

Should Trademarks And License Plates Be Treated The Same?

Law360, New York (July 17, 2015, 5:14 PM ET) -- In upholding the decision by the U.S. Patent and Trademark Office to cancel the Washington Redskins trademark registrations, Eastern District of Virginia Judge Gerald Bruce Lee cited a recent U.S. Supreme Court opinion — *Walker v. Texas Division, Sons of Confederate Veterans Inc.* — that found license plates constitute protected government speech. But should trademarks and license plates be treated the same?

Mark Scarsi, Milbank Tweed Hadley & McCloy LLP

I don't agree that trademarks are a form protected government speech similar to license plates. The government does not "engage in expressive conduct" when it registers a trademark. Rather, the primary purpose in registering a trademark is to aid the consumer in identifying and differentiating competing products or services. Unlike license plates, which are the equivalent of government IDs and convey to the public that the state has endorsed the particular message on the license plate, a trademark registration does not amount to a government endorsement of the quality of the goods to which the trademark correlates. Likewise, a trademark registration does not serve as a government imprimatur or declaration that the trademark is a wholesome or decent one in an aesthetic, or any analogous, sense. (See, e.g., *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, fn. 3 (P.T.O. Mar. 3, 1993)). To me, the cancellation of the Redskins' trademark registration is easily justified under the "scandalous" or "disparaging mark" provisions of Section 2(a) of the Lanham Act.

Jane Shay Wald, Irell & Manella LLP

The Eastern District of Virginia properly applied the Supreme Court reasoning in *Walker*. Both cases found "government speech." That matters! When the government speaks, it is not barred by the First Amendment from determining content. No viewpoint analysis is required as for solely private speech. The Supreme Court refused "to hold that the Government unconstitutionally discriminates on the basis of viewpoint when it chooses to fund a program dedicated to advance certain permissible goals ..." Just as issuing a license plate suggests that the government approved the message on it, U.S. Patent and Trademark Office registration suggests that the federal government has approved the trademark and given it the government's imprimatur. The USPTO can preclude registration for many grounds, not just 2(a) grounds, akin to Texas' exercising final approval authority over selection of all plates, regardless of the message. The refusal of a license plate isn't government suppression of the speaker's message. Similarly, the refusal of a trademark registration doesn't stop the mark owner from using the mark and enforcing it.

Mark L. Hogge, Dentons

Caveat: I am a Skins fan. Trademarks and license plates should not be treated the same. The *Walker* ruling is easy to accept as automobile license plates are government speech, and if the government does not want to endorse the Confederate flag that's its business. On the other hand,

trademarks are the property and commercial speech of the owner, not the government. The sight-sound-meaning of the brand is the owners' choice on how they want the source of their commercial products to be recognized by consumers. Those indications of source are subject to regulation, notwithstanding. The owners can enforce the brand with or without a registration of the brand, as Judge Lee notes. But brands are commercial speech ab initio, and are such when voluntary registration and submission to regulation are sought at the Trademark Office of the Commerce Department. It defies logic that the USPTO registration program is government speech as Judge Lee holds and such a holding was unnecessary; it is just permissible regulation. Congress says we are not going to register peoples' brands and provide federal commercial benefits if those brands hurt (i.e., disparage) peoples' feelings. Congress has the right to do that under its Commerce power, especially "with the Indian Tribes."

Dr. Scott Kamholz, Foley Hoag LLP

Yes, Judge Lee was correct to draw an analogy between trademarks and license plates in the Redskins case. Expression underlying a trademark or a license plate originates with an individual or entity. That original expression is regular speech that is protected expression under the First Amendment. But a registered trademark or license plate is expression that has been acknowledged officially by the government as serving an additional function. Once so acknowledged, it has become something greater than just regular speech. Although the government still cannot regulate use of that expression as regular speech, it may regulate that expression in the context of the additional function. To that limited extent, trademarks and license plates may be treated the same.

David L. Suter, Harness Dickey & Pierce PLC

The short answer would seem to be "no" — trademarks should not be treated the same as license plates. Notwithstanding Judge Lee's decision, it is not so apparent that affording trademark protection constitutes "government speech," at least not in the same way as producing a license plate. On the other hand, cancellation of a trademark registration does not preclude use of the mark, or the speech that it represents. In both cases, troublesome questions are posed regarding a government agency's ability to pass judgment on what is, or is not, objectionable speech. (Of course, as is inherent in such First Amendment controversies, the content of the speech is also troublesome.) Given the Supreme Court's holding that content of license plates can be regulated — an activity arguably more restrictive of speech than refusal to register a trademark — it is hardly surprising Judge Lee sought to analogize the issuance of licenses to the registration of trademarks. However, Judge Lee's finding that registration of trademarks constitutes "government speech" will doubtless be tested on appeal. Ultimately, the Lanham Act's ban on disparaging registrations may well be found permissible, perhaps for different reasons. If so, we will find that trademarks really are like license plates.

Patricia Martone, Law Office of Patricia A. Martone PC

The district court in *Pro-Football v. Amanda Blackhorse* held that the Lanham Act ban on registering federal trademarks which "may disparage" did not violate the First Amendment. The court did so by separating the federal registration from the underlying right to use the trademark. The court used this unsound rationale to find federal trademark registrations analogous to the automobile license plates at issue in the Supreme Court *Walker* case, and therefore government speech, not commercial speech. Registration cannot be severed from use. Federal trademark registrations cannot be acquired and maintained without use. That use also gives rise to common law rights. Therefore, contrary to the court's holding, registrations are all about commercial transactions, the hallmark of commercial speech. The court acknowledged that commercial use of the mark could not be stopped. There is therefore a sharp distinction between registrations and a state's issuance of license plates. The issuance of license plates has to do with automobile safety, not recognition of an underlying commercial property right.

Concluding that trademark registrations are commercial speech puts the constitutionality of Lanham Act Section 2(a) in serious doubt. A standard of "may disparage" is far too low a bar for commercial speech.

Richard Z. Lehv, Fross Zelnick Lehrman & Zissu PC

Trademarks and license plates are not the same, but a strong case can be made that the registration of a trademark is government speech, not private speech. As Judge Lee said in the Redskins' case, "the Court is ... compelled to highlight what is at issue in this case — trademark registrations, not trademarks themselves. ... Thus, regardless of this Court's ruling [the team's owner] can still use the Redskins Marks in commerce." Since the team's owner can continue to use the mark, the owner's speech is unaffected by the ruling. What is at issue is the government's speech in registering the mark. In other words, when the government registers a mark, it is in effect approving the mark, saying that the mark is a valid one and one that does not disparage any group or individual, or bring anyone into contempt or disrepute. Judge Lee makes a strong case that the government has a right to do this. It is hard to see how it could be otherwise. We all know that there are racial epithets far worse than "redskin." Should the government be required to register those? I think not.

Hiroyuki Hagiwara, Ropes & Gray LLP

The legal analysis concerning government speech was similar in both the trademark and license plate cases. But there may be some key differences. The Supreme Court in *Walker* noted that (1) license plates essentially function as government IDs; (2) license plates carry the issuing states' "imprimatur" and thus are often closely associated with the state by the public; and (3) issuing specialty license plates constituted "engaging in expressive conduct." Trademarks, in contrast, serve to identify a private source of goods or services. The publication of registered trademarks occurs only as part of the normal trademark registration process. Indeed, the USPTO has repeatedly stated that registration is not a "government pronouncement that the mark is a 'good' one." These differences may prove to be important as the *In re Tam* and Pro-Football Inc. cases progress. So far, the government has been allowed to reject license plates or cancel trademark registration based on their content.

Andrew W. Stroud, Hanson Bridgett LLP

The *Blackhorse* decision does not treat trademarks and license plates the same. What the court does treat the same is registration of trademarks and registration of license plates. The court reasons that when the government establishes a regulatory program, it has the right to determine the limits of that program. In both cases the government has established a statutory scheme for registration. Having established that scheme, the government has a right to determine what can be registered under it as well. I agree with the court's analysis as applied to trademarks. I do not agree with the analysis as applied to license plates. In *Walker*, Texas creates a forum for speech by allowing car owners to put messages on their license plates. Once Texas has created that forum, Texas can not discriminate against an owner just because it does not agree with their message. Yet, that is precisely what Texas has done. In contrast, the USPTO has not created a forum for free expression. It has created a system for legal protection of trademarks. As such, the USPTO can decide which marks warrant legal protection under its system and which do not. That is precisely what the USPTO does every single day.

Robert M. Barrett, K&L Gates LLP

Despite my pro free speech bent, I believe that the court in *Blackhorse* was correct in relying on *Walker* for the proposition that trademark registration is exempt from First Amendment scrutiny. Of course, license plates and trademarks are completely different animals. However, just as the state's issuance of a particular license plate reflects on the state, the USPTO's issuance of a specific trademark registration relays the message that the federal government has approved the mark. Therefore, just as a state can refuse issuance of a license plate, the USPTO can refuse registration of a mark. Neither of these decisions impacts the public's ability to portray a particular message. In Texas, people may not be

able to have a license plate bearing a Confederate flag, but they can put the flag on their cars. Similarly, the decision to cancel the Redskins trademarks does not in any way impact the team's ability to use the marks.

Steven Wong, The Home Depot Inc.

I disagree with the district court's conclusion that trademark registrations constitute government speech akin to Texas' specialty license plate program. In *Walker*, the Supreme Court recognized that the public associates license plates with the issuing states because they serve a governmental purpose as a vehicle identifier. Trademark registrations have no such association or purpose. The public understands that a registration for an anti-abortion group or a particular brand name does not amount to government approval of that group's message or endorsement of the brand. Also, unlike specialty license plates where the state's name is shown together with a unique message/design, trademarks are not displayed next to federal government indicia. I find it troubling that Section 2(a) can be used to revoke an otherwise valid trademark registration or to deny registration of an otherwise valid trademark but for an agency's subjective determination that the trademark is disparaging. Federal registration confers significant, substantive rights that can affect the trademark owner's ability to enforce its marks. Such rights include nationwide constructive use, seizure and forfeiture of imports under 19 U.S.C. § 1526, and protections against trafficking of counterfeits under 18 U.S.C. § 2320. Without such protections, a trademark owner effectively has its hands tied in such way that I consider to be an unconstitutional restriction on free speech. Section 2(a) needs to be reconsidered.

D. Bartley Eppenuer, Shook Hardy & Bacon LLP

The opinion by Judge Lee rightly equates both federal trademark registrations and state government issued license plates as government speech exempt from First Amendment scrutiny. In each instance, a governmental agency takes action to issue something in its name, under its authority, with its implied seal of approval. Both actions carry the weight of the government. Both actions essentially seek the government's endorsement of the applicant's request. And it's quite clear that in both instances the applicant is free to use the symbol or words without the government's approval. Anyone can make a bumper sticker or other decoration with the Confederate flag on it and place it on their vehicle. Likewise, the NFL franchise can continue to use and enforce the Redskins mark without a federal trademark registration. While trademark owners are free to select whatever they want for their mark, the government does not and should not have to stamp its seal of approval or otherwise endorse a message that is disparaging. Both of these situations involve highly sensitive and emotional issues that are viewed by many as racist. Governments rightly have a high interest in distancing themselves from these actions, let alone approving them outright.

John C. Jarosz, Analysis Group Inc.

The dissent by Justice Samuel Alito in *Walker* explained that government speech is that which conveys some message from the government. According to the dissent, a specialty license plate does not send a message about the views of the state of Texas, but reflects the promotion of, for example, recycling, or vaccinations, or NASCAR, or UT, or even LSU. A trademark is a name, symbol, figure, letter, word or mark adopted and used by an owner to designate his or her goods and to distinguish them from those manufactured or sold by others. And a trademark is often registered with the USPTO. Versus a specialty license plate, a trademark registration is probably less likely to be found, on appeal, to convey a government message. That is, it appears that a persuasive argument could be made that a trademark reflects a message from a private owner of that mark; the government has simply certified that the conditions to obtain certain protections have been satisfied. It is questionable whether the dissent in *Walker* would find that a particular trademark sends a particular message from the government about the contents covered by that trademark. Other courts may find similarly.

Michael P. Sandonato, Fitzpatrick Cella Harper & Scinto

There are some salient differences between a trademark and a license plate, most notably that in the case of a federal trademark registration, the use of the mark itself is an entirely private, nongovernmental use. The trademark registration is simply a government mechanism that facilitates the private owner's exclusivity over the use, which among other things helps ensure that the public does not become confused between the owner's use and other private uses. License plates, on the other hand, are a form of a government ID that bear the name of the state and, as the Supreme Court pointed out, "have long communicated messages from the States." So while the plate is displayed on a private vehicle, and while putting the Confederate flag on a license plate might not be quite the same as flying the flag at the state capitol, it arguably is still a form of government speech that should be exempt from First Amendment scrutiny. Since the essence of trademarks is private use, they are really in a different class, and it does not necessarily follow that because license plates are exempt, trademarks should be.

Naomi Jane Gray, Harvey Siskind LLP

The district court made an important distinction between trademark use and registration. In the United States, trademark rights arise from use. Registration confers important benefits on the trademark owner, including a presumption of validity and ownership; ability to sue in federal court; certain remedies; and the availability of "incontestable" status after five years. But denying registration does not prevent the owner from using and enforcing the mark. Although the court acknowledged that a trademark constitutes commercial speech, that speech is not unfettered. I may not develop my own line of soda and call it Coca-Cola, because I may not engage in commercial speech that is likely to confuse consumers. Applying the Supreme Court's rationale in the license plate case, the court concluded that registration constitutes government speech. The analogy is apt: registering a mark places the government's stamp of approval upon it, and the government has long been authorized to control speech occurring within its own programs. Denying registration, however, withholds important benefits from the mark owner, and thus imposes a burden on the owner, based on the content of its commercial speech. Given the high stakes here, the battle is likely not over; but the license plate precedent will be difficult for the trademark owner to overcome.

Gary A. Rosen, Law Offices of Gary A. Rosen PC

Few, I think, would argue that the government should be able to withhold the advantages that come with copyright registration on the basis of a book's content. Is a trademark registration more like a copyright registration or a license plate in this respect? In the case of copyright and trademark registrations, the government confers legal benefits as an incentive to make a claim of proprietary rights to certain pre-existing speech a matter of public record. The underlying speech and any proprietary rights to it exist quite apart from the government's issuance of the registration. It is not "government speech" by any stretch. The display of a license plate on a motor vehicle, even a vanity plate, in contrast, is a requirement that originates with the government. The content of the plate must comply with law, even if individualized by the vehicle owner. It can arguably be construed, as the Supreme Court has now held, as government speech.

Floyd A. Mandell, Katten Muchin Rosenman LLP

The analogy of Judge Lee in the Virginia case to the Supreme Court opinion on the Texas license plates is appropriate in this particular case on one particular issue. Of course, a message on a license plate serves a completely different purpose or function than a trademark. A vanity plate can convey a particular belief, support for a cause, etc. of the driver of the vehicle; a trademark's function is to convey the source of origin for a product or service (for a service mark). The entitlement to own a trademark or service mark *registration* does not arise under the U.S. Constitution, and the Redskins case involves the right to *register*, not the right to *use*. Similarly, the entitlement to display a Confederate flag to support a belief under the First Amendment does not entitle a party to the government allowing use on license

plates. The NFL team can still use its mark, sell T-shirts, etc.; a person wishing to drive with a Confederate flag symbol can still paste the symbol on a bumper sticker. While trademarks serve different functions than messages on license plates, the analogy to the Texas license plate case can be made as far as the free speech argument. In both cases the government action does not prohibit free speech, so the First Amendment argument fails. That does not mean that other claims/defenses do not apply; but the analogy between the two cases is appropriate as far as the First Amendment argument.

Garrard R. Beeney, Sullivan & Cromwell LLP

While the Supreme Court and Judge Lee may both have gotten it right, the decision that Section 2a of the Lanham Act is constitutional is by no means compelled by the decision in *Walker*. The court held that automobile license plate messages were government speech based on multiple factors that have little or no application to trademarks. License plates were government speech, the court reasoned, because they contain the name of the state on them, have historically been used to promote state messages (such as tourism slogans), are designed by the state, are used by the state as vehicle registration and identification, and are required by the government to be displayed. While trademark registration includes a government act, so do permits for parades and public gatherings. The latter may be more of an apt analogy to trademarks than license plates with very different applicable First Amendment rules about government content regulations. Nevertheless, there clearly is a government interest in not providing a registration for a disparaging mark, and as Judge Lee aptly noted, denying a registration does not prevent speech, even though it may deny an economic benefit attendant to such speech. While the Federal Circuit will have the next word on the debate over the First Amendment implications of Section 2a in the case involving the rock band The Slants, Section 2a should survive, even for reasons other than those set out in *Walker*.

Barry S. Goldsmith, Miles & Stockbridge PC

Judge Lee equated the trademark registration of the “offensive” mark of “Redskins” to license plates in order to avoid First Amendment scrutiny and cancel the mark. Specifically, the specialty license plate program of Texas was held to be government speech that is exempt from the First Amendment because, among other things, a license plate carries the stamp of government approval. However, in many respects, the analogy of trademarks to license plates does not hold up. One critical difference is that trademarks are *not* approved by the government, only the registration of trademarks. As such, the trademarks themselves are considered private, not government speech. Further, the lack of registration does not prevent a trademark from being used, so the “offensive” component will not be eliminated. In contrast, a license plate has only one use, and that use is purely a government approved use. The lack of government approval will absolutely prevent the license plate from being used. It appears that Judge Lee is stretching the comparison in order to cancel a mark that he and many other members of the public consider offensive. However, when it concerns constitutionally abhorred viewpoint discrimination, courts should tread very lightly.

Larry W. McFarland, Kilpatrick Townsend & Stockton LLP

To cancel the registrations, the judge in the Redskins case needed to find that First Amendment free speech rights are not implicated by the Lanham Act provisions prohibiting immoral, deceptive or scandalous matter. He got there by relying on *Walker* to support his finding that the the federal trademark registration program is government speech and, therefore, not subject to First Amendment scrutiny. I have no quarrel with the judge's holding in the case but there are clearly differences between the government speech involved with respect to an officially issued license plate that consumers associate with the government and the trademark registration program where the government grants the registration but then the mark is used in commerce by the registrant. It will be very interesting to see how the appellate court handles this issue.

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