



Federal Circuit Holds:
“Disparagement” Clause of Lanham Act Violates the First
Amendment

December 22, 2015

By: [Uli Widmaier](#)

I. The Court’s Holding:

Section 2(a) of the Lanham Act, 15 USC § 1052(a), provides that trademarks that “**disparage** . . . persons, living or dead, institutions, beliefs, or national symbols” shall not be federally registered (emphasis added).

On December 22, 2015, the Court of Appeals for the Federal Circuit, ruling *en banc*, held that this clause “is unconstitutional because it violates the First Amendment.” See *In re Simon Shiao Tam*, No. 2014-1203, *slip op.* at 62 (Dec. 22, 2015). Based on this holding, the Court vacated the Trademark Trial and Appeal Board’s determination that the mark THE SLANTS for “Entertainment in the nature of live performances by a musical band” is unregistrable as disparaging people of Asian descent.

II. Practical Consequences:

The Federal Circuit is the statutorily designated Court of Appeals for all USPTO actions, see 15 USC § 1071(a). By holding that Section 2(a)’s disparagement clause is unconstitutional, *In re Tam* necessarily invalidates not only that clause, but also all USPTO precedents and rules that are based on it. Therefore, *In re Tam* has several immediate practical consequences:

- Any disparagement grounds in currently pending Office Actions are no longer valid.
- Any disparagement claims in currently pending opposition actions or petitions for cancellation must be withdrawn or dismissed.



PATTISHALL
McAULIFFE
NEWBURY
HILLIARD &
GERALDSON LLP • 200 South Wacker Drive, Suite 2900 • Chicago, IL 60606-5896 • T (312) 554-8000 • F (312) 554-8015 • www.pattishall.com

These materials have been prepared by Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP for general informational purposes only. They are not legal advice. They are not intended to create, and their receipt by you does not create, an attorney-client relationship.

- No future trademark applications can be refused registration on disparagement grounds.
- No future opposition or cancellation actions can validly be based on disparagement claims.

This describes the situation today. But it may not be the end of the matter. The issue may be bound for Supreme Court review, particularly given that a circuit split may emerge in short order. The famous REDSKINS case, in which the Board used the disparagement clause to cancel six trademark registrations of the NFL’s Washington Redskins, *Pro-Football, Inc. v. Blackhorse*, No. 1-14-CV-01043-GBL, 2015 WL 4096277 (E.D. Va. July 8, 2015), is currently on appeal before the Fourth Circuit. The case turns in substantial part on whether Section 2(a)’s disparagement clause violates the First Amendment. If the Fourth Circuit disagrees with the Federal Circuit’s holding and decides that there is *no* constitutional violation, then the Supreme Court is likely to step in and resolve the split between the Fourth and Federal Circuits on this important question of constitutional law.

If the Supreme Court were to agree with the Federal Circuit and hold that the disparagement clause is unconstitutional, then the practical implications listed above remain as they are at the moment. But if the Supreme Court were to hold that the disparagement clause is *not* unconstitutional, then the clause—and the USPTO regulations that depend on it—would be reinstated. What would that mean to any “disparaging” trademark registrations that were issued in the meantime? The answer is that such registrations would potentially be subject to cancellation on disparagement grounds.

III. Takeaway:

For the time being, the practical takeaway from the Federal Circuit’s *In re Tam* decision is this. Trademark owners are now free to register disparaging marks, since the USPTO cannot refuse to register them on the ground of disparagement. And third parties cannot oppose applications or seek to cancel registrations on the ground of disparagement.

But any resulting registrations remain at some risk for cancellation, since the Supreme Court may well decide to review this issue. If so, the Supreme Court may overrule the Federal Circuit’s holding, whereupon the disparagement clause and the USPTO rules and precedents based on it would be reinstated.

Furthermore, a disparagement attack (should it be reinstated) cannot be averted via incontestability, since Section 14(3) of the Lanham Act, 15 U.S.C. § 1064(3), expressly permits incontestable registrations to be challenged on Section 2(a) grounds.

* * *

Uli Widmaier is a partner with [Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP](#), a [leading intellectual property law firm](#) based in Chicago, Illinois. [Pattishall McAuliffe](#) represents both plaintiffs and defendants in [trademark](#), [copyright](#), and [unfair competition trials and appeals](#). The firm advises its clients on a broad range of domestic and international intellectual property matters, including [brand protection](#), [Internet](#), and [e-commerce](#) issues. Uli’s practice focuses on domestic and international [trademark](#), [copyright](#), [trade dress](#) and [Internet](#) law and litigation.