

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,

Respondent.

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

**BRIEF OF THE RUTHERFORD INSTITUTE
AND CONSUMERS' RESEARCH AS *AMICI
CURIAE* IN SUPPORT OF RESPONDENT**

JOHN W. WHITEHEAD
DOUGLAS R. MCKUSICK
THE RUTHERFORD INSTITUTE
1440 Sachem Place
Charlottesville, VA 22901
(434) 987-3888

JOSEPH COLANGELO
CONSUMERS' RESEARCH
1801 F Street NW
Washington, DC 20006
(202) 898-0459

MEGAN L. BROWN
Counsel of Record
JOSHUA S. TURNER
CHRISTOPHER J. KELLY
DWAYNE D. SAM
JOHN T. LIN
WILEY REIN LLP
1776 K Street NW
Washington, DC 20006
(202) 719-7000
mbrown@wileyrein.com

Counsel for Amici Curiae

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INTEREST OF *AMICI CURIAE*¹

The Rutherford Institute is an international civil liberties organization headquartered in Charlottesville, Virginia. Founded in 1982 by its President, John W. Whitehead, the Institute specializes in providing legal representation without charge to individuals whose civil liberties are threatened and in educating the public about constitutional and human rights issues. Attorneys affiliated with the Institute have represented parties and filed numerous amicus curiae briefs in the federal Courts of Appeals and Supreme Court. The Rutherford Institute works to preserve the most basic freedoms of our Republic, including the limits placed on government by the First Amendment. The Rutherford Institute opposes governmental action to burden or censor speech for the purpose of protecting the subjective sensibilities of part of the audience.

The Rutherford Institute has helped develop key First Amendment principles informing the reach of government power. *See, e.g., Agency for Int'l Dev. v. Alliance for Open Soc'y Int'l, Inc.*, 133 S. Ct. 2321 (2013); *Sorrell v. IMS Health Inc.*, 564 U.S. 552 (2011); *Snyder v. Phelps*, 562 U.S. 443 (2011); *Rust v. Sullivan*, 500 U.S. 173 (1991). The Rutherford Institute participated in the case below, and in a case raising similar issues in the Fourth Circuit, *Pro-Football, Inc. v. Blackhorse*, No. 15-

1. Both Petitioner and Respondent have consented to the filing of this brief, as evidenced by the letters on file with this Court. Pursuant to Rule 37.6, the undersigned hereby affirm that no counsel for a party authored this brief in whole or in part and no person other than *amici* or their counsel made a monetary contribution to the preparation or submission of this brief.

1874, 2015 WL 6854402 (4th Cir. Nov. 6, 2015), because this dispute involves the government's claim to power to judge speech based on viewpoint and content, free from First Amendment scrutiny.

Consumers' Research is an independent educational organization whose mission is to increase the knowledge and understanding of issues, policies, products, and services of concern to consumers and to promote the freedom to act on that knowledge without unnecessary government interference. Consumers' Research believes that the cost, quality, availability, and variety of goods and services available to American consumers are improved by greater knowledge and freedom. Consumers have a strong interest in receiving non-deceptive commercial and other economically motivated speech, which regularly is mixed with political and policy ideas. Promoting a robust marketplace—of goods and ideas—free from unnecessary government control is paramount. Consumers' Research is concerned about the government's theory of its discretion to use the trademark regime to discriminate against viewpoints and content, potentially stifling a robust marketplace of ideas.

Amici believe that "above all else, the First Amendment means that the government has no power to restrict expression because of its message, its ideas, its subject matter, or its content." *Police Dep't of Chi. v. Mosley*, 408 U.S. 92, 95 (1972). The government cannot arrogate to itself the freedom to disfavor certain messages by turning the federal trademark registration into a Heckler's Veto.

SUMMARY OF THE ARGUMENT

The Lanham Act’s “disparagement” bar has been turned into a weapon against disfavored views, to protect groups from perceived offense. The government does not deny that it is deciding whether to confer the benefit of trademark registration based on whether it believes a trademark would cause offense. Instead, the government claims that its subjective and inconsistent treatment of words and phrases does not affect speech at all.

This is nonsense. Trademarks are protected speech. A trademarked name, word, phrase, logo, or design can do far more than inform customers or denote origin. As described below, registered trademarks cover the waterfront of expression: TEA PARTY PATRIOTS² political organization, MAKE AMERICA GREAT AGAIN³ slogan, CATHOLICS FOR CHOICE⁴ advocacy group, THAT’S SO GAY⁵ news sites, LEGALIZE ACID⁶ accessories, and HONKEY KONG⁷ band shirts. These examples belie the government’s position that trademarks “are not inherently expressive.” Pet. Br. at 47. Indeed, the United States has argued that trademarks are not intended to “editorialize” on culture, politics or philosophy. United States’ Mot. for Summ. J. at 1, 24, *Pro-Football, Inc. v. Blackhorse*,

2. Registration No. 4,296,739.

3. Registration No. 5,020,556.

4. Registration No. 2,796,790; *see infra* at 10.

5. Registration No. 4,555,924.

6. Registration No. 4,395,633.

7. Registration No. 4,388,702.

112 F. Supp. 3d 439 (E.D. Va. 2015) (No. 14-cv-1043) (Dkt. No. 109) (“USMSJ”). Indeed, the government’s position that certain trademarks are “disparaging” or “offensive” confirms that trademarks do convey messages.

“The First Amendment is a limitation on government Its design is to prevent the government from controlling speech.” *Int’l Soc’y for Krishna Consciousness, Inc. v. Lee*, 505 U.S. 672, 695 (1992) (Kennedy, J., concurring in judgment). The First Amendment requires the government to “show that its action was caused by something more than a mere desire to avoid the discomfort and unpleasantness that always accompany an unpopular viewpoint.” *Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503, 509 (1969).

Tam’s proposed trademark was denied by the PTO. Why? Not because the mark was inaccurate or misleading or violated someone’s intellectual property interests. The government denied Tam the beneficial trademark status routinely afforded others solely because some government employees considered “the Slants” to be “offensive” or “disparaging” to a subset of Asians.

Tam challenged the decision, and after a panel of the Federal Circuit found itself constrained to uphold the denial, the *en banc* Federal Circuit *sua sponte* granted rehearing. The Federal Circuit held that the disparagement clause of section § 2(a) of the Lanham Act is unconstitutional. The court properly determined that § 2(a) should be subject to strict scrutiny because it abridges speech based on content and viewpoint. *In re Tam*, 808 F.3d 1321, 1334 (Fed. Cir. 2015). Under strict scrutiny, “[c]ontent-based laws—those that

target speech based of its communicative content—are presumptively unconstitutional and may be justified only if the government proves that they are narrowly tailored to serve compelling state interests.” *Id.* (quoting *Reed v. Town of Gilbert*, 135 S. Ct. 2218, 2226 (2015)). The Federal Circuit found that § 2(a) is content-based because its application depends on the topic discussed and message conveyed. *Id.* at 1335. The court noted that the USPTO “reject[ed] marks under § 2(a) when it [found] the marks refer[red] to a group in a negative way, but it permit[ted] the registration of marks that refer[red] to a group in a positive, non-disparaging manner.” *Id.* at 1336.

The United States has chosen to defend the Lanham Act by embracing its new role as the arbiter of taste, making the high-minded claim that the government should not be required to associate with crude or demeaning messages—commercial or otherwise. The United States’ position undermines the core role of the First Amendment as a check on government power, which this Court has applied vigorously. *See Reed*, 135 S. Ct. at 2227 (burdening “speech because of the topic discussed or the idea or message expressed” is subject to “strict scrutiny”); *Agency for Int’l Dev.*, 133 S. Ct. at 2332 (viewpoint-based spending condition received First Amendment scrutiny).

Trademark registration is being transformed into a Heckler’s Veto to burden messages in an effort to shield third parties’ claimed sensibilities. This is anathema to the First Amendment. This Court should get the PTO out of the business of policing offense and confirm that the power of government is not properly deployed to pick winners and losers on the playing field of expression or commerce. The market, and consumers, benefit from robust and vibrant expression.

ARGUMENT

I. THE FIRST AMENDMENT APPLIES TO THE FEDERAL TRADEMARK REGISTRATION REGIME

A. Trademarks, Like NAACP, Catholics For Choice, And Black Lives Matter, Express Identity And Ideas.

Trademarks are any combination of expression—words, symbols, colors or package designs—used to identify and distinguish a good or service produced by one source from those of other sources. *See* 15 U.S.C. § 1127. While there can be debate over what level of protection applies, trademarks are “speech” protected by the First Amendment.⁸

8. The line between commercial and political speech is difficult to draw, *see, e.g., Pac. Gas & Elec. Co. v. Pub. Utils. Comm’n*, 475 U.S. 1, 10–11 (1986), but “core” commercial speech is characterized by a “proposal of a commercial transaction.” *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 422–23 (1993); *see also Greater New Orleans Broad. Ass’n, Inc. v. United States*, 527 U.S. 173, 184 (1999); *Zauderer v. Office of Disciplinary Counsel of the Supreme Court of Ohio*, 471 U.S. 626, 637 (1985). Where fully protected speech mixes with commercial speech, higher scrutiny should apply, *see 44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 501 (1996), and where “the component parts of a single speech are inextricably intertwined . . . we apply our test for fully protected expression.” *Riley v. Nat’l Fed’n of Blind of N.C., Inc.*, 487 U.S. 781, 796 (1988). Thus, if a trademark simply identifies goods or services for a commercial transaction, it might be appropriate to follow the standard of review established in *Central Hudson Gas & Elec. Corp. v. Public Service Commission*, 447 U.S. 557 (1980). In this case, however, the expressive use of trademarks makes them subject to strict scrutiny.

Trademarks are used for more than mere commercial transactions. Marks routinely serve to convey group identity, including racial, religious, national, political and gender affiliations. AMERICAN CIVIL LIBERTIES UNION,⁹ ACLU,¹⁰ NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF HISPANIC PEOPLE,¹¹ and NAACP¹² convey to consumers and the public messages about group values and identity. Some might take offense, *see, e.g., Bishop v. Tyson Foods, Inc.*, 660 F. Supp. 2d 1004, 1010 (W.D. Ark. 2009) (person considered t-shirt emblazoned with the NAACP as “offensive clothing”), *aff’d*, 373 F. App’x 649 (8th Cir. 2010), but such offense confirms that the trademarks convey meaning.

Religious groups—devout and dissenting—register trademarks. Consider Catholics for Choice, a dissenting group whose mission is “to serve as a voice for Catholics who believe that the Catholic tradition supports a woman’s moral and legal right to follow her conscience in matters of sexuality and reproductive health.”¹³ Many Catholics, including church leadership, take grave “offense” at

9. Registration No. 1,902,649.

10. Registration No. 1,876,597.

11. Registration No. 2,523,711 (cancelled Sept. 26, 2008 for failure to file a Declaration of Continued Use).

12. Registration No. 1,188,182.

13. *About Us*, CATHOLICS FOR CHOICE, <http://www.catholicsforchoice.org/about/default.asp> (last visited Dec. 13, 2016). *See* CATHOLICS FOR CHOICE, Registration No. 2,796,790, for “[p]romoting public awareness of political and ethical issues in the fields of reproductive rights, women’s rights, family planning, and sexually transmitted diseases.”

the claimed affiliation and characterization of church beliefs.¹⁴ Could the PTO—free from any First Amendment scrutiny—deny registration to Catholics for Choice on the basis that it might “disparage or falsely suggest a connection with” Catholicism or bring Catholic belief “into contempt, or disrepute?” The answer, most assuredly, is “no.”

Likewise, social justice and political movements register trademarks. It would be difficult to justify government discretion to deny registration for BLACK LIVES MATTER¹⁵ or WHITE LIVES MATTER¹⁶ on the ground that they are offensive, though both have been criticized.¹⁷ But as explained below, the United States argues that the Lanham Act empowers the PTO to evaluate speech and burden it based on the subjective, potential reaction of third parties.

14. *NCCB/USCC President Issues Statement on Catholics for a Free Choice* (May, 10, 2000) (“the use of the name Catholic as a platform for promoting the taking of innocent human life and ridiculing the Church is offensive not only to Catholics, but to all who expect honesty and forthrightness in public discourse.”) available at <http://www.usccb.org/news/2000/00-123.cfm> (last visited Dec. 13, 2016).

15. Serial No. 87,098,620.

16. Serial No. 87,121,838.

17. *See, e.g.*, K. Mettler, *Why SPLC says White Lives Matter is a hate group but Black Lives Matter is not*, Washington Post Online (Aug. 31, 2016) https://www.washingtonpost.com/news/morning-mix/wp/2016/08/31/splc-the-much-cited-designator-of-hate-groups-explains-why-white-lives-matter-is-one/?utm_term=.262ed7c2408b

B. Trademark Registration Is Not A Subsidy Program, A Funding Limit, Or “Government Speech” Exempt From The First Amendment.

Trademark registration offers substantial benefits, the denial of which places applicants at a legal and financial disadvantage. As a result, the government finds itself squarely in the heartland of cases that confirm that the First Amendment imposes limits on government action, even where the issue is a benefit to which the recipient otherwise “has no entitlement.” *Agency for Int’l Dev.*, 133 S. Ct. at 2328 (citation omitted); *accord Rumsfeld v. Forum for Acad. & Inst. Rights, Inc.*, 547 U.S. 47, 59 (2006) (“[T]he government may not deny a benefit to a person on a basis that infringes his constitutionally protected . . . freedom of speech even if he has no entitlement to that benefit.”) (citations omitted).

To avoid this, Petitioner argues that its discretionary review for offense is simply a “criterion for participation in a federal program, not a restriction on speech” at all. Pet. Br. at 25. It analogizes § 2(a) to cases that afford government leeway to limit support for speech with which it does not want to be associated. This attempt fails. The government’s theory would free vast and varied government activity from First Amendment scrutiny.

Government programs *conveying a message* may make viewpoint-based funding decisions to ensure that the government’s message is neither garbled nor distorted by the grantee. *Legal Servs. Corp. v. Velazquez*, 531 U.S. 533, 541 (2001) (*citing Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 833 (1995)); *see also Rust*, 500 U.S. at 194 (“[A] program dedicated to advance certain

permissible goals . . . necessarily discourages alternative goals”). The trademark registration process is designed to permit private parties to conduct commerce; it is not a program *designed* to convey the government’s message.

The government tries to transform this regime into “government speech” by asserting that “owners of registered marks are issued certificates in the name of the United States, and the government publishes the marks and transmits registration information to foreign countries.” Pet. Br. 12. This borders on silly. Ministerial registration-related activities, like publication in the register and the delivery of a certificate, are unlike cases in which Congress seeks to control how *federal dollars* are used by private recipients.

Any other conclusion would turn a variety of personal and commercial expression into government speech simply because they involve registration or interaction with the government, such as the use of a government seal. *See* Pet. Br. at 48. Consider a couple untenable implications: Could a state deny birth certificates to parents if it finds a newborn’s name to be offensive, say by virtue of “cultural appropriation”? No. Would the Postal Service, authorized to carry first-class mail, 39 U.S.C. § 403, be justified in refusing to transmit a letter bearing the government’s stamp and insignia if it found the name of the addressee disparaging or because the sender was a designated “hate group”? No. These hypotheticals underscore the absurdity of the government’s casual reclassification of speech as the government’s, simply because the government performs administrative or ministerial tasks that assist the speech in some way.

Trademark registration bears scant resemblance to the funding schemes cited by the Petitioner. First, although trademark registration confers benefits, federal funds are not one. Second, unlike the government programs that promote a specific message, Congress did not establish trademark registration to further a message that requires favoring a viewpoint. *C.f. Rust*, 500 U.S. at 192 (permitting a government family-planning program to limit abortion-related speech); *Nat'l Endowment for the Arts v. Finley*, 524 U.S. 569 (1998) (permitting the National Endowment for the Arts to subsidize certain artistic expression over others).

Even if Section 2(a) were a subsidy program, the First Amendment limits its power to discriminate between viewpoints. *See Regan v. Taxation With Representation of Washington*, 461 U.S. 540, 550 (1983) (stating that the government may not aim subsidies “at the suppression of dangerous ideas”); *Leathers v. Medlock*, 499 U.S. 439, 447 (1991) (“[D]ifferential taxation of First Amendment speakers is constitutionally suspect when it threatens to suppress the expression of particular ideas or viewpoints”). Imposing burdens on speakers based on the content of their speech “may effectively drive certain ideas or viewpoints from the marketplace.” *Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd.*, 502 U.S. 105, 116 (1991). That is what the government tries to accomplish with the disparagement bar; to use its power to register trademarks to burden speech it finds offensive. The government cannot have it both ways. If it wants to treat the disparagement bar as a subsidy, Pet. Br at 29, it must abide the limitations on that power.

The government seeks final refuge in *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239 (2015) to claim that discrimination attendant to a “government program” is “government speech” immune from First Amendment review. The *Walker* majority explained that, “[w]hen government speaks, it is not barred by the Free Speech Clause from determining the content of what it says.” *Id.* at 2245 (protecting Texas’ right to exclude the Confederate flag from its specialty-license-plate program).¹⁸

Whatever its merits, the “government speech” doctrine does not save the Lanham Act. Unlike license plates or public parks, trademarks have never served to communicate *the government’s* message. In *Walker*, the “history” of state license plates included decisions to add graphics, slogans, and promote interest groups. *Id.* The Principal Register does not serve a similar expressive purpose. Registration identifies the registrant and an intellectual property right—a legal protection, not an endorsement of the speech by the State. Unlike license

18. *Walker* extended *Pleasant Grove v. Summum*, which sustained a city’s rejection of a monument for a public park, because the placement of permanent monuments in a public park is a form of government speech. 555 U.S. 460, 481 (2009). Though the “government speech” doctrine recognized in *Pleasant Grove* offered an expedient solution to vexing disputes over monuments and Ten Commandment displays, Justices Stevens and Ginsburg’s concurrence expressed trepidation, noting that “our decisions relying on the recently minted government speech doctrine to uphold government action have been few and, in my view, of doubtful merit.” *Id.* at 481. Justice Breyer’s concurrence preferred to “ask whether a reasonable and fully informed observer would understand the expression to be government speech.” *Id.* at 487.

plates, a trademark is not “essentially, government ID[.]” *Id.* at 2249. Petitioner claims a desire to avoid “association of the marks with the government,” Pet. Br. at 11, but the trademark office no more endorses speech it registers than do local police guarding a demonstration from those who might try to silence them.

The Principal Register is full of trademarks advancing unsound policy and politically incorrect messages. COCAINE¹⁹ and GANJA UNIVERSITY, U.S.²⁰ convey federal drug policy? Does THINK ISLAM²¹ express the government’s endorsement of religion? Likewise, do consumers believe that the ® denotes federal endorsement of COCA-COLA²² or WAL-MART?²³ Of course not. Even “secondary school students are mature enough and are likely to understand” that the government does not endorse all of the speech that it protects. *Bd. of Educ. v. Mergens*, 496 U.S. 226, 250 (1990).

The United States’ “government speech” claim is a litigation strategy; in practice, the government has no desire to be seen as adopting the view of every trademark that it registers. The government made this clear: “[I]ssuance of a trademark registration’ does not ‘amount to the awarding of the U.S. Government’s imprimatur.’”

19. Registration No. 1,340,874 (cancelled Dec. 3, 1991 for failure to file a Declaration of Continued Use).

20. Registration No. 4,070,160.

21. Registration No. 4,719,002.

22. Registration No. 4,019,547.

23. Registration No. 1,783,039.

See USMSJ at 21 (quoting *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1993 WL 114384, at *5 n.3 (T.T.A.B. 1993)).²⁴ The government should be estopped from arguing that a trademark amounts to a government endorsement,²⁵ but at a minimum, the inconsistency undercuts any “government speech” argument.

II. THE DISPARAGEMENT BAR IS A DISCRETIONARY AND FICKLE HECKLER’S VETO, AN ATHEMA TO THE FIRST AMENDMENT

A. The Constitution Requires The Government To Reject The Heckler’s Veto.

The Supreme Court emphatically rejects laws that “confer broad powers of censorship, in the form of a ‘heckler’s veto.’” *Reno v. ACLU*, 521 U.S. 844, 880 (1997). But the government insists it is free to reject trademarks based on whether it believes that “a substantial composite” of a group might be offended, *In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014), *cert. denied*, 135 S. Ct. 944 (2015).

24. The government frets over “creating incentives” for the use of odious marks, the possible “association of the marks with the government itself,” and fears about conveying to “foreign countries” unpleasant speech in trademark, USMSJ at 21. These concerns are quite a stretch, but nonetheless confirm that trademarks convey messages—however odious the government may find them.

25. See *New Hampshire v. Maine*, 532 U.S. 742, 749 (2001) (“Where a party assumes a certain position in a legal proceeding, and succeeds in maintaining that position, he may not thereafter, simply because his interests have changed, assume a contrary position.”).

It claims to be protecting “underrepresented groups” from “bombard[ment] with demeaning messages.” Pet. Br. 48 (quoting Dyk, J.) The government embraces its role in subordinating free speech to the possible reactions of third parties.

“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.” *Texas v. Johnson*, 491 U.S. 397, 414 (1989). In its most critical applications, the First Amendment protects speech that others find offensive. *See Street v. New York*, 394 U.S. 576, 592 (1969) (“It is firmly settled that . . . the public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers.”). It is *precisely* when speech might offend that the First Amendment is most critical, because this is the type of speech invites regulation in the first instance.

That is why the Heckler’s Veto is disdained. “Speech remains protected even when it may ‘stir people to action,’ ‘move them to tears,’ or ‘inflict great pain.’” *Sorrell*, 564 U.S. at 576 (citation omitted). The First Amendment forbids the government from “react[ing] to that pain by punishing the speaker.” *Snyder*, 562 U.S. at 461. It is settled that “[l]isteners’ reaction to speech is not a content-neutral basis for regulation. . . . Speech cannot be financially burdened, any more than it can be punished or banned, simply because it might offend . . .” *Forsyth Cty., Ga. v. Nationalist Movement*, 505 U.S. 123, 134–35 (1992).

As a result, “[we] must tolerate insulting, and even outrageous, speech in order to provide adequate

‘breathing space’ to the freedoms protected by the First Amendment.” *Boos v. Barry*, 485 U.S. 312, 322 (1988). (internal quotation marks and citations omitted). Even in economic regulation, “[t]he State may not burden the speech of others in order to tilt the public debate in a preferred direction.” *Sorrell*, 564 U.S. at 578-79. Indeed, consumers are resilient and can understand whose speech they might be offended by. They can vote with their pocketbooks and refuse to patronize the users of disparaging marks. If a music fan is offended by the use of “slant” by Mr. Tam, they can refuse to buy his music. They do not need the government’s protection from offense.

Finally, the Court should reject the United States’ attempt to create a new category of unprotected speech. Categories of speech that fall outside the First Amendment are few and narrow: obscenity, *see Miller v. California*, 413 U.S. 15 (1973), defamation, *see Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749 (1985), incitement, *see Brandenburg v. Ohio*, 395 U.S. 444 (1969), and situations of imminent danger the government has the power to prevent, *see Near v. Minnesota ex rel. Olson*, 283 U.S. 697, 716 (1931). Other forms of speech—including disparagement—are protected.

The Supreme Court has rejected attempts to create new categories of unprotected speech. *See United States v. Stevens*, 559 U.S. 460, 472 (2010). Courts lack “freewheeling authority to declare new categories of speech outside the scope of the First Amendment” based on “an ad hoc balancing of relative social costs and benefits.” *Id.* at 470, 472. The First Amendment protects even offensive speech from officious government meddling.

B. Section 2(A) Provides Government Officials Unlimited Discretion To Burden Speech They Dislike, Yielding Incoherent Decisions.

Under § 2(a), a government employee must police applications for potential offense and evaluate them in light of the applicant's characteristics, the message sent, overall context, and the likely subjective reaction of a subsection of the group to be protected from offense. The evaluator must dabble in anthropology, sociology, and psychology, among other fields. Not surprisingly, with flexible and shifting considerations, review yields unpredictable results, linked by a common denominator: subjective and paternalistic review of the potential for offense. Such review is hard to square with our system of content-neutral government.

The Board applies a two-part test: (1) What is the likely meaning of the matter in question, taking into account dictionary definitions, and the relationship of the matter to 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) Is the meaning disparaging to a substantial composite of the referenced group?²⁶ During examination, the examining attorney sets forth a prima

26. *In re Squaw Valley Dev. Co.*, 80 U.S.P.Q.2d 1264 (T.T.A.B. 2006) (holding SQUAW for clothing barred from registration as disparaging of Native American women, but not barred as a mark for ski-related goods as it would be understood to refer to a famous ski resort at Squaw Valley, California); *In re Heeb Media, LLC*, 89 U.S.P.Q.2d 1071 (T.T.A.B. 2008). See *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215 (T.T.A.B. 2010) (dissent argued that focus should be on the term's meaning to the U.S. population and not members of the disparaged group).

facie case, then the burden shifts to the applicant to rebut the prima facie case with “competent evidence.” *See, e.g., In re Gyulay*, 820 F.2d 1216, 1217 (Fed. Cir. 1987); *see also Squaw Valley, supra*.

PTO examiners have virtually no standards to guide their review, but this Court has repeatedly held that unbridled discretion in administrative officials is anathema to the First Amendment. *See, e.g., Saia v. New York*, 334 U.S. 558, 559-60 (1948) (striking down a New York loud-speaker permitting scheme where the police chief had unbounded discretion to grant or deny permits); *City of Lakewood v. Plain Dealer Publ’g Co.*, 486 U.S. 750, 764 (1988) (“[The government] may not condition that speech on obtaining a license or permit from a government official in that official’s boundless discretion.”). Allowing Constitutional freedoms to be “contingent upon the uncontrolled will of an official—as by requiring a permit or license which may be granted or withheld in the discretion of such official—is an unconstitutional censorship.” *Shuttlesworth v. City of Birmingham, Ala.*, 394 U.S. 147, 151 (1969). It is particularly troubling to permit a “government official” to make discretionary decisions “based upon the content of the speech or viewpoint of the speaker.” *City of Lakewood*, 486 U.S. at 764.

The PTO’s record reveals a bevy of content and viewpoint-based judgments that border on incoherence and change over time. PTO records abound with marks once deemed disparaging that now are registered; marks containing words deemed unregistrable despite being legally equivalent to registrable terms; terms defined in dictionaries as disparaging that are not found disparaging by the PTO; and terms that the PTO now finds disparaging despite past findings to the contrary.

For example, Merriam Webster Dictionary notes that DYKE, QUEER and FAG are “often” or “usually” used as disparaging terms. However, the PTO has registered marks such as DYKE NIGHT,²⁷ DYKES ON BIKES,²⁸ DYKEDOLLS,²⁹ QUEER FOLK,³⁰ and QUEER PAL FOR THE STRAIGHT GAL.³¹ The PTO seems conflicted on FAG—it recently refused registration of FAGOUT! and FAG FOREVER A GENIUS!³² as disparaging, but approved PHAG³³ for registration. Similarly, the Office has registered FAGDOG three times, and has refused it twice—at least once under § 2(a).³⁴

A particular example stands out: an application for THE YIDZ for: “Entertainment, namely, live

27. Registration No. 4,146,588.

28. Registration No. 3,323,803.

29. Registration No. 3,254,737 (cancelled Jan. 31, 2014 for failure to file a Declaration of Continued Use).

30. Registration No. 4,742,269.

31. Registration. No. 4,699,581.

32. U.S. Trademark Application Serial Nos. 86/107,041 (filed Oct. 31, 2013), and 86/089,512 (filed Oct. 11, 2013).

33. Registration No. 4,135,694.

34. *Compare* Registration Nos. 2,926,775 (cancelled Sept. 16, 2011 for failure to file a Declaration of Continued Use) and 2,828,396 (cancelled Nov. 5, 2010 for failure to file a Declaration of Continued Use); Registration No. 3,174,475 (cancelled June 28, 2013 for failure to file a Declaration of Continued Use) *with* US. Trademark Application Serial Nos. 76/454,927 (filed Sept. 25, 2002) (abandoned after section 2(a) refusal) and 75/950,535 (filed Mar. 1, 2000) (abandoned).

performances by a musical band.”³⁵ The PTO refused it, finding it “merely descriptive” because it describes an ingredient, quality, characteristic, function, feature, purpose or use of the goods and/or services and “[t]he applicant’s musical band comprises Jewish people.”³⁶ In support, the PTO attached a definition from the online Compact Oxford English Dictionary defining the term YID as “*informal offensive* A Jew.” And yet, the PTO raised no objection under § 2(a). Both THE YIDZ and the SLANTS marks could be seen as pejorative—yet the marks are treated differently. Such fickleness should be fatal.

The government attempts to downplay the incoherence, framing it innocuously as “inconsistent enforcement.” Pet Br. at 50. The issue is not simply a few “allegedly erroneous registration[s]” *id.* at 51, but rather the conscious use of trademark registration (and cancellation in the case of *Pro-Football*) to censor viewpoints under the guise of protecting people from offensive speech. The disparagement bar’s “inconsistent enforcement” highlights the lack of a limiting principle, making the process ripe for arbitrary application. *Heffron v. Int’l Soc’y for Krishna Consciousness, Inc.*, 452 U.S. 640, 649 (1981) (stating the Court condemns arbitrary discretion because “such discretion has the potential for becoming a means of suppressing a particular point of view”). Such discriminatory treatment of viewpoints is a “more blatant

35. U.S. Trademark Application Serial No. 77/784,282 (filed July 18, 2009) (refused on different grounds). The applicant chose not to respond to the refusal and the application was abandoned.

36. Yet, there is absolutely no indication in the file wrapper of the applicant’s religious background.

and egregious form of content discrimination,” *Reed*, 135 S. Ct. at 2230 and is unconstitutional. (internal quotation marks and citations omitted).

III. THE DISPARAGEMENT BAR FAILS ANY LEVEL OF REVIEW.

The government zigzags through several doctrines, disclaiming any viewpoint discrimination, Pet. Br. 43-44, denying the applicability of strict scrutiny, faintly invoking *Central Hudson*, Pet. Br. 48, and ultimately arguing that its “program” is not subject to First Amendment scrutiny at all. This is all wrong.

A. Strict Scrutiny Dooms Section 2(A)’s Content And Viewpoint Discrimination.

Section 2(a) imposes a financial burden and disincentive (in the form of withheld legal protections) on those whose speech the government believes others may find disparaging. The law burdens speech on certain topics of public concern,³⁷ because of its content. Laws that “impose[] a financial disincentive only on speech of a particular content” are “presumptively inconsistent with the First Amendment.” *Simon & Schuster, Inc.*, 502 U.S.

37. Speech is of public concern, “at the heart of the First Amendment,” when “it can be fairly considered as relating to any matter of political, social, or other concern to the community, or when it is a subject of legitimate news interest; that is, a subject of general interest and of value and concern to the public.” *Snyder*, 562 U.S. at 451–52, 453 (internal quotations and citation omitted). A trademark reflecting a political statement or commentary on racial, ethnic, or other stereotypes, is a paradigmatic example of speech on a matter of public concern.

at 115, 116. There is perhaps no category of regulation toward which the Supreme Court has been more hostile. *See Ashcroft v. ACLU*, 542 U.S. 656, 660 (2004).

The disparagement clause is content-based because it cannot be “justified without reference to the content of the regulated speech.” *Bartnicki v. Vopper*, 532 U.S. 514, 526 (2001) (citation omitted); *see also Turner Broad. Sys., Inc. v. FCC*, 512 U.S. 622, 643 (1994). The Act evaluates trademarks based on their content, and it is aimed at improving the quality of dialogue in commerce³⁸—a goal that is content-based and anathema to the First Amendment. “The very purpose of the First Amendment is to foreclose public authority from assuming a guardianship of the public mind through regulating the press, speech, and religion.” *Thomas v. Collins*, 323 U.S. 516, 545 (1945) (Jackson, J., concurring).

Worse, § 2(a) compels viewpoint discrimination—a particularly pernicious form of discrimination. “[T]he First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others.” *Members of City Council of L.A. v. Taxpayers for Vincent*, 466 U.S. 789, 804 (1984). The statute allows registration of trademarks that refer positively to a group, but bars messages perceived as offensive. This should end the analysis; “it is all but dispositive to conclude that a law is content-based and, in practice, viewpoint-discriminatory.” *Sorrell*, 564 U.S. at 571.

38. The United States claims to be “declining to create incentives for the use of such marks in commerce,” Pet. Br. at 10-11, but this is just a more complicated way of saying they want to create incentives to use “better speech.”

Section 2(a) is subject to the most stringent judicial review. Laws allowing the government to discriminate among speakers based on content or viewpoint are unacceptable absent narrow tailoring and a compelling government interest. *See R.A.V. v. City of St. Paul*, 505 U.S. 377, 395 (1992). Here, the government’s interests in “declining to incorporate racially offensive epithets into various official communications,” Pet. Br. at 40, and in discouraging disparaging speech, Pet. Br. at 48, are not compelling. “The fact that society may find speech offensive is not a sufficient reason for suppressing it” *Simon & Schuster, Inc.*, 502 U.S. at 509. And even if these interests were compelling, the government makes no showing how § 2(a) is narrowly tailored. Section 2(a)’s disparagement bar fails strict scrutiny.³⁹

39. Whether labeled commercial speech or otherwise, the disparagement bar should be subject to exacting scrutiny. *See Sorrell*, 564 U.S. at 566 (“[H]eighted scrutiny” is required “*whenever* the government creates a regulation of speech because of disagreement with the message it conveys.”) (emphasis added) (internal quotations and citation omitted); *44 Liquormart*, 517 U.S. at 501; *Cent. Hudson*, 447 U.S. at 566 n.9.

B. The Disparagement Bar Fails Intermediate Scrutiny Because An Interest In Preventing Offense Is Not Substantial, And The Bar Does Nothing Other Than Chill Expression.

The government half-heartedly invokes intermediate scrutiny, Pet. Br. at 48, but does not engage in analysis. Even if § 2(a) were subject to intermediate scrutiny, the government could not justify it. Under *Central Hudson*, the government may regulate truthful, non-misleading commercial speech about lawful activity if the regulation serves a substantial government interest, directly advances the government interest, and is no more extensive than necessary. 447 U.S. at 566. Here, the goals purportedly served by § 2(a)'s bar against disparaging marks are not legitimate, fall far short of substantial, and confirm the regime's incompatibility with the First Amendment.

The government's justifications have been shifting and underwhelming. In the Federal Circuit⁴⁰ the government enumerated interests in: (1) discouraging the use of marks that may be offensive, *In re Tam*, 785 F.3d 567, 583 (Fed. Cir. 2015); (2) not having disparaging marks "occupy the time, services, and use of funds of the federal government," *id.*; (3) "maintaining a well-functioning trademark system that harmonizes state and federal trademark law," *id.* at 584; and (4) the government not being seen as giving its approval, *id.* The government appears now to have

40. In the Fourth Circuit, the government claimed a substantial interest in "maintaining a working trademark system at the state and federal levels and preventing a mistaken perception of official endorsement of insult and calumny." USMJ at 2.

streamlined its arguments,⁴¹ casting them in less risible terms. In this Court, its interests focus on preventing parties from calling upon the resources of the government to promote offensive trademarks. Pet. Br. 5, 37–41.

As noted, an interest in preventing offense is inconsistent with the First Amendment to such a degree that the Supreme Court has “found it so ‘obvious’ as to not require explanation.” *Simon & Schuster*, 502 U.S. at 115-16 (citation omitted). And as explained, concern over a perceived government promotion or incentive to engage in “disparaging” speech is baseless. Trademarks are *private* speech. *See Cent. Hudson*, 447 U.S. at 584–85 (citing cases). Without a substantial interest for the ban, the Court could stop there. *See id.* at 566. But even if claimed interests were substantial, the disparagement bar fails the rest of the analysis.

Courts seek evidence that a law burdening speech advances an asserted interest “in a direct and material way.” *Edenfield v. Fane*, 507 U.S. 761, 767 (1993). The government’s reliance on the fact that Tam remains free to use the mark without registration shows that the government is not actually preventing “harmful” speech

41. A previously claimed interest in husbanding government resources fails because under the disparagement bar, the government spends substantial resources conjuring evidence of potential offense, and then defending refusals. *See In re McGinley*, 660 F.2d 481, 487 (C.C.P.A. 1981) (Rich, J., dissenting). Likewise, the government previously invoked an interest in a “well-functioning trademark system.” This interest rings hollow. Given the legion of offensive, prurient, and silly marks the PTO has already registered, it is hard to argue that the registration of similar marks disrupts a well-functioning trademark system.

or meaningfully protecting “the dignity and reputation of those associated with disadvantaged and minority groups,” USMSJ at 20. *See Edwards v. District of Columbia*, 755 F.3d 996, 1005 (D.C. Cir. 2014) (holding that the government’s interests were not furthered where the offending parties retained “carte blanche” to say whatever they wanted). The government is making a stand on principle, with little effect other than to suppress speech.

Finally, the bar impermissibly chills expression. Entrepreneurs and advocates considering a slogan or name will wonder whether they can register it. They may think twice about whether the PTO will find it “offensive,” but will have little ability to predict the vagaries of an examiner. “Many persons, rather than undertake the considerable burden (and sometimes risk) of vindicating their rights through case-by-case-litigation, will choose simply to abstain from protected speech—harming not only themselves but society as a whole, which is deprived of an uninhibited marketplace of ideas.” *Virginia v. Hicks*, 539 U.S. 113, 119 (2003). Consumers will suffer if they are deprived of a robust marketplace of goods, services, and ideas, as they will be under the government’s approach, which requires advocacy groups, sports franchises and musical bands to play it safe, or think twice before choosing a controversial logo or slogan because they may not have the endurance to fight the PTO.

The Court should not let the PTO—or third party groups whose offense the PTO claims to vindicate—exercise a discretionary “chancellor’s veto” over speech it dislikes. *Grayned v. City of Rockford*, 408 U.S. 104, 108–09 (1972).

CONCLUSION

The decision of the Federal Circuit should be affirmed.

Respectfully submitted,

JOHN W. WHITEHEAD
DOUGLAS R. MCKUSICK
THE RUTHERFORD INSTITUTE
1440 Sachem Place
Charlottesville, VA 22901
(434) 987-3888

JOSEPH COLANGELO
CONSUMERS' RESEARCH
1801 F Street NW
Washington, DC 20006
(202) 898-0459

MEGAN L. BROWN
Counsel of Record
JOSHUA S. TURNER
CHRISTOPHER J. KELLY
DWAYNE D. SAM
JOHN T. LIN
WILEY REIN LLP
1776 K Street NW
Washington, DC 20006
(202) 719-7000
mbrown@wileyrein.com

Counsel for Amici Curiae

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