

Intellectual Property

Trademarks Go on the Offensive

ASIAN BAND CHALLENGES PATENT OFFICE'S 'DISPARAGEMENT' PROVISION

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While the Asian-American band The Slants has been fighting to protect its chosen name, the Washington Redskins football team awaits review of the decision to cancel federal registration of the Redskins' name. Both The Slants and Redskins have been arguing about how the disparagement provision of federal trademark law applies to the registrability of their names. The Slants and Redskins join a long line of others, including "Khoran" wine, "Abort The Republicans," "Porno Jesus," and "The Christian Prostitute," to name a few.

The disparagement provision bars federal registration of marks which the U.S. Patent and Trademark Office (PTO) considers offensive to persons, institutions, beliefs or national symbols. In considering The Slants' founder Simon Tam's application, the PTO denied the application alleging

the name violates the disparagement provision by offending the sensibilities of Asian-Americans. Subsequently, the U.S. Court of Appeals for the Federal Circuit deemed the government's ability to refuse registration of disparaging marks as unconstitutional viewpoint discrimination. Specifically, "the government may not penalize private speech merely because it disapproves of the message it conveys," wrote Judge Kimberly Moore for the majority. Furthermore, "whatever our personal feelings about the mark at issue here ... the First Amendment forbids government regulators to deny registration because they find the speech likely to offend others."

Refusal to register by the PTO does not ban free speech per se because trademark owners are free to use marks regardless of federal trademark registration. However, refusing to register disparaging marks is an improper denial of trademark rights, according to the Federal Circuit. Owners



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of federally registered marks enjoy many benefits, including the right to use the ® symbol in conjunction with the mark; the right to file a trademark infringement suit in federal court and to obtain certain monetary remedies; and the statutory presumption that the mark is valid, that the registrant is the owner of the mark and has the exclusive right to use the mark. A federal registration acts as a bar to the registration of other confusingly similar marks; serves as constructive notice of a claim of ownership; entitles the owner to nationwide priority based on the filing date; and, after five years, may become incontestable.

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Denial of the benefits of federal registration “creates a serious disincentive to adopt a mark which the government may deem offensive or disparaging,” according to the Federal Circuit. Moreover, the disparagement provision is, on its face, viewpoint discrimination. “The PTO rejects marks under [the disparagement provision] when it finds the marks refer to a group in a negative way, but it permits the registration of marks that refer to the group in a positive, non-disparaging manner.” Accordingly, the Federal Circuit held that the disparagement provision is unconstitutional because it violates the First Amendment.

Suspending Action

Since the Federal Circuit’s ruling, The Slants’ Tam and the PTO have been battling over the implications of the decision on the processing of Tam’s application going forward. The PTO issued a directive and formal guideline to trademark application examiners to suspend action on all marks subject to refusal under the disparagement provision until either:

‘Whatever our personal feelings about the mark at issue here ... the First Amendment forbids government regulators to deny registration because they find the speech likely to offend others,’ one federal judge wrote.

the period for petition for a writ of certiorari in *In re Tam* expires with no petition filed; a petition is filed and denied; or certiorari is granted and final decision from the U.S. Supreme Court is issued.

This means that the PTO does not intend to take any further action on Tam’s application, or any other applications for marks the PTO has deemed disparaging, until at least after April 20, i.e., the expiration of the recently extended deadline for a petition



In denying the trademark application of The Slants’ founder Simon Tam, the PTO alleged that the band’s name violates the disparagement provision by offending the sensibilities of Asian-Americans.

for a writ of certiorari to be filed. On the other hand, if a petition is filed and certiorari is granted, it could be quite some time before further action is taken on suspended marks.

On March 15, Tam, in response to the PTO’s continued suspension of action on his application, filed a petition for writ of mandamus to or-

der the PTO to publish his mark and move forward with the processing of his application. Tam argued that the suspension of his application for The Slants mark is improper because the PTO “does not ... have the option of ignoring the ruling of a reviewing court until ‘all the votes are in’ from all possible reviewing courts.”

In its March 23 response, the PTO argued that it has authority to suspend Tam’s application, citing to a 1972 regulation that allows PTO action to be

“suspended for a reasonable time for good and sufficient cause.” In addition, the PTO argued that suspension on all marks subject to refusal under the disparagement provision “facilitate[s] orderly judicial review” and pointed out that it follows the same suspension procedures “when the federal courts rule in [its] favor,” as illustrated by its continued suspension of the Redskins’ marks while the district court decision to cancel the marks is under review in the federal courts.

The Redskins’ appeal will be heard by the U.S. Court of Appeals for the Fourth Circuit, which is not bound by the decision of the Federal Circuit. The Fourth Circuit, however, most certainly will be influenced to some degree by the Federal Circuit’s decision. Ultimately, it seems likely that the Supreme Court will be asked to take up the Tam case because the Federal Circuit has struck down part of a federal statute. What this will mean for the federal trademark disparagement provision, and in turn The Slants’ and Redskins’ names, remains to be seen. ■