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GENERAL MEMORANDUM 17-036

U.S. Supreme Court Upholds Use of Disparaging Trademarks; "Redskins" Case to End

On June 19, 2017, the U.S. Supreme Court ruled 8-0 in *Matal v. Tam* that the disparagement clause of the Lanham Act is an unconstitutional burden on free speech and therefore the U.S. Patent and Trademark Office (PTO) cannot refuse to register a disparaging mark. The Court's ruling dealt a fatal blow to Native Americans in another case – *Pro-Football v. Blackhorse* – seeking to cancel the "Washington Redskins" football team's trademarks. Following the Court's ruling, the football team asked the U.S. Court of Appeals for the Fourth Circuit to reverse the judgment of the district court, vacate the district court's order directing the PTO to cancel the team's trademarks, and remand the case with instructions to grant summary judgment to the team. Both the Blackhorse defendants and the United States as intervenor in the case wrote separate letters to the Fourth Circuit Court of Appeals stating that they agreed that the *Tam* decision controlled the outcome of the case and that the court should grant the football team's request.

In *Tam*, the plaintiff, Simon Tam, the leader of an Asian American band called "The Slants", sought to register the name of his band as a trademark with the PTO. Tam said that the band chose its name to "reclaim" the term and break down its derogatory nature. The PTO, however, refused to register the mark because the name disparages persons of Asian descent. Section 2(a) of the Lanham Act states that the PTO can refuse to register trademarks that disparage persons, living or dead. Tam appealed the PTO's decision to the U.S. Court of Appeals for the Federal Circuit. The court first upheld the PTO's decision but then on *en banc* review it reached the opposite conclusion and held that the disparagement clause of the Lanham Act was unconstitutional and that the PTO should have registered the band's name as a trademark.

The Supreme Court upheld the Federal Circuit's decision. The Court ruled that trademarks are not government speech, which means that they are not afforded the higher level of First Amendment protections given private speech. The Court also firmly rejected Tam's assertion that the Lanham Act's disparagement clause does not apply to racial and ethnic groups. In ruling for the band, the Court wrote that the disparagement clause "offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend." Thus, the Court ruled that the PTO should register the band's name as a trademark.

The *Tam* decision directly affected the *Blackhorse* case. In *Blackhorse*, five Native Americans, led by Amanda Blackhorse, challenged the "Washington Redskins" name on disparagement grounds before the PTO. In 2014, the PTO agreed with them and revoked six of the football team's trademarks. The team sued the Native American defendants in district court

to overturn the PTO's decision. In 2015, the U.S. District Court for the Eastern District of Virginia upheld the PTO's decision. The team appealed the decision to the U.S. Court of Appeals for the Fourth Circuit which put the case on hold pending the outcome of the *Tam* case. The *Blackhorse* case, like the *Tam* case, turned on the disparagement clause of the Lanham Act. Now that the Supreme Court has deemed that clause unconstitutional, the Native American defendants and the United States have conceded the outcome to the "Washington Redskins" football team.

Please let us know if we may provide additional information or analysis on these two cases.

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