



Understanding the Supreme Court decision on “offensive” trademarks

by Jeffrey O’Brien

TIPS

- 1. The U.S. Supreme Court’s decision in *Matal v. Tam*** removed significant prohibitions on registering offensive trademarks.
- 2. A trademark helps create a brand for one’s products.** An easily identifiable mark instills in a customer trust, confidence and loyalty for a product.
- 3. Registering a trademark** through the United States Patent and Trademark Office is an easy and cost-effective way to establish and enforce trademark rights.
- 4. The U.S. Supreme Court** states that “the public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers.”
- 5. The *Matal v Tam* decision** underscores the importance of trademark registration as a means of protecting a brand.

THE U.S. SUPREME COURT’S

decision in *Matal v. Tam*, 582 U.S. _____ (2017), which held that the disparagement clause contained in Federal trademark law constitutes an infringement of the First Amendment, removed significant prohibitions on registering trademarks for so-called “offensive” trademarks, with implications for professional sports teams, craft beverage manufacturers, and other industries.

This article provides background on the benefits of trademark registration and a discussion of the implications of the Court’s ruling.

Defining and registering trademarks

A trademark is any individual or combination of words, phrases, symbols or designs that identifies or distinguishes the source of one party’s goods from those of another. A service mark does for services what a trademark does for goods.

In the U.S., trademark rights accrue through “use,” not registration. This means if you have already begun to use a mark as a trademark, your rights began to accrue as of that date of “first use” (which is commonly referred to as having “common law” rights).

Rights under Federal law begin to accrue on the date of your first use in “interstate” commerce (most businesses satisfy the “interstate” requirement, including making goods of services valuable through a website). These rights allow you to protect your trademark from infringement by others who would attempt to use the same mark or a similar mark after your date of first use. Hence, anyone who uses a mark has a legal trademark under common law. Conversely, an owner has a “registered” trademark when the mark is listed either on the Principle Register or the Supplemental Register of the United States Patent and Trademark Office (USPTO).

Benefits of trademarks

A trademark helps create a brand for one’s products. A service mark does

for services what a trademark does for goods. Trademarks and service marks help establish a company’s brand equity. An easily identifiable mark instills confidence and loyalty in the consumer’s product. A brand’s value to a company can range anywhere between 10 percent and 70 percent of the total value of the company. Registering your mark provides you with tools to protect and enforce them.

Benefits of registered trademarks

Registering a trademark through the United States Patent and Trademark Office is an easy and cost-effective way to establish and enforce trademark rights. First, registration provides nationwide notice of the registrant’s claim of ownership of the mark and permits use of the Circle-R “®” symbol. That discourages others from using confusingly similar marks and eases searching for similar ones. The process also ensures that confusingly similar marks cannot conflict with one’s own.

Second, registration treats the mark as if used nationwide as of the application date, instead of the common-law treatment which limits trademark rights to the geographic area of use or reputation of the mark.

Third, registering the mark grants the owner the right to bring an action in federal court for matters concerning the mark, and, in certain cases, obtain significant monetary recovery including attorneys’ fees. Fourth, registration with the USPTO provides a basis for trademark and service mark protection in foreign countries, and provides protection by U.S. Customs to prevent importation of foreign goods that might infringe on the owner’s trademark rights.

How to register a trademark

The process of registering a trademark or service mark begins by filing an application with the USPTO. The USPTO employs attorneys who will review applications for proper legal and procedural grounds. In many cases, the examining attorney responds to

the application with an “office action.” The attorney highlights any conflicts with the proposed mark, or any other objections to granting registration in the office action. The applicant has the opportunity to respond to any conflicts or problems noted in the office action within six months.

After six months, if the applicant does not respond, the application is deemed “dead.” If the application either receives no objections for registration, or if the applicant overcomes any objections within the six-month period, the USPTO publishes the mark for opposition. Any party, who may contest the registration of the mark, must do so within 30 days of the publication date. If no one contests the mark, then the USPTO will register the mark, typically 12 weeks following the publication date. Once you select a mark, the overall USPTO process from start to finish averages between 12 and 18 months.

The Lanham Act and the Disparagement Clause

The foundation of current federal trademark law is the Lanham Act, 15 U.S.C. § 1051 et seq. The Lanham Act contains provisions that bar certain trademarks from the principal register. For example, a trademark cannot be registered if it is merely descriptive or deceptively misdescriptive of goods, or if it is so similar to an already registered trademark or trade name that it is likely to cause confusion or to cause mistake, or to deceive.

The Lanham Act’s “disparagement clause” prohibits the registration of a trademark “which may disparage ... persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”

Prior to the *Matal v. Tam* decision, the highest profile decision involving the disparagement clause was issued on June 18, 2014, when the Trademark

Trial and Appeal Board (“TTAB”) of the USPTO cancelled the NFL’s Washington Redskins’ federal trademarks on the grounds that they were disparaging to Native Americans.

The *Matal v. Tam* Decision

Simon Tam, lead singer of the rock group The Slants, sought federal registration of the mark “THE SLANTS” for his group. Mr. Tam chose this name to drain its denigrating force as a derogatory term for Asian persons. The USPTO denied the application under the disparagement clause. Tam contested the denial through the administrative appeals process, to no avail. He then took the case to federal court, where the U.S. Court of Appeals for the Federal Circuit found the disparagement clause unconstitutional under the First Amendment’s Free Speech Clause.

On June 19, 2017, the U.S. Supreme Court affirmed the decision of the Federal Circuit, stating that “[w]e have said time and again that ‘the public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers.’”

Conclusion

The Washington Redskins will undoubtedly use the *Matal v. Tam* decision to seek reinstatement of its trademarks invalidated by the TTAB in 2014. Additionally, certain craft beverage manufacturers known for pushing the envelope with product names, such as Flying Dog Brewery, purveyors of “Raging Bitch Pale Ale”, toasted Simon Tam for his victory in front of the Supreme Court. For most business owners, the disparagement clause would never be an issue, but the case once again underscores the importance of trademark registration as a means of protecting one’s brand.



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Jeffrey O'Brien,
Chestnut Cambronne, PA

Jeffrey C. O'Brien is an attorney with the Minneapolis-based law firm of Chestnut Cambronne, PA.: (612) 336-1298; jobrien@chestnutcambronne.com; www.chestnutcambronne.com.