

# IF DISPARAGEMENT IS DEAD, DILUTION MUST DIE TOO

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## I. INTRODUCTION

Words—even a single word—can be powerful. In *Matal v. Tam*, Simon Shiao Tam hoped to federally register and use his band name, “The Slants,” to make a statement about the racial and cultural issues prevalent in this country.<sup>1</sup> By reappropriating a historically disparaging word, Tam hoped to change the public discourse surrounding that word.<sup>2</sup> However, under section 2(a) of Lanham Act, a comprehensive national system for registering and protecting trademarks, disparaging marks are precluded from federal registration.<sup>3</sup> This is primarily due to the fact that many disparaging marks convey hurtful speech that harms members of oft-stigmatized communities.<sup>4</sup> In *Tam*, the Patent and Trademark Office rejected Tam’s mark under the disparagement provision of section 2(a).<sup>5</sup> The Federal Circuit reversed the PTO’s decision and held that section 2(a) violated the First Amendment as a content and viewpoint based restriction on speech.<sup>6</sup> The Supreme Court affirmed the Federal Circuit’s decision and found that the disparagement provision of the Lanham Act was facially invalid under the First Amendment.<sup>7</sup> For better or worse, the First Amendment protects hurtful speech.<sup>8</sup> The government cannot refuse to register marks because it concludes that such marks will be disparaging to others.<sup>9</sup> *Tam*’s novelty—that denial of registration burdens a constitutional speech interest—implicates Tam’s mark, but also affects the status of the

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1. *In re Tam*, 808 F.3d 1321, 1327–28 (Fed. Cir. 2015).

2. *Id.* at 1328.

3. 15 U.S.C. § 1052(a) (2012).

4. *Tam*, 808 F.3d at 1328.

5. *Id.* at 1331.

6. *Id.* at 1328.

7. *Matal v. Tam*, 137 S. Ct. 1744 (2017).

8. *Tam*, 808 F.3d at 1328.

9. *Id.* at 1328.

controversial Washington “Redskins” trademark as well as any other potentially disparaging marks that have been denied registration by the PTO.

*Tam* is also significant because it calls into question other parts of the Lanham Act, particularly trademark dilution. Under federal law, an owner of a “famous mark that is distinctive” is entitled to an injunction against the user of a mark that is “likely to cause dilution . . . of the famous mark.”<sup>10</sup> Federal dilution is actionable in two situations: (1) dilution by “blurring” and (2) dilution by “tarnishment.”<sup>11</sup> This Note will apply the *Tam* court’s analysis to trademark dilution to show that the anti-dilution provisions are also subject to First Amendment scrutiny and, in fact, pose bigger threats to free expression than the disparagement provision struck down in *Tam*.

Part II of this Note provides background on the Lanham Act. Part III summarizes the Court’s holdings and reasoning in *Tam*. Part IV applies the *Tam* analysis to trademark dilution. Part V highlights the current state of trademark law and discusses potential implications. Part VI concludes.

## II. LEGAL BACKGROUND

A trademark is “any word, name, symbol, or device or any combination thereof used by any person to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”<sup>12</sup> Regardless of whether a mark is registered, the “right to a particular mark grows out of its use, not its mere adoption . . . .”<sup>13</sup> Thus, use of a mark in commerce, by itself, creates a host of common law rights.<sup>14</sup> These common law rights are limited in scope, however. For example, the common law grants the owner of a mark the right to exclusive use only in the geographic areas where the mark has actually been used.<sup>15</sup> Historically, the United States has protected trademarks under these state common law rights.<sup>16</sup> The movement for stronger trademark

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10. 15 U.S.C. § 1125(c)(1) (2012).

11. § 1125(c).

12. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

13. *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918).

14. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413–15 (1916).

15. *In re Tam*, 808 F.3d 1321, 1328 (Fed. Cir. 2015).

16. In 1870 Congress first attempted to establish a federal trademark regime. However, in 1879 the Supreme Court struck down the 1870 statute in the *Trade-Mark Cases*. There were two subsequent attempts at federal trademark legislation, the Trademark Act of 1881 and the Trademark Act of 1905. These subsequent acts provided little protection for the rights of trademark users. *See Trade-Mark Cases*, 100 U.S. 82 (1879).

legislation began in the 1920s and was championed in the 1930s by Representative Fritz Lanham, of Texas.<sup>17</sup>

Congress ultimately enacted the Lanham Act in 1946 to provide a more comprehensive national system for registering and protecting trademarks.<sup>18</sup> The intention of the legislature was:

[T]o regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations.<sup>19</sup>

Under the Lanham Act, an applicant can seek to register a trademark through an administrative process within the PTO.<sup>20</sup> After reviewing an application, “[if] a trademark examiner believes that registration is warranted, the mark is published in the Official Gazette of the PTO” as well as the Principal Register.<sup>21</sup> Registration is significant as it confers important legal rights and benefits on trademark owners who register their marks.<sup>22</sup> These benefits, which are unavailable in the absence of federal registration, are numerous and include both substantive and procedural rights.<sup>23</sup> Whereas

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17. Louis T. Pirkey, *Fritz Lanham—Portrait of a Remarkable Man*, 86 TRADEMARK REP. 355 (1996).

18. *Tam*, 808 F.3d at 1328.

19. 15 U.S.C. § 1127 (2012).

20. § 1051.

21. *B & B Hardware, Inc. v. Hargis Indus.*, 135 S. Ct. 1293, 1300 (2015) (citing 15 U.S.C. § 1062); *see also* 15 U.S.C. § 1057.

22. *B & B Hardware Inc.*, 135 S. Ct. at 1300.

23. Some of the benefits include:

- (1) constructive notice of the registrant’s claim of ownership of the trademark;
- (2) prima facie evidence of the validity of the registration, of the registrant’s ownership of the mark, and of his exclusive right to use the mark in commerce as specified in the certificate;
- (3) the possibility that, after five years, registration will become incontestable and constitute conclusive evidence of the registrant’s right to use the mark;
- (4) the right to request customs officials to bar the importation of goods bearing infringing trademarks;
- (5) the right to institute trademark actions in federal courts without regard to diversity of citizenship or the amount in controversy; and
- (6) treble damage actions against infringing trademarks and other remedies.

common law trademark rights are limited by geographic location, the holder of a federal trademark under the Lanham Act has a right to exclusive nationwide use of that mark where there was no prior use by others.<sup>24</sup>

Under the Lanham Act, the PTO must register source-identifying trademarks unless the mark falls into one of several categories of marks precluded from registration.<sup>25</sup> Section 2(a) of the Lanham Act, the main focus of this Note, states that a trademark may be refused registration if it: (1) “[c]onsists of or comprises immoral, deceptive, or scandalous matter,” (2) if it “may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute,” or (3) if it inaccurately indicates the geographic origin of wines or spirits.<sup>26</sup> The text of section 2(a), which contains only three parts, is relatively straightforward. However, due to a long and somewhat tortuous legislative history and judicial interpretation, section 2(a) encompasses five grounds for possible refusal of registration.<sup>27</sup> These five grounds are: (1) immoral or scandalous marks, (2) deceptive marks, (3) disparaging marks, (4) false suggestion marks, and (5) marks that inaccurately indicate the geographic origin of wines or spirits.<sup>28</sup>

#### A. LEGISLATIVE HISTORY AND JUDICIAL INTERPRETATION OF SECTION 2(A)

There were few marks rejected under the disparagement provision following enactment of the Lanham Act.<sup>29</sup> In fact, it is only within the last several decades that the disparagement provision became a more frequent ground of rejection or cancellation of trademarks.<sup>30</sup> This is likely due to the chronological development of section 2(a).<sup>31</sup> The first reported case dealing with a mark involving religious disparagement, *In re Riverbank Canning Company*,<sup>32</sup> was decided in 1938 under the “immoral or scandalous matter” provision of the Trademark Act of 1905—since the disparagement provision would not be established until 1946.<sup>33</sup> Due to this precedent, up until 1994, the

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Georator Corp. v. United States, 485 F.2d 283, 285 (4th Cir. 1973) (citing 15 U.S.C. § 1051(a)–(e)).

24. *In re Tam*, 808 F.3d 1321, 1328 (Fed. Cir. 2015).

25. 15 U.S.C. § 1052 (2012).

26. 1052(a).

27. *See In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, 1216 (T.T.A.B. Mar. 4, 2010).

28. *See id.*

29. *See Tam*, 808 F.3d at 1330.

30. *See id.*

31. *Lebanese Arak Corp.*, 94 U.S.P.Q.2d at 1216.

32. *In re Riverbank Canning Co.*, 95 F.2d 327 (CCPA 1938).

33. *Lebanese Arak Corp.*, 94 U.S.P.Q.2d at 1216.

ground for a refusal involving a perceived offense to religious or ethnic sensibilities was based on the scandalousness analysis of section 2(a) and not disparagement.<sup>34</sup>

In *Riverbank Canning*, the Court of Customs and Patent Appeals affirmed an examiner's refusal to register the mark "Madonna" for wines as it was scandalous.<sup>35</sup> The court defined scandalous as "giving offense to the conscience or moral feelings."<sup>36</sup> The word "Madonna" at the time was generally understood to refer to the Virgin Mary.<sup>37</sup> The court found that the representation of the Virgin Mary as a trademark is "of very doubtful propriety," and that its use upon wine for beverage purposes would be shocking to the sense of propriety of nearly all who do not use wine as a beverage, and also to many who do so use it; therefore, the use of the word Madonna would be scandalous and its registration prohibited under said trademark act.<sup>38</sup> The *Riverbank Canning* case set a precedent where marks involving religious disparagement were to be analyzed under the scandalousness provision. *Riverbank Canning* thus influenced a later case: *In re Sociedade Agricola*.<sup>39</sup>

*In re Sociedade Agricola* was an appeal to the Trademark Trial and Appeal Board<sup>40</sup> ("Board") after a PTO examiner refused registration under section 2(a) on the ground that "Messias" is scandalous as applied to wine and brandy.<sup>41</sup> This case was decided in 1968, well after the enactment of the Lanham Act, and yet the Board chose not to examine it under the disparagement provision but rather, under the "immoral and scandalous" provision.<sup>42</sup> In fact, the Board in *In re Sociedade Agricola* specifically noted that the examiner had made the section 2(a) refusal after relying on the *Riverbank Canning* case.<sup>43</sup> This may explain the assertion of a scandalousness refusal rather than a disparagement refusal in the judicial interpretation. Although *Riverbank Canning* and subsequent Board decisions discussed scandalousness as the ground for refusal, these decisions clearly stated that the marks were

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34. See *Riverbank Canning Co.*, 95 F.2d at 327.

35. *Id.* at 329.

36. *Id.* at 328.

37. *Id.* at 328.

38. *Id.* at 329.

39. *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, 1216 (T.T.A.B. Mar. 4, 2010).

40. If a mark is precluded from registration, the Trademark Trial and Appeal Board (TTAB), a body within the USPTO, is responsible for hearing appeals from decisions by PTO Examiners denying registration of marks.

41. *In re Sociedade Agricola v. Comerical Dos Vinhos Messias, S.A.R.L.*, 159 U.S.P.Q. 275 (T.T.A.B. 1968).

42. *Id.* at 275.

43. *Id.* at 275.

problematic because they offended the beliefs or identities of particular groups of individuals—the essence of disparagement.<sup>44</sup>

With the Federal Circuit’s 1994 decision in *In re Mavety Media Group*, it became clear that the proper ground for refusing marks that would offend the sensibilities of an ethnic or religious group is under the disparagement provision of 2(a), rather than under the offensive or scandalous provision.<sup>45</sup> In *Mavety*, the Federal Circuit held that a mark may be found scandalous only if it is offensive to a “substantial composite” of the general public.<sup>46</sup> However, many ethnic and religious groups only constitute a small minority of the entire U.S. population; therefore, marks that are offensive to members of these groups could rarely be refused under the “scandalous” ground of refusal under section 2(a).<sup>47</sup> As Jerome Gilson, a leading commentator on Trademark Law, has said:

[The disparagement bar] differs from the scandalousness provision, foremost because there is a particular object of disparagement, i.e., a person, group, set of beliefs, institution or symbol, 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.<sup>48</sup>

The *Mavety* decision did not extend the section 2(a) scandalousness analysis to cases involving religious or ethnic sensibilities.<sup>49</sup> Therefore, despite whatever inconsistency or uncertainty may have resulted from *Riverbank*

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44. See, e.g., *id.* at 275 (“[T]he word ‘Scandalous’ is variously defined as ‘shocking to the sense of truth, decency or propriety . . . disgraceful, offensive’, ‘giving offense to the conscience or moral feelings . . . .’”); see also *In re Riverbank Canning Company*, 95 F.2d 327, 329 (C.C.P.A. 1938) (“[T]o commercialize the name of, or a representation of, the Virgin Mary as a trade-mark is of very doubtful propriety, and we feel certain that its use upon wine for beverage purposes would be shocking to the sense of propriety of nearly all who do not use wine as a beverage, and also to many who do so use it; therefore, we think such use of the word ‘Madonna’ would be scandalous and its registration prohibited under said trade-mark act.”).

45. *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, \*3 (T.T.A.B. Mar. 4, 2010).

46. *In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1371 (Fed. Cir. 1994).

47. *Lebanese Arak Corp.*, 94 U.S.P.Q.2d at 1217.

48. JEROME GILSON ET AL., TRADEMARK PROTECTION AND PRACTICE § 3.04[6][a][i][B], at 3–122 (2003).

49. *Lebanese Arak Corp.*, 94 U.S.P.Q.2d at 1217.

*Canning* and the subsequent Board decisions, the ground for a refusal involving a perceived offense to religious or ethnic sensibilities is now disparagement.<sup>50</sup>

To determine if a mark is disparaging under section 2(a), a trademark examiner of the PTO applies a “two-part test.” The examiner considers: (1) 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.<sup>51</sup>

Some marks that the PTO has found to be disparaging include: REDSKINS;<sup>52</sup> STOP THE ISLAMISATION OF AMERICA;<sup>53</sup> THE CHRISTIAN PROSTITUTE;<sup>54</sup> AMISHHOMO;<sup>55</sup> and DON’T BE A WET BACK.<sup>56</sup>

Section 2(a) has not been without controversy—plaintiffs have previously attempted to argue that section 2(a) violates the First Amendment. Of particular importance on this matter is the case of *In re McGinley*.<sup>57</sup> In *McGinley*, a plaintiff sought to register a mark that comprised a photograph of a nude man and woman kissing and embracing in a manner appearing to expose the male genitalia.<sup>58</sup> Initially, the PTO examiner refused registration on the basis that “(t)he mark indicates that the newsletter deals with illicit sexual intercourse” and that “(t)he mark indicates that the services deal with illicit sexual intercourse.”<sup>59</sup> After the plaintiff submitted additional evidence at the examiners’ behest, the examiner finally refused registration on the basis that appellant’s services involve “various ‘mini-affairs’ between two unmarried people; sometimes two or more unmarried people.”<sup>60</sup> The examiner declared: “Such activities are considered deviations from the sexual norm of husband and wife relations. Such activities are immoral or scandalous . . . . The mark graphically indicates the activity carried on in applicant’s Club; sex not

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50. *Id.*

51. *Matal v. Tam*, 137 S. Ct. 1744, 1753–54 (2017).

52. *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439 (E.D. Va. 2015).

53. *In re Geller*, 751 F.3d 1355 (Fed. Cir. 2014).

54. *In re Tam*, 808 F.3d 1321, 1330 (Fed. Cir. 2015).

55. *Id.*

56. *Id.*

57. *In re McGinley*, 660 F.2d 481 (C.C.P.A. 1981).

58. *Id.* at 484.

59. *Id.* at 482.

60. *Id.*

normally sanctioned by (even today's permissive) social standards."<sup>61</sup> The plaintiff appealed and argued that section 2(a) was "void for vagueness" and therefore violated the First Amendment.<sup>62</sup> The court affirmed the board's decision and held that the PTO's refusal to register a mark does not affect a person's right to use their mark, therefore, "no conduct is proscribed, and no tangible form of expression is suppressed."<sup>63</sup> Consequently, a trademark owner's First Amendment rights would not be abridged by the refusal to register a mark under section 2(a).<sup>64</sup>

### III. CASE SUMMARY: *MATAL V. TAM*

*Matal v. Tam*, the main focus of this Note, is a Supreme Court case in which the Court unanimously held that the disparagement provision of the Lanham Act violated the First Amendment. This section will summarize the Court's holdings and reasoning in *Tam* and will highlight the long and somewhat conflicted procedural history the Court had to assess in reaching the main holding.

#### A. INTRODUCTION AND PROCEDURAL HISTORY

Tam is the "front man" for the Asian-American band "The Slants."<sup>65</sup> On November 14, 2011, Tam filed an application seeking to register the mark THE SLANTS for "Entertainment in the nature of live performances by a musical band," based on his use of the mark since 2006.<sup>66</sup> The examiner refused to register Tam's mark, finding it disparaging to "persons of Asian descent."<sup>67</sup> The examiner explained that the term "slants" had "a long history of being used to deride and mock a physical feature" of people of Asian descent.<sup>68</sup> Even though Tam may have chosen the mark to "reappropriate the disparaging term," the examiner found that a substantial composite of persons of Asian descent would find the term offensive.<sup>69</sup> The Board affirmed the examiner's refusal to register the mark.<sup>70</sup> The Board wrote that "it is abundantly clear from the record not only that THE SLANTS . . . would have the 'likely meaning' of people of Asian descent but also that such meaning has

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61. *Id.*

62. *Id.* at 483.

63. *Id.* at 484.

64. *Id.*

65. *In re Tam*, 808 F.3d 1321, 1331 (Fed. Cir. 2015).

66. *Id.*

67. *Id.*

68. *Id.*

69. *Id.* at 1331–32.

70. *Id.* at 1332.

been so perceived and has prompted significant responses by prospective attendees or hosts of the band's performances.<sup>71</sup> To support its finding that the mark likely referred to people of Asian descent, the Board pointed to dictionary definitions, the band's website, and a statement by Tam that he selected the mark in order to "own" the stereotype it represents.<sup>72</sup> The Board also found that the mark is disparaging to a substantial component of people of Asian descent because there was record evidence of individuals and groups in the Asian community objecting to Tam's use of the word.<sup>73</sup> The Board therefore disqualified the mark for registration under section 2(a).<sup>74</sup>

Tam appealed, arguing that the Board erred in finding the mark disparaging and that section 2(a) was unconstitutional.<sup>75</sup> The Court of Appeals, after affirming the PTO decision, sua sponte ordered a rehearing en banc.<sup>76</sup> The core issue that the Court of Appeals grappled with was whether the bar on registration of disparaging marks in section 2(a) violated the First Amendment.<sup>77</sup> As noted above, this argument has historically failed as *In re McGinley* set precedent that section 2(a) does not implicate the First Amendment.<sup>78</sup> However, over thirty years had passed since the decision in *McGinley*. In that time, both the *McGinley* decision and the courts reliance on it have been criticized.<sup>79</sup> Furthermore, the *McGinley* analysis was cursory, without citation to legal authority, and decided at a time when the First Amendment had only recently been applied to commercial speech.<sup>80</sup> Since then, the Supreme Court has ruled that content-based suppression of non-misleading speech, including non-misleading commercial speech, is presumptively unconstitutional and, to be upheld, must be shown to be narrowly tailored to serve compelling state interests.<sup>81</sup> As First Amendment jurisprudence has evolved significantly since the *McGinley* decision, the Court of Appeals found it necessary to revisit the question.<sup>82</sup> The Federal Circuit rejected the *McGinley* argument, stating that the First Amendment's standards, including those broadly invalidating message discrimination, are not limited by the fact that

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71. *In re Tam*, No. 85472044, 2013 WL 5498164, at \*5 (T.T.A.B. Sept. 26, 2013).

72. *Id.*

73. *Id.* at \*7.

74. *Tam*, 808 F.3d at 1332.

75. *Id.*

76. *Id.* at 1334.

77. *Id.*

78. *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981).

79. *Tam*, 808 F.3d at 1333.

80. *Id.* at 1333–34 (citing *Central Hudson Gas & Elec. Corp v. Public Service Commission of N. Y.*, 447 U.S. 557, 566 (1980)).

81. *Reed v. Town of Gilbert, Arizona*, 135 S. Ct. 2218, 2226 (2015).

82. *Tam*, 808 F.3d at 1333–34.

“no conduct is proscribed, and no tangible form of expression is suppressed.”<sup>83</sup> The Court also acknowledged that while it is true that a trademark owner may use its mark in commerce even without federal registration, it has been widely recognized that federal trademark registration bestows significant benefits upon trademark holders,<sup>84</sup> and thus, there is a disincentive to choose a mark that may be called into question by the disparagement provision of 2(a). This disincentive is not cabined to an “understandable range of expressions,”<sup>85</sup> since the statute extends to marks that “may disparage.”<sup>86</sup> The uncertainty as to what constitutes disparaging is evident both “on its face,” as well as “confirmed by the record of PTO grants and denials over the years.”<sup>87</sup> Therefore, the court found that section 2(a) creates an uncertainty about speech-affecting standards, which has long been recognized as a First Amendment problem.<sup>88</sup>

Furthermore, the court found that it is likely that Tam will be barred from registering his mark in nearly every state due to the Model State Trademark Act (Model Act).<sup>89</sup> The Model Act contains language barring a mark from registration if it “consists of or comprises matter which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”<sup>90</sup> Virtually all states have adopted the Model Act and its disparagement provision.<sup>91</sup> Thus, not only are the benefits of federal registration unavailable to Tam, so too are the benefits of trademark registration in nearly all states.<sup>92</sup> The government’s argument that the denial of Tam’s registration “does not eliminate any common-law rights that might exist in [his] mark” was also called into question.<sup>93</sup> The court found that it was

83. *McGinley*, 660 F.2d at 484. *See* *Pitt News v. Pappert*, 379 F.3d 96, 111–12 (3d Cir. 2004) (Alito, J.) (“The threat to the First Amendment arises from the imposition of financial burdens that may have the effect of influencing or suppressing speech, and whether those burdens take the form of taxes or some other form is unimportant.”).

84. *B & B Hardware, Inc. v. Hargis Indus.*, 135 S. Ct. 1293, 1300 (2015).

85. *Tam*, 808 F.3d at 1341.

86. 15 U.S.C. § 1052(a) (2012).

87. *Tam*, 808 F.3d at 1341–42.

88. *Id.* at 1342. *See* *Broadrick v. Oklahoma*, 413 U.S. 601, 613 (1973) (discussing the overbreadth doctrine).

89. *Id.* at 1343–44. Three years after the enactment of the Lanham Act, the United States Trademark Association prepared the Model Act—a bill patterned on the Lanham Act. 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 26:32 at § 22:5 (4th ed.) [hereinafter “MCCARTHY”].

90. 1964 Model State Trademark Act, § 2.

91. MCCARTHY, *supra* note 89, § 22:5.

92. *Tam*, 808 F.3d at 1344.

93. *Id.* (citing En Banc Brief for Appellee at 20, *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015) (No. 2014–1203), 2015 WL 4400893, at \*20).

unclear whether or not Tam could actually enforce any common law rights to a disparaging mark.<sup>94</sup> In fact, the court found that common law rights to a mark may be limited to marks “entitled to registration.”<sup>95</sup> Whether a user of an unregistrable, disparaging mark has any enforceable common law rights was unclear.<sup>96</sup> Furthermore, the government did not point to a single case where the common-law holder of a disparaging mark was able to enforce that mark, nor could the court find one.<sup>97</sup> Thus, the court found that the government's suggestion that Tam has common-law rights to his mark appeared to be illusory.<sup>98</sup>

Ultimately, the en banc Federal Circuit found the disparagement clause facially unconstitutional under the First Amendment's Free Speech Clause.<sup>99</sup> The majority found that the disparagement clause engages in viewpoint-based discrimination, that the clause cannot be treated as a regulation of commercial speech, and that the clause is subject to and cannot satisfy strict scrutiny.<sup>100</sup> The majority also rejected the Government's argument that registered trademarks constitute government speech, as well as the Government's contention that federal registration is a form of government subsidy rather than a speech restriction.<sup>101</sup>

The United States Patent and Trademark Office (USPTO) appealed the decision to the United States Supreme Court, presenting the following question in its petition for certiorari: whether the disparagement provision in 15 U.S.C. § 1052(a) “is facially invalid under the Free Speech Clause of the First Amendment.”<sup>102</sup> The Supreme Court granted certiorari and addressed the issue in *Matal v. Tam*.<sup>103</sup>

#### B. SUPREME COURT'S ANALYSIS

The Courts conclusion was announced in opinion written by Justice Alito.<sup>104</sup> Justice Alito was joined by Chief Justice Roberts and Justices Kennedy, Thomas, Ginsburg, Breyer, Sotomayor, and Kagan in respect to the

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94. *Id.*

95. *Id.*

96. *Id.*

97. *Id.*

98. *Id.*

99. *Id.* at 1357.

100. *Id.* at 1334–39.

101. *Id.* at 1339–55.

102. *Matal v. Tam*, 137 S. Ct. 1744, 1755 (2017).

103. *Id.*

104. *Id.* at 1744.

result.<sup>105</sup> Although, the Court was split 4-4 on some arguments.<sup>106</sup> Justice Gorsuch took no part in the consideration or decision of the case.<sup>107</sup>

1. “Natural Persons” Statutory Question

Before reaching the question of whether or not the disparagement provision violated the First Amendment, the Court considered Tam’s statutory argument that the disparagement provision did not reach marks that disparage racial or ethnic groups.<sup>108</sup> The disparagement provision prohibits the registration of marks that disparage “persons,” and Tam claimed that the term “persons” “included only natural and juristic persons,” not “non-juristic entities such as racial and ethnic groups.”<sup>109</sup> Tam did not raise this argument to the PTO or the Federal Circuit, and the Court declined to grant certiorari on that question.<sup>110</sup> However, in its petition for certiorari, the Government pointed out that accepting Tam’s statutory interpretation would resolve the case and leave the First Amendment question for another day.<sup>111</sup> The Court has before stressed that it is important to avoid the premature adjudication of constitutional questions<sup>112</sup> and that it ought not to pass on questions of constitutionality unless such adjudication is unavoidable.<sup>113</sup> Since addressing Tam’s statutory argument could avoid the constitutional question, the Court began its analysis by examining the argument. The Court found that Tam’s argument was refuted by the “plain terms” of the disparagement provision.<sup>114</sup> The provision applies to marks that disparage “persons,” so “a mark that disparages a ‘substantial’ percentage of the members of a racial or ethnic group necessarily disparages many ‘persons’ namely, members of that group.”<sup>115</sup> Furthermore, the court noted that the disparagement provision does not only apply to marks that disparage “persons,” but also “institutions” and “beliefs”—it is thus broader than Tam’s narrow reading.<sup>116</sup> In sum, the Court

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105. *Id.*

106. *Id.*

107. *Id.*

108. *Id.* at 1755.

109. *Id.* (citing Brief for Respondent at 46, *Matal v. Tam*, 137 S. Ct. 1744 (2017) (No. 15-1293)).

110. *Id.*

111. *Id.*

112. *Clinton v. Jones*, 520 U.S. 681, 690 (1992).

113. *See Spector Motor Service, Inc. v. McLaughlin*, 323 U.S. 101, 105 (1944).

114. *Tam*, 137 S. Ct. at 1756.

115. *Id.* (citing 15 U.S.C. § 1052(a) (2012)).

116. *Id.* at 1748. *See* 15 U.S.C. § 1052(a) (2012).

found that Tam’s statutory claim was meritless, because the disparagement provision is “not limited to marks that disparage a particular natural person.”<sup>117</sup>

## 2. *The Government’s Argument*

Since the disparagement provision did, in fact, apply to marks that disparage the members of a racial or ethnic group, the Court had to decide whether the provision violated the First Amendment.<sup>118</sup>

To begin this analysis, the Court considered three of the Government’s arguments that would “eliminate any First Amendment protection” or “result in highly permissive rational-basis review.”<sup>119</sup> Specifically, the Government contended: “(1) that trademarks are government speech, not private speech, (2) that trademarks are a form of government subsidy, and (3) that the constitutionality of the disparagement clause should be tested under a new ‘government-program’ doctrine.”<sup>120</sup>

### a) Government Speech

The government argued that trademark registration is government speech and, therefore, is exempt from First Amendment scrutiny,<sup>121</sup> because “[t]he Free Speech Clause . . . does not regulate government speech.”<sup>122</sup> As the Court has historically noted, it would be hard to imagine how government would function if it were subject to the same First Amendment restrictions as private speech.<sup>123</sup> While the First Amendment does forbid the government from regulating speech in ways that favor some viewpoints at the expense of others,<sup>124</sup> “[t]he Free Speech Clause does not require government to maintain viewpoint neutrality when its officers and employees speak about that venture.”<sup>125</sup> The Court found that even though the government-speech doctrine is important, it is susceptible to misuse;<sup>126</sup> therefore, the Court had to

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117. *Id.* at 1756.

118. *Id.* at 1757.

119. *Id.*

120. *Id.*

121. *Id.*; see En Banc Brief for Appellee at 41–42, *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015) (No. 2014-1203), 2015 WL 4400893, at \*41–42.

122. *Tam*, 137 S. Ct. at 1757 (citing *Pleasant Grove City v. Summum*, 555 U.S. 460, 467 (2009)).

123. *Id.*; see *Lamb’s Chapel v. Center Moriches Union Free School Dist.*, 508 U.S. 384, 394 (1993).

124. *Tam*, 137 S. Ct. at 1757. See *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239, 2245–47 (2015).

125. *Tam*, 137 S. Ct. at 1757.

126. *Id.* at 1758.

think carefully about whether or not government-speech precedents could extend to trademark registration.<sup>127</sup>

The Court found that while it is true that trademarks are registered by the PTO, an arm of the Federal Government, the Government does not create those marks, nor does it edit any of the marks submitted for registration. In fact, “an examiner may not reject a mark based on the viewpoint that it appears to express” unless it falls under one of the statutory exceptions of section 2(a).<sup>128</sup> Therefore, “an examiner does not inquire whether any viewpoint conveyed by a mark is consistent with Government policy or whether any such viewpoint is consistent with that expressed by other marks already on the principal register.”<sup>129</sup> In addition, if an examiner finds that a mark is eligible for placement on the principal register, no higher official reviews that decision unless the registration is challenged.<sup>130</sup> This means that besides a single PTO examiner, no government official looks at a mark and determines whether or not it can be registered as a trademark. Furthermore, once a mark is registered, the PTO is not authorized to remove it from the register unless a party moves for cancellation, the registration expires, or the Federal Trade Commission initiates proceedings based on certain grounds.<sup>131</sup> For these reasons, the Court found that it was “far-fetched” to suggest that registered marks constituted government speech.<sup>132</sup> The Court went even further to say that if federal registration makes a trademark government speech, then “the Federal Government is babbling prodigiously and incoherently.”<sup>133</sup>

The Court also pointed out that PTO precedent holds that trademark registration does not constitute government approval of a mark<sup>134</sup> and that it is unlikely that the vast majority of the public even knows what federal registration means.<sup>135</sup> Furthermore, the Court found that trademarks themselves share none of the characteristics of the things at issue in the government speech cases which would serve as precedent.<sup>136</sup> Trademarks have

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127. *Id.* (the main abuse that the court was worried about is: “If private speech could be passed off as government speech by simply affixing a government seal of approval, the government could silence or muffle the expression of disfavored viewpoints”).

128. *Id.* See 15 U.S.C. § 1052(a) (2012).

129. *Tam*, 137 S. Ct. at 1758.

130. See 15 U.S.C. §§ 1062(a), 1071 (2012); 37 CFR § 41.31(a) (2016).

131. See 15 U.S.C. §§ 1058(a), 1059, 1064 (2012); 37 CFR §§ 2.111(b), 2.160 (2018).

132. *Tam*, 137 S. Ct. at 1758.

133. *Id.*

134. *Id.* at 1759; see *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1220, n.3 (T.T.A.B. 1993) (“[I]ssuance of a trademark registration TTT is not a government imprimatur . . .”).

135. *Tam*, 137 S. Ct. at 1759.

136. *Id.*

not traditionally been used to convey a Government message, and except for the statutory exceptions in 2(a), the viewpoint expressed by a mark has not played a role in the decision whether to place it on the principal register.<sup>137</sup> “Holding that the registration of a trademark converts the mark into government speech would constitute a huge and dangerous extension of the government-speech doctrine.”<sup>138</sup> Therefore, the Court concluded that there was no government speech at issue that would insulate section 2(a) from First Amendment review.<sup>139</sup>

b) Government Subsidy

Justice Alito, writing for himself, Chief Justice Roberts, Justice Thomas, and Justice Breyer then addressed the Government’s argument that this case should be governed by cases where the Court has upheld the constitutionality of government programs that subsidized speech expressing particular viewpoints.<sup>140</sup> In these “notoriously tricky” cases, the Court has had to determine which of two distinct principles applies.<sup>141</sup> These competing principles are: (1) that the government “may not deny a benefit to a person a basis that infringes his constitutionally protected . . . freedom of speech even if he has no entitlement to that benefit,”<sup>142</sup> and (2) that “government is not required to subsidize activities that it does not wish to promote.”<sup>143</sup> The opinion did not engage the question of which principle applies to *Tam*, since Alito found that “no difficult question is presented here.”<sup>144</sup> Instead, Alito found that *Tam* is distinct from the cases on which the Government relied.<sup>145</sup> This is mainly due to the fact that the precedent revolves around cash subsidies or their equivalent—none of which resemble the federal registration of trademarks.<sup>146</sup> Even though trademark registration provides valuable non-monetary benefits that are “directly traceable to the resources devoted by the federal government to examining, publishing, and issuing certificates of registration for those marks,” the opinion found that “just about every

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137. *Id.* at 1760.

138. *Id.*

139. *Id.* (“Trademarks are private, not government, speech.”).

140. *Id.*

141. *Id.* at 1760–61.

142. *Agency for Int’l Development v. Alliance for Open Society Int’l, Inc.*, 133 S. Ct. 2321, 2328 (2013) (some internal quotation marks omitted).

143. *Tam*, 137 S. Ct. at 1761 (citing *Agency for Int’l Development*, 133 S. Ct. at 2328).

144. *Id.*

145. *Id.*

146. *Id.*

government service requires the expenditure of government funds.”<sup>147</sup> Therefore, Alito wrote that these government subsidy cases are not instructive.

c) Government Program

Lastly, the Government argued that the disparagement clause should be sustained under a new doctrine that would apply to “government-program” cases.<sup>148</sup> This doctrine would merge the government-speech cases and the subsidy cases in an attempt to construct a broader doctrine that could then be applied to trademark registration.<sup>149</sup> According to Justice Alito (joined by Chief Justice Roberts, Justice Thomas, and Justice Breyer), “the only new element in this construct consists of two cases involving a public employer’s collection of union dues from its employees”—*Davenport* and *Ysursa*.<sup>150</sup> Alito found that these two cases are “far removed” from trademark registration and they occupy a “special area” of First Amendment law, much like the subsidy cases.<sup>151</sup> Therefore, Alito wrote that *Davenport* and *Ysursa* were irrelevant to the *Tam* case.<sup>152</sup>

3. *Viewpoint Discrimination*

Alito (joined by Chief Justice Robert, Justice Thomas, and Justice Breyer) then entered into brief discussion about cases that would be potentially more analogous to *Tam*.<sup>153</sup> In these cases, the government creates a “limited public forum for private speech.”<sup>154</sup> When the government creates such a forum, some content- and speaker-based restrictions may be allowed.<sup>155</sup> However, even in those cases, “viewpoint discrimination” was still forbidden.<sup>156</sup> Viewpoint discrimination has been defined broadly in precedent cases, and under this broad definition, it is clear that the “disparagement clause discriminates on the bases of ‘viewpoint.’”<sup>157</sup> Even though the disparagement provision “evenhandedly” prohibits disparagement of all groups, it still denies registration to any mark that is offensive to a substantial percentage of

147. *Id.*

148. *Id.*

149. *Id.*

150. *Id.* at 1761–62.

151. *Id.* at 1762.

152. *Id.*

153. *Id.* at 1763.

154. *Id.*; *see, e.g.*, *Good News Club v. Milford Central School*, 533 U.S. 98, 106–07 (2001); *Lamb’s Chapel v. Ctr. Moriches Union Free Sch. Dist.*, 508 U.S. 384 at 392–93 (1993).

155. *Tam*, 137 S. Ct. at 1763; *see Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 830–31 (1995).

156. *Tam*, 137 S. Ct. at 1763 (citing *Rosenberger*, 515 U.S. at 831).

157. *Tam*, 137 S. Ct. at 1763.

members of any group—this is viewpoint discrimination because “giving offense is a viewpoint.”<sup>158</sup> “[T]he public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers.”<sup>159</sup> This has been described as a “bedrock principle” underlying the First Amendment.<sup>160</sup> For this reason, Justice Alito wrote that “the disparagement clause cannot be saved by analyzing it as a type of government program in which some content- and speaker-based restrictions are permitted.”<sup>161</sup>

#### 4. *Commercial Speech*

After concluding that the disparagement clause cannot be sustained under (1) government-speech, (2) government subsidy cases, or (3) the Government’s proposed “government-program” doctrine, Justice Alito, confronted the question as to whether or not trademarks constituted commercial speech and were thus subject to the relaxed scrutiny analysis outlined in *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm’n of N.Y.*<sup>162</sup> The Government argued that trademarks are commercial speech because their central purposes is commercial, and since federal law regulates trademarks “to promote fair and orderly interstate commerce.”<sup>163</sup> Tam, however, contends that trademarks have an expressive component—they do not simply function as source identifiers, instead, they go on to say something more, either about the product, or service, or some other issue.<sup>164</sup> For example, “The Slants” not only identifies the name of Tam’s band, but it also expresses a view about social issues.<sup>165</sup> The opinion did not attempt to resolve whether or not trademarks are commercial or expressive since it found that the disparagement

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158. *See id.*, which states:

To be sure, the clause evenhandedly prohibits disparagement of all groups. It applies equally to marks that damn Democrats and Republicans, capitalists and socialists, and those arrayed on both sides of every possible issue. It denies registration to any mark that is offensive to a substantial percentage of the members of any group. But in the sense relevant here, that is viewpoint discrimination: Giving offense is a viewpoint.

159. *Street v. New York*, 394 U.S. 576, 592 (1969); *see also Texas v. Johnson*, 491 U.S. 397, 414 (1989) (“If there is a bedrock principle underlying the First Amendment, it is that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable.”).

160. *Johnson*, 491 U.S. at 414.

161. *Tam*, 137 S. Ct. at 1763.

162. *Id.* at 1763–64; *see Cent. Hudson Gas & Elect. v. Pub. Serv. Comm’n*, 447 U.S. 557 (1980).

163. *Tam*, 137 S. Ct. at 1764.

164. *Id.*

165. *Id.*

clause cannot withstand even *Central Hudson*'s relaxed standard of review.<sup>166</sup> Under *Central Hudson*, a restriction of speech must serve "a substantial interest," and it must be "narrowly drawn."<sup>167</sup> This primarily means that "[t]he regulatory technique may extend only as far as the interest it serves."<sup>168</sup> The Court held that the disparagement clause fails this requirement since it is overly broad.<sup>169</sup>

The Government claimed that the disparagement clause served two government interests.<sup>170</sup> The first interest is preventing "underrepresented groups" from being "bombarded with demeaning messages in commercial advertising."<sup>171</sup> Basically, the Government has an interest in preventing speech that expresses offensive ideas.<sup>172</sup> However, as the Court has held, this interest strikes at the "heart" of the First Amendment.<sup>173</sup> "Speech that demeans on the basis of race, ethnicity, gender, religion, age, disability, or any other similar ground is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express 'the thought that we hate.'"<sup>174</sup> The second interest that the Government asserted is "protecting the orderly flow of commerce."<sup>175</sup> According to the Government, commerce is disrupted by trademarks that "involv[e] disparagement of race, gender, ethnicity, national origin, religion, sexual orientation, and similar demographic classification."<sup>176</sup> These trademarks were analogized to discriminatory conduct, which is something that is recognized as having an adverse effect on commerce.<sup>177</sup> Alito responded to this interest by finding that the disparagement clause is not "narrowly drawn" to drive out trademarks that support invidious discrimination.<sup>178</sup> "The clause reaches any trademark that disparages any person, group, or institution."<sup>179</sup> According to the opinion, it applies to

166. *Id.*

167. *Id.* (citing *Cent. Hudson*, 447 U.S. at 564–65 (internal quotation marks omitted)).

168. *Id.* (citing *Cent. Hudson*, 447 U.S. at 565).

169. *Id.*

170. *Id.*

171. Brief for Petitioner at 48, *Matal v. Tam* 137 S. Ct. 1744 (2017) (No. 15-1293) (quoting *Tam*, 808 F.3d at 1364 (Dyk, J., concurring in part and dissenting in part)) (internal quotation marks omitted).

172. *Tam*, 137 S. Ct. at 1764.

173. *Id.*

174. *Id.* (quoting *United States v. Schwimmer*, 279 U.S. 644, 655 (1929) (Holmes, J., dissenting)).

175. *Id.*; see *In re Tam*, 808 F.3d 1321, 1379–81 (Fed. Cir. 2015) (Reyna, J., dissenting).

176. *Id.*; see *Tam*, 808 F.3d at 1380–81 (Reyna, J., dissenting).

177. *Id.*; see *Tam*, 808 F.3d at 1380–81; Brief for Petitioner at 49, *Matal v. Tam*, 137 S. Ct. 1744 (2017) (No. 15-1293).

178. *Tam*, 137 S. Ct. at 1764–65.

179. *Id.* at 1765.

trademarks like the following: “Down with racists,” “Down with sexists,” “Down with homophobes.”<sup>180</sup> “It is not an anti-discrimination clause;” Alito concluded, “it is a happy-talk clause.”<sup>181</sup> Therefore, the court found that it is broader than necessary to serve its supposed interest.<sup>182</sup> Furthermore, since the disparagement provision also protects “every person living or dead” as well as “every institution,” the Court questioned whether or not it was conceivable to even argue that commerce would always be disrupted by disparaging marks.<sup>183</sup> For example, “James Buchanan was a disastrous president” is a disparaging mark that would probably not disrupt commerce.<sup>184</sup> Lastly, Alito found that there was a deeper issue with the argument that commercial speech should be “cleansed of any expression likely to cause offense,” especially if “affixing the commercial label permits the suppression of any speech that may lead to political or social ‘volatility,’ free speech would be endangered.”<sup>185</sup>

Because disparaging trademarks are: (i) private speech that do not fall under any government speech exceptions, (ii) viewpoint discriminatory, and (iii) unable to withstand *Central Hudson*’s relaxed standard of review, the Court unanimously held that the disparagement clause violated the Free Speech Clause of the First Amendment.

### C. KENNEDY CONCURRENCE

Kennedy’s Concurrence, joined by Justice Ginsberg, Justice Sotomayor, and Justice Kagan, went into greater detail about how viewpoint discrimination applied in this case.<sup>186</sup> The First Amendment protects against laws “targeted at specific subject matter,” also referred to as content based discrimination.<sup>187</sup> Within content based discrimination is a subset of laws that are aimed at the suppression of “particular views . . . on a subject.”<sup>188</sup> This is known as viewpoint discrimination, and is “presumptively unconstitutional.”<sup>189</sup> The basic test for viewpoint discrimination is whether the government has “singled out a subset of messages for disfavor based on the views expressed.”<sup>190</sup>

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180. *Id.*

181. *Id.*

182. *Id.*

183. *Id.*

184. *Id.*

185. *Id.*

186. *Id.* at 1765 (Kennedy, J., asserting that “the viewpoint discrimination rationale renders unnecessary any extended treatment of other questions raised by the parties”).

187. *See Reed v. Town of Gilbert*, 135 S. Ct. 2218, 2230 (2015).

188. *Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 829 (1995).

189. *Tam*, 137 S. Ct. at 1766.

190. *Id.*; *see Cornelius v. NAACP Legal Def. & Ed. Fund, Inc.*, 473 U.S. 788, 806 (1985).

In the *Tam* case, the disparagement provision applies to “persons, living or dead, institutions, beliefs, or national symbols.”<sup>191</sup> Within this category, an applicant may register a positive or benign mark but would be enjoined from registering derogatory one.<sup>192</sup> This is the essence of viewpoint discrimination.<sup>193</sup> The Government disputed this conclusion since the law applies equally to *any* trademark that is demeaning or offensive.<sup>194</sup> This, the Government says, is “viewpoint neutral,” since the law would reject marks conveying diametrically opposed viewpoints, if they contained the same offensive word.<sup>195</sup> Kennedy found that this missed the point of viewpoint discrimination since “[a] subject that is first defined by content and then regulated or censored by mandating only one sort of comment is not viewpoint neutral.”<sup>196</sup> If anything, Kennedy found that the fact that the disparagement provision prohibited all sides from criticizing their opponents made a law more viewpoint based, not less so.<sup>197</sup> The Government also argued that the statute was viewpoint neutral since the disparagement provision mainly denied registration based on the reaction of the applicant’s audience—it applied to trademarks regardless of the applicant’s personal views.<sup>198</sup> Kennedy argued that the Government “may not insulate a law from charges of viewpoint discrimination by tying censorship to the reaction of the speaker’s audience.”<sup>199</sup> “The speech is targeted, after all, based on the government’s disapproval of the speaker’s choice of message. And it is the government itself that is attempting in this case to decide whether the relevant audience would find the speech offensive.”<sup>200</sup> It is for these exact reasons, Kennedy pointed out, that the Court has historically prohibited the government from justifying a First Amendment burden based on the offensiveness of the speech to be suppressed.<sup>201</sup>

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191. *Id.*

192. *Id.*

193. *Id.*

194. *Id.* (“[T]he law is viewpoint neutral because it applies in equal measure to any trademark that demeans or offends.”) (emphasis added).

195. *See In re Tam*, 808 F.3d 1321, 1337 (Fed. Cir. 2015).

196. *Tam*, 137 S. Ct. at 1766.

197. *Id. Cf. Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 831–32 (1995) (“The . . . declaration that debate is not skewed so long as multiple voices are silenced is simply wrong; the debate is skewed in multiple ways.”).

198. *Tam*, 137 S. Ct. at 1766.

199. *Id.*

200. *Id.* at 1767.

201. *Id.*

#### IV. DISCUSSION

The main implication of *Tam* is obvious—it invalidates the disparagement provision of section 2(a), and therefore breaks almost a century’s worth of continuously applied precedent. This is significant for a variety of different reasons—all of which will be discussed in this Part.

##### A. SIGNIFICANCE OF *MATAL V. TAM*

The larger significance of *Tam* is how it affects other marks. For example, invalidating the disparagement provision of 2(a) not only implicates *Tam*’s mark, but may also affect the highly controversial “Washington Redskins” trademark.<sup>202</sup> Invalidating the disparagement provision will undoubtedly lead to a wider registration of marks that offend a substantial number of people and vulnerable communities.

The Court, in rejecting the argument that trademarks constitute government speech, gave short shrift to valid, convincing arguments that the Government made in previous cases that highlight why federally registering disparaging marks constitute government speech. In *Tam*, the Federal Circuit held that the public does not view registration certificates as the government’s expression of its ideas or as the government’s endorsement of the ideas, inventions, or trademarks of the private speakers to whom they are issued.<sup>203</sup> Registration of a trademark “does not endorse any particular product, service, or registrant.”<sup>204</sup> However, in a previous case, the Court observed that “[t]he fact that private parties take part in the design or propagation of a message does not extinguish the governmental nature of the message or transform the government’s role into that of a mere forum-provider.”<sup>205</sup> Even though individuals, and not the government, create the marks submitted for trademark registration, the marks can still convey a governmental message. Furthermore, the government is more than a mere-forum provider for the validity of trademarks. Instead, “[w]hen the symbol for a federally registered trademark, ®, is affixed to a mark, it is a *declaration* by the federal government that it has approved that mark.”<sup>206</sup> If *Tam*’s mark is federally registered, it will associate the government with offensive terminology since “The Slants” will have a ® affixed to it. “Registration of THE SLANTS would cause the mark to be published on the Principal Register; would cause a certificate for the mark to

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202. *See* *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439 (E.D. Va. 2015) (invalidating the mark based on section 2(a)).

203. *In re Tam*, 808 F.3d 1321, 1348 (Fed. Cir. 2015).

204. *Id.* at 1347; *see* En Banc Brief for Appellee at 24, *In re Tam*, 808 F.3d 1321 (Fed. Cir. 2015) (No. 2014-1203), 2015 WL 4400893, at \*24.

205. *Walker v. Tex. Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239, 2251 (2015).

206. *Pro-Football, Inc.*, 112 F. Supp. 3d at 461 (emphasis added).

be issued ‘in the name of the United States’ (which may be transmitted to foreign countries); and would entitle respondent to use the ® symbol to convey to the public that the mark has an official status.”<sup>207</sup> In *Wooley*, the Court recognized “an individual’s First Amendment right to avoid becoming the courier for” a message that he or she finds objectionable.<sup>208</sup> Here, the government has an interest in declining to incorporate racially offensive epithets into various official communications.

Outside of official government communications, there are socio-political implications of the federal registration of bigoted marks. In the case of the “Redskins,” for example, the fact that the government would potentially allow registration of a term entrenched in a racist history can signal that the government does not care about the arguments that marginalized people have made against the registering of such marks. Allowing the registration of marks that are disparaging to a significant population of people can signify that we, as a society, do not care about those people who are being disparaged. These socio-political implications are part of the reason why federal law has prohibited registration of disparaging marks since 1946. Furthermore, nearly every state includes a provision in its trademark laws that prohibits state registration of disparaging marks.<sup>209</sup> The implication that the federal government would be required to register, publish, and transmit to foreign countries marks containing “crude references to women based on parts of their anatomy” or “the most repellent racial slurs and white-supremacist slogans” runs counter to what was, before the *Tam* decision, a long recognized, valid interest in trademark law.<sup>210</sup>

There is a symbolism in allowing the registration of a mark. If individuals want to use the word “Redskins,” that is their prerogative, and they should not be enjoined from doing so; however, the government should be allowed to refuse endorsing said mark. More importantly, there is now a greater issue of who can reappropriate disparaging words, phrases, and expressions. Before, disparaging marks were unable to be registered. This is no longer the case. Now, racists can register marks, and vigorously defend those marks in court, potentially stopping others from critiquing those marks. For example, if “Redskins” was trademarked, actual Native Americans would be unable to sell merchandise with the imagery of a heroic indigenous person defeating a “Redskin” in football gear without being liable for trademark infringement. *Tam* is a sympathetic case. It tells the story of an Asian man trying to take back

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207. Brief for the Petitioner at 39, *Matal v. Tam*, 137 S. Ct. 1744 (2017) (No. 15-1293).

208. *Wooley v. Maynard*, 430 U.S. 705, 717 (1977).

209. *In re Tam*, 808 F.3d 1321, 1343 (Fed. Cir. 2015).

210. Brief for the Petitioner at 10, *Matal v. Tam*, 137 S. Ct. 1744 (2017) (No. 15-1293).

a disparaging word by federally registering it in an attempt to create something new and artistic. Not every markholder will be as sympathetic as Tam.

In addition, the *Tam* case is significant because it calls into question other parts of section 2(a), such as the bars on registration of “scandalous” and “immoral” trademarks. In fact, within a few weeks of *Tam*, the government conceded that section 2(a)’s bar on immoral and scandalous marks was also unconstitutional.<sup>211</sup> More importantly, *Tam*’s reach does not end with section 2(a). The case also calls into question other areas of the Lanham Act—particularly trademark dilution.

#### B. *IN RE TAM* AND APPLICABILITY TO ANTI-DILUTION

The anti-disparagement provision of the Lanham Act shares features with anti-dilution. Both doctrines have been controversial, and both have had issues with uncertainty. In *Tam*, there were three factors that were significant to the main holding, i.e., the prohibition on the registration of disparaging trademarks was unconstitutional under the First Amendment. These three factors were: (i) that the disparagement provision of section 2(a) is not insulated from First Amendment review based on the government-speech doctrine, (ii) the provision cannot survive even the relaxed scrutiny outlined in *Central Hudson*, and (iii) that disparagement is a viewpoint-discriminatory regulation of speech.<sup>212</sup> This same exact reasoning can also be used to find anti-dilution unconstitutional. Indeed, trademark anti-dilution’s restraint on speech is worse on First Amendment grounds. Anti-dilution, even more so than disparagement, is: (i) not protected from First Amendment scrutiny based on government speech, (ii) cannot survive *Central Hudson* review, and (iii) is a viewpoint-based suppression of speech. In order to begin this analysis, however, some background on trademark dilution is necessary.

##### 1. *Trademark Dilution Under the Lanham Act*

Since the enactment of the Lanham Act in 1946 there have been many amendments that further protect trademark holders. Federal anti-dilution law is one such example. The concept of trademark dilution has been described as a “subtle” one.<sup>213</sup> “When an individual encounters a mark (e.g., a word or symbol) in a store or watching a commercial, he or she can develop an association between a product or service and its corresponding quality, brand reputation, or origin.”<sup>214</sup> Anti-dilution laws purport to protect those acquired

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211. *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017).

212. *See Tam*, 808 F.3d 1321, 1377.

213. *Tiffany (NJ) Inc. v. eBay, Inc.*, 576 F. Supp. 2d 463, 521–22 (S.D.N.Y. 2008).

214. 1 ALEXANDER LINDEY & MICHAEL LANDAU, *LINDEY ON ENTERTAINMENT, PUBLISHING AND THE ARTS* § 2:52.50 (3d ed. 2018).

associations from being diluted by other uses of a plaintiff's trademark.<sup>215</sup> In fact, Congress has prohibited trademark dilution without requiring proof of actual harm or confusion.<sup>216</sup> The federal dilution law, the Trademark Dilution Revision Act (TDRA), provides that liability for dilution exists “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”<sup>217</sup>

a) Legislative History of Trademark Dilution

In 1988, when Congress adopted amendments to the Lanham Act, it gave consideration to an anti-dilution provision.<sup>218</sup> During the hearings on the 1988 amendments, there was concern that it might have applied to expression protected by the First Amendment and the provision was deleted from the amendments.<sup>219</sup>

By 1996, the Federal Trademark Dilution Act (FTDA) of 1995 was enacted as a way to protect famous trademarks from uses that dilute their distinctiveness, even in the absence of any likelihood of confusion or competition.<sup>220</sup> The FTDA “permits the owner of a qualified, famous mark to enjoin junior uses throughout commerce, regardless of the absence of competition or confusion.”<sup>221</sup> Specifically, the FTDA provides that “[t]he owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.”<sup>222</sup>

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215. *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 425, 432 (S.D.N.Y. 2016).

216. 15 U.S.C. § 1125(c)(1) (2012).

217. *Id.*

218. *Moseley v. V Secret Catalogue*, 537 U.S. 418, 430 (2003).

219. *Id.* at 431 (referencing H.R. Rep No. 100-1028 (1988)).

220. *Id.* at 419.

221. *TCPIP Holding Co. v. Haar Communications Inc.*, 244 F.3d 88, 95 (2d Cir. 2001); 15 U.S.C. § 1127 (2012).

222. 15 U.S.C. § 1125(c)(1) (2012). To establish a violation of the FTDA, a plaintiff must show that:

- (1) the mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant's use began after the mark became famous; and (4) the defendant's use of the mark dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish goods and services.

*Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424, 431 (M.D.N.C. 2003); *see* 15 U.S.C. § 1125(c) (2012); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel*

In 2006, the TDRA was passed to amend the FTDA.<sup>223</sup> The TDRA was primarily designed to overturn the U.S. Supreme Court decision in *Moseley v. V Secret Catalogue*, which specified a need to show actual trademark dilution, rather than the likelihood of dilution.<sup>224</sup> Furthermore, in response to First Amendment concerns, the TDRA expressly exempts certain uses of a famous mark, in particular: (1) “fair use” of a mark in the context of comparative commercial advertising or promotion; (2) non-commercial uses, such as parody, satire and editorial commentary; and (3) all forms of news reporting and news commentary.<sup>225</sup>

The Lanham Act, as amended by the Trademark Dilution Revision Act, provides that

the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.<sup>226</sup>

Basically, federal dilution is actionable in two situations: (1) dilution by “blurring” and (2) dilution by “tarnishment.”<sup>227</sup> Dilution by blurring refers to an “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.”<sup>228</sup> Dilution by tarnishment refers to an “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”<sup>229</sup> “A trademark may be tarnished when it is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context, with the result that the public will associate the lack of quality or lack of prestige in the defendant’s goods with the plaintiff’s unrelated goods.”<sup>230</sup>

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Dev., 170 F.3d 449, 452 (4th Cir. 1999); *Panavision Int’l LP v. Toepfen*, 141 F.3d 1316, 1324 (9th Cir. 1998).

223. Trademark Dilution Revision Act of 2006, Pub. L. 109-312, § 120 Stat. 1730 (codified at 15 U.S.C. § 1125(c) (2012) and replacing the Federal Trademark Dilution Act, Pub. L. 104-98).

224. *V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 738 (W.D. Ky. 2008).

225. 15 U.S.C. § 1125(c)(3) (2012).

226. § 1125(c)(1).

227. § 1125(c).

228. § 1125(c)(2)(B).

229. § 1125(c)(2)(C).

230. *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996).

## 2. *Tam's Analysis Applied to Trademark Dilution*

Trademark anti-dilution is not protected from a First Amendment analysis based on government speech, cannot survive the relaxed scrutiny of *Central Hudson*, and is a viewpoint-based suppression of speech. Therefore, trademark anti-dilution is actually an active suppression of speech, whereas trademark disparagement is not.

### a) Trademark Anti-Dilution Is Not Protected from a First Amendment Analysis Based on Government Speech

In *Tam*, the court found that the disparagement provision of section 2(a) was not insulated from First Amendment review since there was no government speech at issue.<sup>231</sup> The same can be said for trademark anti-dilution. In trademark anti-dilution, the regulated speech are trademarks that possibly infringe on famous marks. The diluting use of the mark is not government speech. It is not the Government that creates or edits the infringing marks—it would be “far-fetched” to suggest that the regulation of these marks constituted government speech.<sup>232</sup>

### b) Trademark Anti-Dilution Cannot Survive *Central Hudson* Review

According to *Central Hudson*, a restriction of speech must serve “a substantial interest,” and it must be “narrowly drawn.”<sup>233</sup> This primarily means that “[t]he regulatory technique may extend only as far as the interest it serves.”<sup>234</sup> In *Tam*, the Court held that the disparagement clause fails this requirement since it is overly broad.<sup>235</sup> Trademark anti-dilution is also overly broad and fails this same *Central Hudson* requirement.

The main question in the anti-dilution context becomes: What is the “substantial interest” here and is it “narrowly drawn?” When Congress enacted the federal dilution law, it neither provided a compelling interest to sustain this restriction nor did it attempt to use the least restrictive means to achieve any

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231. *Matal v. Tam*, 137 S. Ct. 1744, 1760 (2017).

232. *See id.* at 1758.

233. *Cent. Hudson Gas & Elect. v. Pub. Serv. Comm'n*, 447 U.S. 557, 564–65 (1980) (internal quotation marks omitted).

234. *Id.* at 565.

235. *Tam*, 137 S. Ct. at 1764.

such interest.<sup>236</sup> As many commentators have posited, there is scant empirical basis for the claim that dilution harms famous marks.<sup>237</sup>

c) Trademark Anti-Dilution Is a Viewpoint-Based Restriction on Speech

Trademark law's anti-dilution provision creates a content-based right that applies to non-misleading commercial speech.<sup>238</sup> Trademark dilution prevents the creation of unauthorized new associations with registered marks, which, in turn, can prevent consumers from forming new opinions and beliefs about marks.<sup>239</sup> As Rebecca Tushnet so powerfully argued, allowing trademark holders to monopolize the meaning of its brand, and not just its source signification, would lead to discrimination against certain commercial speakers because of the cultural "side" on which they deploy their ads.<sup>240</sup> Famous trademark holders, those traditionally considered more "mainstream," would have a robust platform in marketing their brands, while those against the mainstream and those who criticize famous marks could be enjoined from doing so. Speech that leads audiences to think about the social meaning of luxury goods, or forces them to choose from a variety of competing meanings for a particular luxury brand, is speech that should be valued under the First Amendment.<sup>241</sup> But instead, famous trademark holders, get to use imagery and emotional appeals to enhance their brand reputation, while others are unable to challenge that reputation.<sup>242</sup> This is not only a content-based suppression of speech, it is also a viewpoint-based suppression of speech.<sup>243</sup> This is especially true in the case of dilution by tarnishment.

Dilution by tarnishment is an "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark."<sup>244</sup> "A trademark may be tarnished when it is linked to

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236. Brief of Amicus Curiae Law Professors in Support of Defendant-Appellee at 20, *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 674 F. App'x 16 (2d Cir. 2016), *cert. denied*, 138 S. Ct. 221 (2017) (No. 16-0241-cv) [hereinafter Law Professor Amicus Brief].

237. *Id.*; see Christo Boshoff, *The Lady Doth Protest Too Much: A Neurophysiological Perspective on Brand Tarnishment*, 25 J. PROD. & BRAND MGMT. 196 (2016) (finding no empirical basis for tarnishment); Robert Brauneis & Paul J. Heald, *The Myth of Buick Aspirin: An Empirical Study of Trademark Dilution by Product and Trade Names*, 32 CARDOZO L. REV. 2533 (2011) (same for dilution).

238. Law Professor Amicus Brief, *supra* note 236, at 20.

239. *Id.*

240. Rebecca Tushnet, *More than a Feeling: Emotion and the First Amendment*, 127 HARV. L. REV. 2392, 2401 (2014).

241. *Id.* (quoting *R. A. V. v. St. Paul*, 505 U.S. 377, 388–89 (1992)).

242. *Id.*

243. Law Professor Amicus Brief, *supra* note 236, at 22.

244. 15 U.S.C. § 1125(c)(2)(C) (2012).

products of shoddy quality, or is portrayed in an unwholesome or unsavory context, with the result that the public associates the lack of quality or lack of prestige in the defendant's goods with the plaintiff's unrelated goods."<sup>245</sup> Tarnishment may also result from an association with obscenity, or sexual or illegal activity.<sup>246</sup> "The *sine qua non* of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use."<sup>247</sup> This is a subjective standard. Here, courts could reject a defendant's use of a mark primarily because it finds the use to be "negative" and "disparaging." In tarnishment cases involving uses of a mark related to sex or the illegal use of drugs, courts rarely require trademark holders to prove harm to sustain a claim of dilution by tarnishment.<sup>248</sup> Rather, courts have adopted a virtual per se rule regarding uses of trademarks in contexts involving pornography, finding almost uniformly that such uses tarnish the image of the mark holder.<sup>249</sup> On the other hand, when the allegedly tarnishing use is a non-vulgar parody or generally does not relate in any way to sex or the illegal use of drugs, the dilution plaintiff is less likely to prevail.<sup>250</sup> For example, in *Pfizer Inc. v. Sachs*, the defendants' display at an adult entertainment exhibition of two models riding a VIAGRA-branded missile and distributing condoms was found to harm the reputation of Pfizer's trademark.<sup>251</sup> In contrast, in *Louis Vuitton Malletier v. Haute Diggity Dog*, no tarnishment was found when a person sold "Chewy Vuitton" squeaky dog toys.<sup>252</sup> Sex is disparaging and negative, puppies are not—this is a viewpoint-based suppression of speech.

#### d) Anti-Dilution Is an Actual Suppression of Speech

Unlike the disparagement provision of 2(a), which merely prevented registration of disparaging marks, trademark anti-dilution leads to an actual suppression of speech—as evidenced by anti-dilution's use of injunction as remedy. This makes anti-dilution, even more so than disparagement, a viewpoint-based suppression of speech. In the disparagement context, if a

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245. *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 507 (2d Cir. 1996) (internal quotation marks omitted).

246. *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 467 F. Supp. 366 (S.D.N.Y.), *aff'd*, 604 F.2d 200 (2d Cir. 1979); *Chemical Corp. of Am. v. Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), *cert. denied*, 372 U.S. 965 (1963).

247. *Hormel Foods*, 73 F.3d at 507.

248. Sandra L. Rierson, *The Myth and Reality of Dilution*, 11 DUKE L. & TECH. REV. 212, 247 (2013).

249. *Id.*

250. *Id.*

251. *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009).

252. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC.*, 464 F. Supp. 2d 495 (E.D. Va. 2006).

mark was found disparaging it was barred from federal registration—it was *not* barred from use. Tam could have still used “The Slants” as his band’s name. No speech was actually suppressed. This is not true in the anti-dilution context as famous mark-holders can use injunctions to prevent others from using similar marks.

e) Anti-Dilution Law Further Implicates the First Amendment  
Because It Is Both Vague and Overbroad

In *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, Starbucks brought suit against a small, family owned coffee shop in New Hampshire that was using the trade name “Mr. Charbucks” on a coffee blend sold in-store and over the Internet.<sup>253</sup> After a decades long legal battle spanning from before the passage of the TDRA, the appellate court found the “Starbucks” mark both famous and distinctive, but it held that Starbucks had not demonstrated a likelihood of dilution.<sup>254</sup> The court found that the marks, as used in the marketplace, were not substantially similar.<sup>255</sup> Even though the court found “strong similarity” between “Starbucks” and “Charbucks,” the addition of “Mr.” to the mark, coupled with differences in the products’ logos and packaging, were sufficient to distinguish the marks to the extent that the similarities did not rise to the level of dilution.<sup>256</sup> Furthermore, though Starbucks presented survey evidence that 3.1 percent of 600 consumers surveyed believed that Starbucks was a possible source for “Charbucks,” and 30.5 percent of consumers said “Starbucks” was the first thing that came to mind when they heard the name “Charbucks,” the court discounted this evidence.<sup>257</sup>

In another case, *Perfumebay*, eBay claimed that “Perfumebay” and “PerfumeBay” infringed and diluted the “eBay” mark.<sup>258</sup> The Ninth Circuit noted that when one searched for “perfume eBay” search engines produced results for eBay.com and PerfumeBay.<sup>259</sup> This was sufficient for the court to find that the “Perfumebay” mark completely incorporated the “eBay” mark.<sup>260</sup> The court further held that the eBay mark was so highly distinctive that consumers would be likely to see the Perfumebay mark as essentially the same as eBay’s mark, despite their notable differences—the fact that they sound

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253. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 736 F.3d 198 (2d Cir. 2013).

254. *Id.* at 213.

255. *Id.* at 211.

256. *Id.* at 208.

257. *Id.* at 202, 211.

258. *Perfumebay Inc. v. eBay, Inc.*, 506 F.3d 1165 (9th Cir. 2007).

259. *Id.* at 1170.

260. *Id.* at 1174.

different, have completely different logos, and utilize different colors.<sup>261</sup> This was evidenced by the fact that an expert for eBay testified that he developed a consumer survey “to measure the extent to which the word ‘bay’ used in conjunction with a common name causes or is likely to cause confusion . . . or dilution.”<sup>262</sup> According to the survey, a substantial majority of consumers, around 70 percent, believed that eBay is the company that comes to mind when they heard “bay.”<sup>263</sup>

These cases are difficult to reconcile. If anything, many might find the marks at issue in *Starbucks* to be more similar than those in *Perfumebay*. “Starbucks” and “Charbucks” are phonetically more similar to one another than “Perfumebay” and “eBay.” Furthermore, it makes little sense that adding “Mr.” to “Charbucks” made it dissimilar, and yet, adding an entire word “perfume” to “bay” was not enough to disassociate “Perfumebay” from “eBay.” Also, the term “Charbucks” on its face could evoke images of a burnt coffee which is an unsavory association that could tarnish Starbucks’s brand, yet the *Starbucks* court did not find dilution by tarnishment. Lastly, it seems confusing that the *Perfumebay* court was persuaded by survey evidence that simply showed a mental association regarding the word “bay,” while the *Starbucks* court found much stronger survey results (Charbucks to both Starbucks and coffee) insufficient to tip the balance to dilution. As demonstrated by these examples, trademark anti-dilution is unclear in application, because the statute itself is so overly broad. Furthermore, the trademark dilution analysis is a flexible test where the importance of each factor varies with the facts of each individual case.<sup>264</sup> Courts employ a “cautious and gradual approach,” which favors the development of a nonexclusive list of trademark dilution factors over time.<sup>265</sup> In practice, the vagueness of the dilution analysis test is influential in creating different results every time. For these reasons, trademark anti-dilution implicates the First Amendment even more than disparagement.

C. COUNTERARGUMENT: TRADEMARK ANTI-DILUTION ALLOWS FAIR USE

Proponents of federal trademark dilution law could argue that anti-dilution, unlike disparagement, is not actually a restriction on speech due to the existence of the trademark fair use doctrine.<sup>266</sup> Under the TDRA, “[a]ny

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261. *Id.* at 1181.

262. *Id.* at 1172.

263. *Id.*

264. *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 227–28 (2d Cir.1999).

265. *Id.* at 217.

266. *See* 15 U.S.C. § 1125 (c)(3)(A) (2012).

fair use, including a nominative or descriptive fair use” is an exception to trademark dilution.<sup>267</sup> This includes “parodying, criticizing, or commenting upon” the famous mark owner or the goods or services of the famous mark owner.<sup>268</sup> The fair use doctrine in itself, however, is viewpoint based, and what constitutes a “parody” or “fair use” is a vague and subjective analysis. For example, funny parodies are more likely to survive scrutiny than those that are just stupid or incoherent,<sup>269</sup> and cultural icons are likely to be shielded from obscene or repugnant mockery as opposed to other sorts of mockery.<sup>270</sup> Furthermore, it is important to realize that the trademark fair use doctrine is anemic, leading to inconsistent protection of trademark rights in the circuit courts. In fact, for cases appearing before the Board, the Board has firmly stated that the fair use defense in trademark dilution cases, provided by the TDRA, cannot succeed if Defendant’s use is commercial.<sup>271</sup> In the case of parody, the Board has signaled that parody defenses are not likely to be successful in dilution cases, as it “[found] it virtually impossible to conceive of a situation where a parody defense to a dilution claim can succeed in a case before the Board.”<sup>272</sup> This is primarily due to the fact that when an applicant’s mark is registerable (because it is being used in commerce as a source identifier), such a use is not a noncommercial use or a fair use.<sup>273</sup> Therefore,

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267. § 1125(c)(3).

268. § 1125(c)(3)(A)(ii).

269. See Anthony L. Fletcher, *When The Joke Is on a Trademark*, LAW360 (Jan. 09, 2012), <https://www.law360.com/articles/296759/when-the-joke-is-on-a-trademark> [<https://perma.cc/EH6B-PAW5>]. Fletcher described the true instance of someone who created and sold a poster depicting a very pregnant young woman who was clothed in what appeared to be the official uniform of the Girl Scouts. The text of the poster was the official motto of the Girl Scouts organization: “Be Prepared.” The Girl Scouts sued, and lost, because the court could not believe that the public would be likely to attribute the poster or its message to the Girl Scouts. See *Girl Scouts v. Personality Posters*, 304 F. Supp. 1228 (S.D.N.Y. 1969). In contrast, when a poster substituted “ocaine” for “ola” in an “Enjoy Coca-Cola” ad, Coca-Cola suppressed the poster by finding a few consumers who testified that they actually believed there was some ratification of the message by the company. See *Coca-Cola v. Gemini Rising*, 346 F. Supp. 1183 (E.D.N.Y. 1972).

270. See *id.* (“[W]hen Cabbage Patch dolls were all the rage with young girls, a very rude, crude series of ‘Garbage Pail Kids’ stickers sold like trading cards was prohibited.”) (citing *Original Appalachian Artworks v. Topps Chewing Gum*, 642 F. Supp. 1031 (N.D. Ga. 1986)); see also *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978) (finding that comic book “parodies” of Disney characters failed to qualify as protected free speech).

271. *N.Y. Yankees P’ship v. IET Prods. & Servs., Inc.*, 114 U.S.P.Q.2d 1497 (T.T.A.B. 2015).

272. *Id.* at 1498.

273. *Id.*

trademark dilution fair use cannot be seen as a defense to the First Amendment concerns raised in the anti-dilution doctrine.

## V. CONCLUSION: A PERVERSE IRONY

When subjected to the type of First Amendment analysis the Supreme Court applied in *Tam*, the TDRA should fail. The empirical basis for the claim that dilution harms famous marks, or indeed any mark, is lacking, and even if it were not, the law as written could not survive on constitutional grounds.<sup>274</sup> This is due to the fact that Congress did not provide a compelling interest to sustain its restriction on non-misleading commercial speech when it enacted the federal dilution law, nor did it attempt to use the least restrictive means to achieve any such interest,<sup>275</sup> meaning that it cannot even pass the relaxed *Central Hudson* standard. Much like disparagement, anti-dilution suffers many of the same pitfalls that the court in *Tam* found. Both disparagement and anti-dilution are not protected from First Amendment scrutiny based on government speech, both fail *Central Hudson*, and both are content and viewpoint-based restrictions on speech. As the TDRA cannot survive this constitutional standard, and there is no justifiable countervailing government interest, anti-dilution must also be found unconstitutional.

There are consequences in finding the disparagement provision of section 2(a) unconstitutional while other doctrines, such as anti-dilution, remain good law. It is inequitable to prevent vulnerable populations from objecting to disparaging marks, while allowing famous trademark holders to be vigilant in suppressing all speech that “tarnishes” their mark. Yet, this is exactly what could happen now that the disparagement provision has been found unconstitutional while trademark dilution law is still valid.

In the case of dilution, it is important to realize that trademark protection limits the free marketplace of ideas. In fact, robust protection of trademark rights could hinder free debate and criticism of the values promoted by the “famous” marks which are so pervasive in popular culture. The big question becomes “whose speech is protected?” In this case, the answer would be the owner of famous marks, typically corporations. This creates a dynamic where wealthy, powerful corporations are able to dominate conversations about brands and culture, while smaller, non-mainstream dissenters are unable to do so without the threat of a trademark dilution claim.

Meanwhile, in the backdrop of this vigilant suppression of speech by famous trademark holders, vulnerable populations remain enjoined from

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274. See generally Boshoff, *supra* note 237 (finding no empirical basis for tarnishment); Brauneis & Heald, *supra* note 237.

275. Law Professor Amicus Brief, *supra* note 238, at 20.

criticizing racist, sexist, or otherwise bigoted marks that may now be registered in light of the *Tam* decision. Imagine a world in which those most defenseless, those most marginalized and oppressed, are once more unable to voice discontent with a famous mark such as the “Redskins” (or reappropriate the name for that matter) for fear of a trademark dilution claim. This seems like a perverse irony that is counter to the goals of the *Tam* court and could only be resolved by subjecting the anti-dilution provisions to *Tam*’s searching First Amendment analysis and striking them down as well.

