Service regulation that prohibited camping in certain parks to call attention to the plight of the homeless did not violate the First Amendment because the regulation was justified without reference to the content of the regulated speech, was narrowly tailored to serve a substantial governmental interest, and left open ample alternative channels for communication of the information. *Id.* Similarly, § 2(a) brings attention to the negative effects that can come from disparaging marks.

¹²⁴ See *id.* at 294. The government interest in conserving park property was unrelated to the demonstrators' message about homelessness. The demonstrators were allowed to erect "symbolic tent cities," but they were not allowed to sleep overnight in those tents. *Id.* at 295.

¹²⁵ See *id.*

¹²⁶ *Renton*, 475 U.S. at 47. See also *City of Erie v. Pap's A.M.*, 529 U.S. 277, 291 (2000). The Supreme Court upheld a statute that did not attempt to regulate the primary effects of the expression, but rather the secondary effects, such as impacts on public health, safety, and welfare. The public indecency ordinance made it a summary offense to knowingly or intentionally appear in public in a "state of nudity." *Id.* at 283.

¹²⁷ *Tam*, 808 F.3d at 1379-80.

¹²⁸ See *Katzenbach v. McClung*, 379 U.S. 294, 302 (1964) (finding that racial discrimination in restaurants had a direct and highly restrictive effect upon interstate travel by negroes and other minorities). See also *Heart of Atlanta Motel v. United States*, 379 U.S. 241, 258 (1964). The Supreme Court held that the authority of Congress to promote interstate commerce encompasses the power to regulate local activities of interstate commerce when those activities would otherwise have a substantial and harmful effect upon the interstate commerce. The Heart of Atlanta Motel, which rented rooms to traveling guests, was within minutes of major interstates. Prior to the federal prohibition of racial discrimination, the motel had a practice of not renting rooms to blacks. Arguing that its establishment was local in nature, it fought the law. *Id.* at 243-44.

¹²⁹ See *supra* note 123. See *Tam*, 808 F.3d at 1378. Reyna, J., dissenting.

speech qualities and should not be given as much protection as private/expressive speech.¹³⁰

2. *Intermediate Scrutiny Applies to Trademarks*

Contrary to the Federal Circuits interpretation, trademarks are more characterized as commercial speech.¹³¹ Trademarks are essentially advertisements, which propose a transaction.¹³² The Supreme Court has held that the Constitution gives less protection to commercial speech than to other “safeguarded forms of expression.”¹³³ The amount of protection granted to commercial expression depends on the nature of the expression and the nature of the governmental interests served by its regulation.¹³⁴

In *Central Hudson*, the Court adopted a four-part analysis for assessing the validity of restrictions on commercial speech.¹³⁵ The majority in *Tam* completely dismissed the commercial speech argument made by the government, disregarding the *Central Hudson* analysis.¹³⁶ The Federal Circuit found that Tam’s mark was more than commercial speech because it had an expressive element to it.¹³⁷ The majority contends that due to the expressive nature of Tam’s mark, the mark is not commercial speech and strict scrutiny must apply.¹³⁸ However, the Supreme Court has made clear “advertising which links a product to a public debate is not entitled to the constitutional protection that noncommercial speech is entitled to.”¹³⁹ This is essentially what Tam is doing with his Mark.¹⁴⁰ Tam’s mark, THE SLANTS, is an

¹³⁰ See *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 68 (1983). The degree of protection given by the First Amendment depends on whether the activity sought to be regulated is commercial or noncommercial speech.

¹³¹ See *Friedman v. Rogers*, 440 U.S. 1, 11 (1979). Trade names are used as part of a proposal of a commercial transaction. See Arina Shulga, *Trade Names v. Trade Marks*, Business Law Post, December 17, 2010, <http://www.businesslawpost.com/2010/12/trade-name-vs-trade-mark.html>. Tradenames can be deemed trademarks if used in commerce to advertise, promote, or identify goods or services. In this regard, they are analogous.

¹³² See Van Lindberg, *Intellectual Property and Open Source: A Practical Guide to Protecting Code* 107-108 (2008). One theory used to explain the function of trademarks in economic terms is that they are essentially indistinguishable from advertising – seeking to gain exposure and relay information.

¹³³ *Central Hudson*, 447 U.S. at 562-63.

¹³⁴ *Id.* at 563.

¹³⁵ See *id.* at 566. For commercial speech to receive some protection: first, it at least must concern lawful activity and not be misleading; second, the governmental interest must be substantial. If it is, the regulation must directly advance the governmental interest. Lastly, the regulation must not be more extensive than necessary to serve that interest.

¹³⁶ See *Tam*, 808 F.3d at 1357.

¹³⁷ *Id.* at 1338. According to the Federal Circuit, Tam selected his mark to create a dialogue on controversial political and social issues. Through his mark, Tam advocates for social change.

¹³⁸ See *id.* at 1355.

¹³⁹ See *Bolger*, 463 U.S. at 68. The contraceptive mailings constituted commercial speech notwithstanding the fact that they contain discussions of important public issues such as venereal disease and family planning.

¹⁴⁰ See *Tam*, 808 F.3d 1321.

advertisement which he is linking to a public debate about race and stereotypes.¹⁴¹ Furthermore, he is attempting to use the streams of commerce to disseminate his message.¹⁴²

When applying the *Central Hudson* commercial speech analysis, it is important to consider the nature of the speech taken as a whole.¹⁴³ First, Tam's mark, THE SLANTS, is not misleading.¹⁴⁴ Second, the government's interest in not allowing the mark, that based on research and evidence may be viewed as disparaging, to enter the streams of commerce, is a substantial one.¹⁴⁵ Furthermore, the regulation of disparaging marks directly advances the governmental interest of not allowing such marks into the stream of commerce where specific groups may be signaled out and disrupt the flow of commerce.¹⁴⁶ Lastly, the government barring disparaging marks from the streams of commerce is no more extensive than necessary to further the government's interest in protecting potentially, a significant amount of persons from the disparaging mark.¹⁴⁷

The test factors weigh in favor of the government and supports no First Amendment violation. Suppression is permitted whenever it "directly advances a substantial governmental interest and is not more extensive than is necessary to serve that interest."¹⁴⁸ Section 2(a) satisfies the Central Hudson test, which maintains that the regulation does not implicate the First Amendment.

¹⁴¹ See *id.* at 1327-28. The Court opines that Tam's band name conveys more about society than many volumes of protected speech.

¹⁴² See *id.* at 1376. Federally registered trademarks can be used across state lines; potentially being disseminated to thousands of individuals.

¹⁴³ See *Central Hudson*, 447 U.S. at 563. If the communication is neither misleading nor related to unlawful activity, the government's power is more limited. The State must have a substantial interest to be achieved by restrictions on commercial speech. Moreover, the regulatory technique must not be excessive. The limitation on expression must be designed carefully to achieve the State's goal. Compliance with this requirement may be measured by two criteria. First, the restriction must directly advance the state interest involved; the regulation may not be sustained if it provides only ineffective or remote support for the government's purpose. Second, if the governmental interest could be served as well by a more limited restriction on commercial speech, the excessive restrictions cannot survive.

¹⁴⁴ See *Tam*, 808 F.3d at 1355. Although Tam's mark is not misleading or related to unlawful activity-the government can still prevail under the substantial interest criterion, which would satisfy intermediate scrutiny.

¹⁴⁵ *Id.* at 1376-78. When the commercial or political content of a trademark threatens the government's substantial interest in the orderly flow of commerce, appropriate legislation may be justified. Reyna, J., dissenting. See *supra* note 128. THE SLANTS traveling among state lines may have substantial negative consequences among minorities and others.

¹⁴⁶ *Id.* Travel may be halted as a result of such marks, or organized groups may come together to resist such Marks in certain locations. This situations serve as disruptions to commerce, and commerce has a substantial interest in this not occurring.

¹⁴⁷ See *id.* at 1382. Commercial speech that insults groups of people, particularly based on their race, gender, religion, or other demographic identity, tends to disrupt commercial activity and to undermine marketplace stability. Tam is not completely halted from using his mark; he is still able to use it at the state level where it will gain common law protection. See Daniel A. Tysver, *Common Law Trademark Rights*, BITLAW, <http://www.bitlaw.com/trademark/common.html> (last visited Mar. 16, 2017).

¹⁴⁸ See *Central Hudson*, 447 U.S. at 564. This standard is met by going through the *Central Hudson* analysis. See also *Tam*, 808 F.3d at 1382.

As previously explained, the Federal Circuit erred when it held that section 2(a) of the Lanham Act was not content-neutral.¹⁴⁹ However, the government's interest in the orderly flow of commerce is unrelated to the suppression of Tam's speech.¹⁵⁰ While noncommercial speech is entitled to the highest degree of protection, commercial speech is not.¹⁵¹ Thus, a determination must be made as to trademarks and the protection they receive when there is an expressive element to them.¹⁵²

IV. PROPOSAL

There is an inherent tension between free Speech guarantees and the government's power to declare which trademarks can be registered and which trademarks cannot be registered.¹⁵³ One solution is to view trademarks as commercial speech, which would require an intermediate scrutiny analysis.¹⁵⁴ Another solution is to restructure the disparagement test.

A. Trademarks Under the Intermediate Umbrella

Congress granted the USPTO the power to grant and deny trademarks through § 1052.¹⁵⁵ Trademarks are essentially commercial advertisements which promote transactions and may convey an owner's message.¹⁵⁶ For this reason, intermediate scrutiny should be the standard applied.

Intermediate scrutiny is satisfied when a law is substantially related to an important governmental purpose.¹⁵⁷ Trademarks should be regulated by the

¹⁴⁹ See *Tam*, 808 F.3d at 1334.

¹⁵⁰ See *supra* note 121.

¹⁵¹ See *Bolger*, 463 U.S. at 64-65.

¹⁵² The Federal Circuit decided to protect the speech as noncommercial speech. See *Tam*, 808 F.3d 1321. However, as mentioned earlier, any individual could claim their mark has an expressive element to it and receive protection, thus registering many disparaging marks, perhaps more disparaging than Tam's.

¹⁵³ See U.S. CONST. amend. I. The First Amendment's freedom of speech clause guarantees that the government cannot censor or suppress a citizen's speech. See also U.S. Const. art. I, §8, cl. 3. The United States Constitution grants Congress the express power to regulate commerce among the states. This includes any items or materials that may make its way across state lines and may produce an economic transaction.

¹⁵⁴ This solution is strictly for federally registered trademarks. Trade dress, or any other intellectual property that may be analyzed under § 2(a) is not at issue.

¹⁵⁵ See 15 U.S.C. § 1052. See also *In re Tam*, 808 F.3d 1321, 1364. The Act is designed to "preclude the use of government resources not when the government disagrees with a trademark's message, but rather when its meaning "may be disparaging to a substantial composite of the referenced group."

¹⁵⁶ See *Tam*, 808 F.3d at 1364. See also *The Trade-Mark Cases*, 100 U.S. 82, 84 (1879). Trademarks are how manufacturers and merchants identify their manufactures and merchandise. They are the symbols by which men engaged in trade and manufactures become known in the marketplace, by which their reputation and that of their goods are extended and published; and as they become better known, the profits of their business are enhanced.

¹⁵⁷ See *United States v. O'Brien*, 391 U.S. at 377. The Court held that an important governmental interest justified the conviction of the defendant for publicly burning his selective service registration certificate in violation of a law which prohibited the knowing destruction of Selective Service

government to ensure that the marks that are disseminated are not ones that may extremely offend, produce a negative result, or be distasteful to a majority of America.¹⁵⁸ This is significantly important because of the racial intolerances plaguing the country currently.¹⁵⁹ The government does not have to “support, or society tolerate, disparaging remarks in the name of commercial speech.”¹⁶⁰ Since protection granted to commercial speech is minimal, the government would meet its burden under the intermediate scrutiny analysis because the government has a substantial interest in the orderly flow of commerce.¹⁶¹

Furthermore, it is Congress’ duty to regulate commerce, and that entails controlling the dissemination of marks that will negatively affect specific groups.¹⁶² A mark may have an expressive element to it per the owner’s interpretation, however if the mark offends or is distasteful on its face, it should not be allowed to disseminate.¹⁶³ This solution allows the government to protect potential affected groups from widespread disparaging marks.

B. The Disparagement Test 2.0

Many are at odds with section 2 of the Lanham Act because of its apparent intrusion into the free speech realm.¹⁶⁴ The Federal Circuit held that the

registration certificates. The government had a substantial interest in assuring the continuing availability of issued Selective Service certificates.

¹⁵⁸ See *Tam*, 808 F.3d at 1364. The government need not support the inevitable consequence of the decision to “widen registration of marks that offend vulnerable communities.” Dyk, J., concurring in-part and dissenting in-part.

¹⁵⁹ Catherine E. Shoichet, *Is racism on the rise? More in U.S. say it’s a ‘big problem’*, CNN (November 5, 2015), <http://www.cnn.com/2015/11/24/us/racism-problem-cnn-kff-poll/>. Compiled data demonstrates a significant shift from several years ago when 25-30% of Americans described racism as a problem. The percentage is now higher than it was two decades ago, with a “whopping 82% of Americans describing racism as a problem and a majority of them suggesting that racial tensions are on the rise.”

¹⁶⁰ See *Tam*, 808 F.3d at 1364.

¹⁶¹ See *Lebanese*, 94 U.S.P.Q. 2d at 1218; see *Heart of Atlanta Motel*, 379 U.S. at 258; see *Katzenbach*, 379 U.S. at 302. The government would meet its burden because it has a substantial interest in the orderly flow of commerce. Such hostile marks may have a disruptive effect on the market, causing tensions to rise. Furthermore, not allowing this marks to enter the stream of commerce is the only way to combat the potential secondary harmful effects.

¹⁶² See U.S. CONST. art. I, § 8, cl. 3. See *Tam*, 808 F.3d at 1381. The impact of advancing these bigoted messages through the ubiquitous channels of commerce may be discriminatory, and even if not discriminatory, at least disruptive to commerce. Reyna, J., dissenting. This is important because the government should not/does not want to encourage or promote such messages. This could affect the state of commerce, being that individuals may not want to travel to certain places because of certain Marks, and this could become an epidemic affecting trade.

¹⁶³ The Supreme Court has recognized that a burden on commercial speech may be incidental. The burden is permissible if it is no greater than is essential to the furtherance of the government’s interest. See *O’Brien*, 391 U.S. at 377.

¹⁶⁴ See Emily M. Kustina, *Discriminatory Discretion: PTO Procedures and Viewpoint Discrimination Under Section 2(a) of the Lanham Act*, 164 U. Pa. L. Rev. 513, 537. Kustina asserts that excessive discretion stemming from unclear guidelines can lead to First Amendment violations when administrators restrict certain speech on content or viewpoint...this discretion can result in discrimination that violates the First Amendment in two ways: first, by targeting speech on the basis

disparagement provision is content-based and viewpoint discriminatory on its face because the USPTO may reject marks under § 2(a) when it finds that marks refer to a group in a negative way, but it permits the registration of marks that refer to a group in a positive, non-disparaging way.¹⁶⁵ Also, the Court found issue with the possibility of arbitrary enforcement.¹⁶⁶ These concerns could be addressed by restructuring it to consider individuals outside of the affected group also.¹⁶⁷

Restructuring the disparagement test would potentially eliminate any concerns regarding arbitrary or inconsistent enforcement.¹⁶⁸ The disparagement test, as it states now, “is to consider the likely meaning of the mark¹⁶⁹ and then determine whether that meaning is likely to disparage a substantial composite of that referenced group.”¹⁷⁰ When developing a test of this nature, it is essential to understand and to take into consideration an array of things.¹⁷¹ Registered marks that travel the channels of commerce affect every person, and even though, a person may not be subjected to the disrepute personally, it could affect the marketplace.¹⁷²

The test for disparagement should be strictly tailored to language or ideas that would make the specified group **AND** people outside of that group uncomfortable, isolated, or even suppressed or fearsome.¹⁷³ Essentially, the test should revert back to the test used for scandalous-ness.¹⁷⁴ For example, an organization that seeks to

of the ideas it conveys, and second, by targeting speakers on the basis of their inherent characteristics. *Id.* at 537-38.

¹⁶⁵ *Tam*, 808 F.3d at 1336. The USPTO has registered marks that refer positively to people of Asian descent (Celebrasians, Asian Efficiency). Although I argue that § 2(a) is not viewpoint discrimination because the government is not advancing its own viewpoints, I offer a restructured test to focus on the Federal Circuits concerns.

¹⁶⁶ *See id.* at 1359. However, there are several checks in place to ensure that the test is not used arbitrarily. *See* Kustina, 164 U. Pa. L. Rev. at 516. The Act’s legislative history indicates an intent to reduce arbitrariness and simplify the procedures for granting trademarks at the federal level.

¹⁶⁷ *See In re Mavety Media Group*, 33 F.3d at 1374. This test would be similar to the scandalous test with more focus being placed on the facts and the history of what the mark represents.

¹⁶⁸ Marc J. Randazza, *Freedom of expression and Morality-Based Impediments to the Enforcement of Intellectual Property Rights*, 16 Nev. L.J. 107, 125. In the context of a denial of registration, it almost seems impossible for the decision to be void of complete arbitrariness.

¹⁶⁹ *See* Lebanese, 94 U.S.P.Q. at 1218. The likely meaning is determined by looking to dictionaries, the relationship of the matter to other elements of 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.

¹⁷⁰ *See id.* A mark is disparaging when it dishonors by comparison with what is inferior, degrades, or affects or injures by unjust comparison.

¹⁷¹ It is important to take into consideration every race, religious group, gender, and/or controversial class. Different individuals have different concerns and views regarding what is disparaging and what is not. While one specific group may be the group being targeted, individuals outside of the group endure the effect of the particular discrimination as well—being that all individuals are a part of the marketplace, all individuals should be included.

¹⁷² *See Tam*, 808 F.3d at 1375. One can hardly imagine what legitimate interest a vendor of goods or services may have in insulting potential customers. Whatever value disparaging speech might possess when used in private life, it loses when used in commerce. Reyna, J., dissenting.

¹⁷³ The restructured test would encompass the views of the specified group as well as people outside of that group. Essentially, taking the general population’s views into account. The general public understands what is inappropriate and of ill-repute, regardless of race, nationality, religious affiliation, and/or gender; and they should contribute to the second component of the test.

¹⁷⁴ *See* Lebanese Arak Corp., 94 U.S.P.Q. at 1215. *See also* TMEP § 1203.01. The determination of whether a mark is scandalous must be made in the context of the relevant marketplace for the

register a trademark of a ‘burning cross,’ under the “restructured disparagement test,” would be denied registration.

When an examiner encounters a questionable mark or a mark that they are unsure of, the test would be applied. First, the likely meaning of the mark is considered. An examiner should research dictionary definitions, the history of the elements within the mark, and the nature of the goods or services. In determining the likely meaning of the ‘burning cross’ it would be most beneficial to research the history of the mark or symbol.¹⁷⁵ Second, an examiner must determine whether that mark is likely to disparage the American public, and more importantly, affect the marketplace. Under this part of the test, it is important to observe the facts regarding the elements of the mark and the history of the elements of the mark.¹⁷⁶ Surveys and general testimonies should be considered in determining whether this mark is one of ill-repute and should not be allowed in the marketplace.¹⁷⁷

This reversion back to the scandalous-ness test allows many views into the equation. Thus, the USPTO will not be warranted in denying registration to a specific mark unless a majority of America decides that a mark is disparaging.

V. CONCLUSION

Congress enacted the Lanham (Trademark) Act to provide a national system for registering and protecting trademarks used in interstate and foreign commerce.¹⁷⁸ The Act sets forth guidelines that each applicant and examiner must follow to complete the registration process successfully.¹⁷⁹ Tam argued that section 2(a) of the Lanham Act was unconstitutional because it impeded his right of free speech.¹⁸⁰

goods or services identified in the application, and must be ascertained from the standpoint of not necessarily a majority, but a “substantial composite of the general public.”

¹⁷⁵ See Josh Burek, *What are the Origins of Cross Burning?* The Christian Science Monitor, December 13, 2002, <http://www.csmonitor.com/2002/1213/p25s04-wonq.html>. Before the 1900’s, cross-burning was used by the Scottish as rallying symbols on their way to war.

¹⁷⁶ See *id.* See Brenden Koerner, *Why Does the Ku Klan Burn Crosses?* Slate (December 17, 2002), http://www.slate.com/articles/news_and_politics/explainer/2002/12/why_does_the_ku_klux_klan_burn_crosses.html. The practice of cross-burning dates back to Medieval Europe, an era the Klan idealizes as morally pure and racially homogenous. In the days before floodlights, Scottish clans set hillside crosses ablaze as symbols of defiance against military. It was not until the film adaption of Thomas Dixon’s novel, “The Clansman,” which depicted a pivotal cross-burning scene connecting the Klan to Scottish clans, that Klansmen started burning crosses to intimidate minorities, Catholics, and anyone else suspected of betraying the order’s ideals. The first reported burning took place in Georgia on Thanksgiving Eve, 1915. Cross-burning has been associated with racist violence ever since. See also *Virginia v. Black*, 538 U.S. 343 (2003). The Court held that while a State may ban cross burning carried out with the intent to intimidate, the provision in the Virginia statute treating ANY cross burning as prima facie evidence of intent to intimidate renders the statute unconstitutional. *Id.* at 347-48.

¹⁷⁷ See *In re Squaw Valley Development Company*, Serial Nos. 76511144 and 76511145, (TTAB 2006), (last accessed May 10, 2017), available at <https://www.uspto.gov/web/offices/com/sol/foia/ttab/2aissues/2006/76511144re.pdf>. Survey evidence is used in the second part of the disparagement test.

¹⁷⁸ *Tam*, 808 F.3d at 1328.

¹⁷⁹ See 15 U.S.C. § 1051. Section 2(a), in particular, creates a preliminary bar on marks that may be disparaging to a specific group.

¹⁸⁰ See *Tam*, 808 F.3d at 1332.

Tam claimed that the USPTO erred in finding that his band name/mark was disparaging because he chose his mark, THE SLANTS, to “reclaim” and “take ownership” of Asian stereotypes.¹⁸¹ The United States Court of Appeals for the Federal Circuit reversed the USPTO’s and Appeal Board’s decision, ruling that § 2(a) violated the First Amendment.¹⁸²

Despite the Federal Circuit’s conclusion that trademarks were private speech, federally registered trademarks are better characterized as commercial speech.¹⁸³ All trademarks have some type of expressive element; therefore, Tam’s mark should not be considered private speech mainly because it has an expressive element to it.¹⁸⁴

The most successful proposal is to view trademarks as commercial speech. Registered trademarks are essentially advertisements that promote a product or service. Being that registered trademarks travel among state lines, the government should be able to regulate them.¹⁸⁵ If trademarks are viewed as commercial speech, intermediate scrutiny would be the standard to apply. Since the law is substantially related to an important governmental interest in the orderly flow of commerce and that interest is unrelated to the suppression of Tam’s speech, the standard is satisfied. Furthermore, the disparagement test should be reverted back to include the general public as they, too, may be affected (if not directly, indirectly) by disparaging marks. This reversion will further the goal of objectivity and marks will not be denied registration unless a substantial part of the American public views the mark as disparaging.

The majority’s stance in *Tam* catapults America back decades with a decision that will prove to have devastating backlash in the wake of the country’s race and inequality issues. This decision binds the USPTO. However, this decision does not bind other circuits.¹⁸⁶ Until the Supreme Court hands down its decision, the fate of the USPTO’s ability to protect its citizens from disparaging marks hangs in the balance.

There is no doubt that many extremely offensive trademarks will follow based on this decision, and unless the Supreme Court rules that trademarks should be viewed as commercial speech, there is nothing that can be done about it.

¹⁸¹ *Id.* at 1331.

¹⁸² *See Id.* at 1357-58.

¹⁸³ *See id.* at 1339.

¹⁸⁴ *Tam*, 808 F.3d at 1368-69. The risk is that every mark owner could argue this, and offensive, disparaging marks would be registered constantly.

¹⁸⁵ *Id.* at 1379-80. Judge Reyna explaining that commerce does not benefit from political volatility, nor from insults, discrimination, or bigotry. Commerce is a communal institution regulated for the mutual economic benefit of all. Reyna, J., dissenting.

¹⁸⁶ *See* Michael Baroni, *Warning: Offensive Trademarks Lie Ahead*, 58 *Orange County Lawyer* 34, 38 (2016).