

No.

In the Supreme Court of the United States

MICHELLE K. LEE, UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR, UNITED
STATES PATENT AND TRADEMARK OFFICE, PETITIONER

v.

SIMON SHIAO TAM

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT*

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a), provides that no trademark shall be refused registration on account of its nature unless, *inter alia*, it “[c]onsists of * * * matter which may disparage * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” The question presented is as follows:

Whether the disparagement provision in 15 U.S.C. 1052(a) is facially invalid under the Free Speech Clause of the First Amendment.

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PETITION FOR A WRIT OF CERTIORARI

The Solicitor General, on behalf of the Director of the United States Patent and Trademark Office, respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the en banc court of appeals (App., *infra*, 1a-122a) is reported at 808 F.3d 1321. The opinion of a panel of the court of appeals (App., *infra*, 123a-161a) is reported at 785 F.3d 567. The opinion of the Trademark Trial and Appeal Board (App., *infra*, 162a-182a) is available at 2013 WL 5498164.

JURISDICTION

The judgment of the court of appeals was entered on December 22, 2015. On March 10, 2016, the Chief Justice extended the time within which to file a peti-

tion for a writ of certiorari to and including April 20, 2016. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

**STATUTORY AND REGULATORY
PROVISIONS INVOLVED**

The First Amendment to the Constitution provides, in relevant part: “Congress shall make no law * * * abridging the freedom of speech.” Section 1052 of Title 15 of the United States Code is reproduced in the appendix to this petition. App., *infra*, 183a-186a.

STATEMENT

This case involves a facial First Amendment challenge to Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a). That provision directs the United States Patent and Trademark Office (PTO) to refuse registration of trademarks that “disparage * * * persons, living or dead, institutions, beliefs, or national symbols.” *Ibid.* Respondent sought federal registration for the mark THE SLANTS in connection with his dance-rock band. The PTO refused registration on the ground that the mark refers to persons of Asian ancestry and is disparaging to them. App., *infra*, 162a-182a. The en banc court of appeals held the disparagement provision of Section 1052(a) facially invalid under the First Amendment. *Id.* at 1a-122a.

1. A trademark is a “word, name, symbol, or device” used by a person “to identify and distinguish his or her goods” in commerce and “to indicate the source of the goods.” 15 U.S.C. 1127. “[T]rademarks desirably promote competition and the maintenance of product quality.” *Park ’N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985). Trademark law also protects the public by preventing competing

merchants from using confusingly similar marks to mislead consumers about the source of the goods and services they purchase. See, e.g., *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 774 (1992).

Federal law does not create trademarks or trademark rights. See, e.g., *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879). Trademark rights arise through use of a mark in commerce in connection with particular goods and services. 1 Anne Gilson LaLonde, *Gilson on Trademarks*, § 3.02[2][a] (2015). The holder of a trademark may use and enforce his mark without federal registration. See *B & B Hardware, Inc.*, 135 S. Ct. at 1299.

As a supplement to common-law protection, Congress has created a federal trademark-registration system and has provided federal remedies for mark owners against infringement, dilution, and unfair competition. See Act of July 5, 1946, ch. 540, 60 Stat. 427 (Lanham Act) (15 U.S.C. 1051 *et seq.*). Federal registration confers certain benefits on trademark owners who register their marks. See *B & B Hardware*, 135 S. Ct. at 1300. For example, registration provides prima facie evidence of the owner's exclusive right to use the mark in connection with certain goods or services in commerce. 15 U.S.C. 1057(b), 1115(a). Registration also provides constructive notice of the registrant's claim of ownership of the mark. 15 U.S.C. 1072. After five years of registration, an owner's right to use a trademark can become "incontestable" and may be challenged only on very limited grounds. 15 U.S.C. 1065, 1115(b). But many of the federal remedies created by the Lanham Act are available to own-

ers of all marks, without regard to registration. See 15 U.S.C. 1125(a) (federal cause of action for representations about the origin of goods or services that are likely to confuse consumers), (b) (importation ban), and (d) (remedy for cybersquatting).

To obtain federal registration, the trademark owner submits an application to the PTO. 15 U.S.C. 1051(a). The PTO is not required to register every mark for which an application is filed. Rather, Congress directed the PTO to “refuse[] registration” of certain categories of marks “on account of [their] nature.” 15 U.S.C. 1052. This case concerns one of those categories—marks consisting of or comprising “matter which may disparage * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” 15 U.S.C. 1052(a).¹

2. Respondent is the lead singer of a dance-rock band called “The Slants.” App., *infra*, 10a. In 2011, he sought to federally register THE SLANTS as a trademark for use in connection with live performances by his band. *Id.* at 162a & n.1, 166a; see C.A. App. A23-A36 (respondent’s trademark application).² Respondent had been using the mark in commerce since

¹ Other categories include immoral, deceptive, or scandalous marks, 15 U.S.C. 1052(a); marks containing a flag, coat of arms, or insignia of the United States, a State, or a foreign nation, 15 U.S.C. 1052(b); marks including a name, portrait, or signature of a living person without his or her consent, 15 U.S.C. 1052(c); marks that so resemble other marks that they are likely to cause confusion, 15 U.S.C. 1052(d); marks that are merely descriptive, 15 U.S.C. 1052(e); and marks that are functional, 15 U.S.C. 1052(e)(5).

² Respondent originally filed a trademark application for THE SLANTS in 2010, but then abandoned that application. App., *infra*, 10a n.2.

2006. App., *infra*, 10a. A PTO examining attorney refused registration on the ground that the mark is disparaging to persons of Asian ancestry. *Id.* at 163a; see C.A. App. A41-A44.

The PTO's Trademark Trial and Appeal Board (Board) affirmed. App., *infra*, 162a-182a. The Board concluded that the mark is used to refer to an identifiable group of people—persons of Asian ancestry—and that the mark is disparaging to a substantial composite of such people. *Id.* at 173a-174a, 180a-181a. The Board explained that dictionary definitions and other sources cited by the parties “unanimously categorize the word ‘slant,’ when meaning a person of Asian descent, as disparaging.” *Id.* at 180a. The Board also cited record evidence that Asian individuals and groups had specifically objected to respondent's use of the term as the name for his band. *Id.* at 167a-168a. And the Board noted that members of the band have said that they use the word “slant” because it is “an ethnic slur for Asians” and the band wishes to “take on stereotypes” about Asians. *Id.* at 166a. The Board further determined that the PTO's refusal to register the mark does not violate the First Amendment because the denial of registration does not suppress speech or proscribe conduct, but simply prevents respondent from calling upon the resources of the federal government to assist him in enforcing his rights in THE SLANTS. *Id.* at 181a-182a.

3. A panel of the court of appeals affirmed. App., *infra*, 123a-161a. The court first rejected respondent's argument that the Board had erred in finding the mark disparaging under Section 1052(a). The court concluded that substantial evidence supports the Board's conclusions that “the mark THE SLANTS

refers to people of Asian descent” and that the mark “is likely offensive to a substantial composite of people of Asian descent.” *Id.* at 127a-131a. The court noted that “the definitions in evidence universally characterize the word ‘slant’ as disparaging, offensive, or an ethnic slur when used to refer to a person of Asian descent.” *Id.* at 130a.

The court of appeals rejected respondent’s various constitutional challenges, including his facial First Amendment challenge to Section 1052(a). Relying on circuit precedent, the court explained that “the PTO’s refusal to register [the] mark does not affect his right to use it”; that “[n]o conduct is proscribed, and no tangible form of expression is suppressed”; and that respondent’s First Amendment rights therefore are not “abridged by the refusal to register his mark.” App., *infra*, 131a (quoting *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981)); see *id.* at 131a-132a (citing other Federal Circuit decisions reaching the same conclusion).

In a separate opinion, Judge Moore urged the court to “revisit [its prior] holding on the constitutionality of § 2(a) of the Lanham Act.” App., *infra*, 135a (Moore, J., providing additional views).

4. The en banc court of appeals held that Section 1052(a)’s disparagement provision is facially unconstitutional under the First Amendment, vacated the Board’s decision, and remanded for further proceedings. App., *infra*, 1a-122a.³ The government had argued that Congress may, consistent with the First Amendment, create an optional program of federal

³ The en banc court of appeals upheld the Board’s finding that THE SLANTS is disparaging within the meaning of 15 U.S.C. 1052(a). App., *infra*, 12a n.3.

trademark registration without opening that program to racial slurs or other disparaging marks. See *id.* at 27a-28a. The court rejected that characterization of the program, concluding that the trademark-registration scheme is a law “penaliz[ing] private speech merely because [the government] disapproves of the message it conveys.” *Id.* at 2a. Because the court viewed Section 1052(a) as a viewpoint-based restriction on speech, it subjected the provision to strict scrutiny and found it invalid. *Id.* at 17a-19a, 67a. The court also stated that it would find Section 1052(a) unconstitutional even under the more forgiving commercial-speech standard because there is no “substantial government interest justifying the” ban on registration of disparaging marks. *Id.* at 61a-67a.

Judge O’Malley (joined by Judge Wallach) filed a concurring opinion. App., *infra*, 68a-80a. Those judges agreed that Section 1052(a)’s disparagement provision is facially unconstitutional under the First Amendment, and they would also have held that the provision is impermissibly vague. *Id.* at 68a. Judge Dyk concurred in part and dissented in part. *Id.* at 80a-104a. He would have held that Section 1052(a) is facially constitutional because registration is a government benefit for commercial speech that reasonably may be denied to disparaging marks, *id.* at 90a-97a, but that Section 1052(a) is unconstitutional as applied in this case because respondent’s use of his mark involves “political” speech, *id.* at 103a-104a.⁴

⁴ Judge Dyk was joined by Judges Lourie and Reyna with respect to his conclusion that Section 1052(a)’s disparagement provision is facially constitutional, but not with respect to his conclusion that the provision is unconstitutional as applied. See App., *infra*, 80a.

Judge Lourie dissented, concluding that Section 1052(a) is constitutional because it does not prohibit any speech but instead denies the benefits of registration to private disparaging speech. *Id.* at 105a-108a. Judge Reyna also dissented, expressing the view that Section 1052(a)'s disparagement provision is a permissible regulation of commercial speech because it "directly advances the government's substantial interest in the orderly flow of commerce." *Id.* at 108a-109a.

REASONS FOR GRANTING THE PETITION

The en banc court of appeals held that the disparagement provision in Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a), is facially unconstitutional. That holding is incorrect and warrants this Court's review.

Section 1052(a) does not prohibit any speech, proscribe any conduct, or restrict the use of any trademark. Nor does it restrict a mark owner's common-law trademark protections. Rather, Section 1052(a) directs the PTO not to provide the benefits of federal registration to disparaging marks. The Federal Circuit nonetheless treated the registration ban as an affirmative restriction on speech and, applying strict scrutiny, declared it facially unconstitutional. The court of appeals disregarded this Court's teaching that, when Congress does not restrict private speech or conduct, but simply offers federal benefits on terms that encourage private activity consonant with legislative policy, it has significant latitude to consider the content of speech in defining the terms on which the benefits will be provided.

The question presented is important. The statutory provision at issue here has guided the PTO's decisions for 70 years. Absent this Court's review, the Federal Circuit's ruling will effectively resolve the

validity of Section 1052(a)'s disparagement provision nationwide because any applicant for trademark registration may obtain judicial review of an adverse decision of the PTO in that court. The petition for a writ of certiorari should be granted.

I. THE COURT OF APPEALS' INVALIDATION OF AN ACT OF CONGRESS WARRANTS THIS COURT'S REVIEW

The Court should grant review because the court of appeals has held that a longstanding federal statutory provision is facially unconstitutional. See App., *infra*, 20a n.5 (“[W]e conclude that § 2(a) is invalid on its face.”); *id.* at 68a (“We hold that the disparagement provision of § 2(a) is unconstitutional because it violates the First Amendment.”); see also *id.* at 19a n.5 (noting the parties’ agreement that “this appeal is appropriately viewed as involving a facial challenge”).

Facial invalidation of a statute under the First Amendment is “strong medicine” that should be employed “sparingly and only as a last resort.” *Broadrick v. Oklahoma*, 413 U.S. 601, 613 (1973). And any decision invalidating an Act of Congress on constitutional grounds is significant. See *Rostker v. Goldberg*, 453 U.S. 57, 64 (1981) (noting that judging the constitutionality of an Act of Congress is “the gravest and most delicate duty that this Court is called upon to perform”) (quoting *Blodgett v. Holden*, 275 U.S. 142, 148 (1927) (Holmes, J.)). This Court has often reviewed holdings that a federal law is invalid under the First Amendment, even in the absence of a circuit split. See, e.g., *United States v. Alvarez*, 132 S. Ct. 2537, 2543 (2012); *Holder v. Humanitarian Law Project*, 561 U.S. 1, 14 (2010); *United States v. Stevens*, 559 U.S. 460, 467 (2010); *United States v. Williams*,

553 U.S. 285, 292 (2008); *Ashcroft v. ACLU*, 542 U.S. 656, 664 (2004).

Under the “sweeping holding” of the court below, the PTO may not use Section 1052(a) to refuse registration as a trademark of even the most vile racial epithet. App., *infra*, 80a (Dyk, J., concurring in part and dissenting in part). By treating eligibility criteria for participation in a voluntary federal program as constitutionally equivalent to affirmative restrictions on speech, the court of appeals has cast doubt on Congress’s ability to determine when the federal government will lend its assistance to private actors. A decision that so limits Congress’s authority deserves this Court’s immediate review.

II. THE COURT OF APPEALS ERRED IN HOLDING THAT SECTION 1052(a) IS UNCONSTITUTIONAL

Section 1052(a) does not restrict any speech or restrain any form of expression. Common-law trademark rights exist and may be enforced without regard to federal registration. Section 1052(a) simply reflects Congress’s judgment that the federal government should not affirmatively promote the use of racial slurs and other disparaging terms by granting them the benefits of registration. That judgment does not violate the First Amendment.

A. Section 1052(a) Does Not Restrict Speech

1. The “first step” in a First Amendment analysis is “to construe the challenged statute.” *Williams*, 553 U.S. at 293. The statute at issue here directs the PTO to “refuse[] registration” of certain categories of trademarks “on account of [their] nature.” 15 U.S.C. 1052. One such category is marks that “[c]onsist[] of or comprise[] * * * matter which may dispar-

age * * * persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” 15 U.S.C. 1052(a). The sole effect of this provision is that various benefits of federal registration are not available for disparaging marks. See App., *infra*, 4a-5a (listing those benefits).

Section 1052(a) does not restrict the terms or images that may lawfully be used as trademarks. A trademark is “any word, name, symbol, or device” used by a person “to identify and distinguish his or her goods” in commerce and “to indicate the source of the goods.” 15 U.S.C. 1127. Trademark rights are created by use of the mark to identify goods and services in commerce, not by federal law. See *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015) (explaining that “federal law does not create trademarks”; rather, a person who “first uses a distinct mark in commerce * * * acquires rights to that mark”); see also *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879).

Even without federal registration, respondent may use a disparaging racial term to identify his band’s goods and services in commerce. Respondent began using his mark in commerce in 2006 and has acquired rights to enforce his mark through that use. App., *infra*, 10a. In addition to any common-law protections, respondent has federal remedies under the Lanham Act against those who misuse his mark or misappropriate any goodwill associated with it, even though it is not registered. Those remedies include a cause of action for false association, 15 U.S.C. 1125(a); a prohibition on importing goods bearing confusingly similar marks, 15 U.S.C. 1125(b); protection against cybersquatting, 15 U.S.C. 1125(d); and authorization

of treble-damages awards for certain types of infringement, 15 U.S.C. 1117(a).⁵

2. The court of appeals erred in equating Section 1052(a)'s disparagement provision with an affirmative restriction on speech. As that court previously had recognized, "the refusal to register a mark does not proscribe any conduct or suppress any form of expression because it does not affect the applicant's right to use the mark in question." *In re Boulevard Entm't, Inc.*, 334 F.3d 1336, 1343 (Fed. Cir. 2003); see *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981) (PTO's refusal to register a mark "does not affect [the applicant's] right to use it"; "[n]o conduct is proscribed, and no tangible form of expression is suppressed"). The Fifth Circuit applied the same reasoning in holding that an applicant had no First Amendment right to register a trademark that was merely descriptive. *Test Masters Educ. Servs., Inc. v. Singh*, 428 F.3d 559, 567-568, 578 n.9 (2005), cert. denied, 547 U.S. 1055 (2006); see 15 U.S.C. 1052(e); Pet. App. 16a.

Section 1052(a) does not prevent respondent from promoting his band using any racial slur or image he wishes. It does not limit how respondent may advertise, what songs he may sing, or what messages he may convey. Respondent's freedom of expression is no more restricted by federal law now than it was in 2006, when he first used THE SLANTS to identify his band.

The court of appeals viewed Section 1052(a)'s disparagement provision as "penaliz[ing] private speech"

⁵ Although the court of appeals suggested that federal registration is necessary to obtain some of these remedies, App., *infra*, 4a-5a, that suggestion reflects a misunderstanding of federal trademark law.

because the government “disapproves of the message it conveys.” App., *infra*, 2a. As an initial matter, the court was wrong to view Section 1052(a) as a viewpoint-based provision. Section 1052(a) prohibits registration of trademarks containing certain words without regard to the “ideology,” “opinion,” or “perspective” of the trademark owner. *Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 829 (1995). That congressional judgment is permissible. See *R.A.V. v. City of St. Paul*, 505 U.S. 377, 391 (1992) (there is no viewpoint discrimination when a statute prohibits use of “odious racial epithets” by “proponents of all views”). In this case, the Board’s denial of registration was not based on any finding that respondent intended to disparage Asians. To the contrary, the Board determined that Section 1052(a) prohibits registration of respondent’s mark *despite* the fact that respondent’s stated purpose for using the mark is to “reclaim” the slur as a sign of ethnic pride. App., *infra*, 10a, 166a.⁶

⁶ In his separate concurring and dissenting opinion, Judge Dyk concluded that Section 1052(a) is facially constitutional because trademark registration is a benefit for commercial speech that reasonably may be denied for disparaging marks. App., *infra*, 90a-97a. He would have held, however, that Section 1052(a) is unconstitutional as applied to this case because respondent’s own “choice of mark reflects a clear desire to editorialize on cultural and political subjects. [Respondent] chose THE SLANTS at least in part to reclaim the negative racial stereotype it embodies.” *Id.* at 102a-103a. But if Congress or the PTO had drawn the distinction that the concurring judge suggested—*i.e.*, approving respondent’s application based on the “cultural and political” message that respondent sought to convey, even though THE SLANTS could not have been registered by an applicant that intended to disparage Asians—it would have introduced into the statute the very

In any event, Section 1052(a) does not penalize private speech. This Court has repeatedly recognized the critical constitutional distinction between *penalizing* speech and refusing to *support* it. The government may not prohibit or penalize respondent’s racial slurs except in the most compelling circumstances. As explained below, however, the government may decline to use its resources to support such speech.

B. Section 1052(a) Establishes Lawful Eligibility Criteria For Federal Trademark Registration

1. While Congress cannot prohibit the use of disparaging terms to express ideas, the government has no obligation to support such speech. The Court has squarely “reject[ed] the notion that First Amendment rights are somehow not fully realized unless they are subsidized by the State.” *Regan v. Taxation With Representation of Wash.*, 461 U.S. 540, 546 (1983) (internal quotation marks omitted). This Court has also consistently recognized that the government may “selectively fund a program to encourage certain activities it believes to be in the public interest, without at the same time funding an alternative program which seeks to deal with the problem in another way.” *Rust v. Sullivan*, 500 U.S. 173, 193 (1991). “In so doing, the Government has not discriminated on the basis of viewpoint; it has merely chosen to fund one activity to the exclusion of the other.” *Ibid.*

The Court has recognized in a variety of contexts that the government may take into account the content of speech in deciding whether to assist would-be private speakers. See, e.g., *Walker v. Texas Div.*,

viewpoint discrimination that the First Amendment generally discountenances.

Sons of Confederate Veterans, Inc., 135 S. Ct. 2239, 2245-2250 (2015) (State may refuse to issue license plate with confederate-flag logo); *National Endowment for the Arts v. Finley*, 524 U.S. 569, 572, 587-588 (1998) (National Endowment for the Arts may take into account “decency and respect for the diverse beliefs and values of the American public” in distributing federal grants to artists) (citation omitted); *Rust*, 500 U.S. at 192-193 (upholding regulations that limited ability of recipients of Title X funding to engage in abortion-related activities); *Regan*, 461 U.S. at 545-546 (upholding statute granting tax-exempt status to organizations that do not engage in lobbying). Although the doctrinal labels vary, those decisions share a common thread: First Amendment scrutiny is significantly more relaxed when the government establishes eligibility criteria for a voluntary government program than when it restricts wholly private speech. Uncertainty as to which doctrinal “box” this case falls into is much less important than the fact that, although Section 1052(a) disentitles respondent to certain forms of government assistance, it does not restrict respondent’s ability to use THE SLANTS, or to engage in any other communication about the band, Asian stereotypes, or anything else.

2. The Constitution does not require Congress to open the federal trademark-registration system to racial epithets. Having decided to create a federal trademark-registration system, Congress may set the criteria for participation in that program. A federal registrant receives a certificate of registration “issued in the name of the United States of America, under the seal of the [PTO].” 15 U.S.C. 1057(a). Registered trademarks are published in the *Official Gazette* of

the PTO and recorded on the agency's Principal Register (or, in certain circumstances, on a Supplemental Register). See *ibid.* (Principal Register); 15 U.S.C. 1091 (Supplemental Register).

Congress legitimately determined that a federal agency should not use government funds to issue certificates "in the name of the United States of America" conferring statutory benefits for use of racial slurs and other disparaging terms. Just as the Constitution does not require a State to issue confederate-flag license plates, it does not require Congress to underwrite the commercial use of racist, misogynist, or bigoted terms and imagery in commerce. See *Walker*, 135 S. Ct. at 2245, 2252-2253. Although respondent has a First Amendment right to use THE SLANTS in marketing his band, he has no comparable right to force the government to register racial epithets, publish those epithets in the PTO's *Official Gazette*, issue registration certificates for those epithets in the name of the United States, and inscribe those epithets on the PTO's Principal Register.

3. The court of appeals erred in deeming this Court's government-subsidy decisions inapplicable.

a. The court of appeals viewed Section 1052(a)'s disparagement provision as imposing an unconstitutional condition on private speech. App., *infra*, 28a-31a. That characterization is mistaken. A limitation on the receipt of public benefits constitutes a potentially unconstitutional condition only when "the Government has placed a condition on the recipient of the subsidy rather than on a particular program or service, thus effectively prohibiting the recipient from engaging in the protected conduct outside the scope of the federally funded program." *Rust*, 500 U.S. at 197

(emphasis omitted). That doctrine would apply, for example, if the Lanham Act denied the benefits of trademark registration to persons who had engaged in specified speech or conduct outside the registration program (*e.g.*, if respondent's use of THE SLANTS as a mark in commerce rendered him ineligible to register *other* marks). Section 1052(a) does not operate in that manner. Rather, under Section 1052(a), the registrability of a particular trademark depends solely on the specific mark sought to be registered, not on the applicant's other activities. The unconstitutional-conditions doctrine therefore is inapplicable. See App., *infra*, 95a-96a (Dyk, J., concurring in part and dissenting in part).

b. The court of appeals' other reasons for treating Section 1052(a) as an affirmative restriction on speech likewise do not withstand scrutiny. The court stated that registration of a trademark is not government speech because the government is not embracing the message conveyed by the mark. App., *infra*, 40a-47a. But when the PTO approves a particular trademark for federal registration, the agency must record the mark on a government platform "for the express purpose that it be observed and read by the public." *Wooley v. Maynard*, 430 U.S. 705, 713 (1977). In *Wooley*, the Court recognized "an individual's First Amendment right to avoid becoming the courier for" a message he finds objectionable, *id.* at 717, even in circumstances where the message is unlikely to be attributed to the individual himself, see *id.* at 720-721 (Rehnquist, J., dissenting). The government has an analogous interest in declining to incorporate racially offensive epithets into various official communications. See *Walker*, 135 S. Ct. at 2248-2250. In any event, the

principle that the government has broad authority to decide what speech to assist has frequently been applied to private speech whose message could not reasonably be attributed to the government. See, e.g., *Finley*, 524 U.S. at 587-588 (“Congress has wide latitude to set spending priorities.”); *Rust*, 500 U.S. at 200 (citing the “general rule” that “the Government may choose not to subsidize speech”).

The court of appeals concluded that Section 1052(a)’s disparagement provision is not a limit on a government subsidy, App., *infra*, 47a-61a, but that conclusion was based on the court’s erroneous view that the unconstitutional-conditions doctrine applied. See pp. 16-17, *supra*. The court also suggested that the registration program cannot be viewed as a government subsidy because it is funded by registration fees. App., *infra*, 57a-58a. But the Court has upheld government programs with similar funding mechanisms, explaining that receipt of fees does not change the nature of the government program. See *Walker*, 135 S. Ct. at 2252 (“[I]f the city in [*Pleasant Grove City v. Summum*, 555 U.S. 460 (2009),] had established a rule that organizations wishing to donate monuments must also pay fees to assist in park maintenance, we do not believe that the result in that case would have been any different.”). And respondent’s application to register his mark presumably reflects his determination that the benefits of registration outweigh the costs involved.

The court of appeals opined that Section 1052(a)’s exclusion of disparaging marks could have the “chilling effect” of discouraging the use of those marks in commerce. App., *infra*, at 47a-48a, 52a. But the First Amendment does not bar Congress from

using the resources of the federal government to encourage some forms of expressive conduct rather than others. A marginal shift in incentives “is commonly the effect of the denial of subsidies,” but that “does not turn a subsidy provision into a regulatory provision, so long as the subsidy is not designed to limit speech outside of the subsidized program.” *Id.* at 95a (Dyk, J., concurring in part and dissenting in part). The commercial nature of trademarks further reduces any concerns about chill. See *Bates v. State Bar*, 433 U.S. 350, 381 (1977) (explaining that, because commercial speech is “linked to commercial well-being, it seems unlikely that such speech is particularly susceptible” to incidental chill).

The court of appeals also stated that, “[u]nder the logic of the government’s approach, * * * Congress could pass a law prohibiting the copyrighting of works containing ‘racial slurs,’ ‘religious insults,’ ‘ethnic caricatures,’ and ‘misogynistic images.’” App., *infra*, 60a. That reasoning reflects a misunderstanding of the government’s legal theory. The government’s core argument in this case—*i.e.*, that the government has much greater latitude under the First Amendment when it merely refuses to support private speech rather than affirmatively bans it—does logically imply that limits on copyright registrability are subject to less demanding First Amendment scrutiny than actual bans on dissemination of creative works. The argument does not logically suggest, however, that such limits are wholly exempt from First Amendment challenge. Cf. *Rust*, 500 U.S. at 199 (explaining that government funding is not “invariably sufficient to justify Government control over the content of expression”). Nor does it suggest that the

First Amendment analysis must be identical in the trademark and copyright contexts. To the extent that the hypothetical statute described by the Federal Circuit would more greatly burden expression than does the denial of trademark registration (*e.g.*, because of differences between trademarks and copyrights, or because the hypothetical law would deny registration to the entire work based on isolated words within the work), the First Amendment inquiry in the hypothetical copyright-registration scenario could account for that greater burden.

4. The court of appeals made two other important errors. First, the court failed to recognize that the trademark-registration program operates exclusively in the sphere of commercial speech. See *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 535 (1987). This case involves a dispute not about purely political speech, but about use of a mark to identify goods and services in commerce. If Section 1052(a) actually restricted speech (for example, if it precluded certain terms or symbols from being used as names of businesses, products, or services), the standards set out in *Central Hudson Gas & Electric Corp. v. Public Service Commission*, 447 U.S. 557, 566 (1980), would apply. That form of intermediate scrutiny would be appropriate for such a restriction because “[t]he marketplace of ideas differs dramatically from the marketplace of goods and services.” App., *infra*, 116a (Reyna, J., dissenting).

As explained above, Section 1052(a) does not prohibit or restrict speech at all, but instead establishes eligibility criteria for a particular form of federal assistance. But just as restrictions on commercial speech are subject to less demanding First Amend-

ment scrutiny than other speech restrictions, the fact that the advantages conferred by federal trademark registration are economic in nature provides a further reason to uphold the viewpoint-neutral eligibility criteria at issue here. The court of appeals therefore seriously erred in subjecting Section 1052(a) to strict scrutiny and deeming it “presumptively invalid.” App., *infra*, 27a.

Second, the court of appeals erred in concluding that the government has no substantial interest in prohibiting the registration of disparaging trademarks. The government has a substantial interest in creating a federal trademark-registration program to facilitate the efficient conduct of interstate commerce by offering additional benefits to qualifying marks. Having created such a program, the government also has an interest in declining to use its resources to encourage offensive or disparaging marks. See App., *infra*, 81a (Dyk, J., concurring in part and dissenting in part) (Section 1052(a) “protect[s] underrepresented groups in our society from being bombarded with demeaning messages in commercial advertising.”); *id.* at 117a (Reyna, J., dissenting) (“Commerce does not benefit from political volatility, nor from insults, discrimination, or bigotry.”).

Although registration of a trademark does not signal government endorsement of any particular product, service, mark, name, or registrant, the government’s registration of a disparaging term as a trademark, and publication of that mark on the Principal Register, would convey to the public that the United States regards racial slurs as appropriate source iden-

tifiers in commerce.⁷ Congress could also reasonably conclude that commercial actors are more likely to choose marks for which the advantages of federal registration are available, and it could reasonably decline to provide this incentive to use of racial epithets and other disparaging marks. Those government interests are fully sufficient to justify Section 1052(a)'s exclusion of such marks from the federal trademark-registration program.

III. THE QUESTION PRESENTED IS IMPORTANT

The challenged provision is a longstanding and important part of the federal trademark-registration system. Congress has prohibited registration of certain categories of trademarks since the registration system was created in 1905. See Act of Feb. 20, 1905, ch. 592, § 5, 33 Stat. 725. The prohibition on disparaging marks has been in place since 1946. See Act of July 5, 1946, ch. 540, § 2(a), 60 Stat. 428 (Lanham Act). The PTO has repeatedly applied these provisions to refuse registration of disparaging marks. See App., *infra*, 7a-8a (listing a variety of disparaging marks that the PTO has refused to register). The court below nevertheless invalidated Section 1052(a)'s disparagement provision on its face, so that it cannot be used in any circumstances, even to prohibit registration of the most vile racial epithets.

⁷ That is especially true because owners of registered marks may ask the PTO to transmit their applications to international bodies for recognition. See 15 U.S.C. 1141a, 1141b (Madrid Protocol); Paris Convention for the Protection of Industrial Property art. 6^{quinquies}, July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 (providing for transmittal of certificates of registration to other countries).

The court of appeals' decision effectively precludes the PTO from enforcing Section 1052(a)'s disparagement provision against any trademark-registration applicant nationwide. By statute, any applicant who is refused trademark registration may seek review of the PTO's decision in the Federal Circuit. See 15 U.S.C. 1071(a); 28 U.S.C. 1295(a)(4)(B). Pending the Court's disposition of this petition, the PTO therefore has suspended action on trademark applications that would be refused under the disparagement provision of Section 1052(a). See U.S. Patent and Trademark Office, *Exam Guide 01-16: Examination for Compliance with Section 2(a)'s Scandalousness and Disparagement Provisions While Constitutionality Remains in Question 1* (Mar. 2016), <http://www.uspto.gov/trademark/guides-and-manuals/trademark-examination-guides>. Accordingly, this Court should review the question presented now.⁸

The court of appeals' decision also casts doubt on the validity of other provisions of Section 1052(a) not at issue in this case, such as the bar against registration of "immoral * * * or scandalous matter." 15 U.S.C. 1052(a). The court acknowledged that, under

⁸ The question presented here also is presented in a pending case in the Fourth Circuit, *Pro-Football, Inc. v. Blackhorse*, No. 15-1874, which concerns the cancellation of registrations for marks that contain the term "Redskins" used by the Washington football team. That case has been briefed and is awaiting oral argument. Because that case involves other statutory and evidentiary challenges to the agency's decision, the court of appeals may decide the case without reaching the constitutional question. And in the meantime, the Federal Circuit's decision prevents the PTO from refusing registrations based on Section 1052(a)'s disparagement provision. This Court therefore should not await a decision in the Fourth Circuit case.

its First Amendment theory, “other portions of § 2 may constitute government regulation of expression based on message, such as the exclusions of immoral or scandalous marks.” App., *infra*, 7a n.1; see *id.* at 82a (Dyk, J., concurring in part and dissenting in part) (expressing concern that the “majority’s opinion * * * may also effectively invalidate the bar on scandalous marks”). In addition, by subjecting eligibility criteria established by Congress for participation in a voluntary federal program to the same strict First Amendment scrutiny that would apply to affirmative restrictions on the use of disparaging terms, the court of appeals blurred the line between statutory restrictions on speech and Congress’s refusal to support or subsidize private communications. The potential implications of the court’s decision for other government support programs provide a further reason for this Court’s review.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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