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Justices Take New Look At 1st Amendment In Latest TM Fight

By **Ivan Moreno**

Law360 (October 27, 2023, 11:49 AM EDT) -- For the third time in six years, the U.S. Supreme Court will examine whether certain restrictions to register trademarks violate applicants' freedom of speech, having already concluded that barring marks considered disparaging or immoral doesn't withstand First Amendment scrutiny.

The U.S. Supreme Court is set to hear oral arguments on Nov. 1 over whether a California attorney can register the phrase "Trump Too Small." (AP Photo/Alex Brandon)

The justices will hear oral arguments Nov. 1 over whether a California attorney can register the phrase "Trump Too Small," a case that raises questions about where rights to privacy and publicity end and where the right to express political viewpoints begins.

The U.S. Patent and Trademark Office initially refused to allow attorney Steve Elster to register the phrase, but the Federal Circuit reversed the agency's decision last year. The USPTO appealed, and the Supreme Court agreed to weigh in on the case, setting the stage for the justices to again dictate what restrictions to trademark registrations are allowed.

Question presented in Vidal v. Elster

Whether the refusal to register a mark under Section 1052(c) violates the Free Speech Clause of the First Amendment when the mark contains criticism of a government official or public figure.

"The Supreme Court has shown with the trademark cases they've taken over the last several years that the First Amendment is a big issue, and I completely agree," Megan Bannigan, a partner at Debevoise & Plimpton LLP, said. "There always is a fine line in trademark law as to when the Lanham Act applies and when the First Amendment takes precedent."

Here's how the case got here and what trademark attorneys told Law360 about its potential implications.

Privacy Versus Political Speech

The USPTO said its rejection of Elster's mark was based on Section 1052(c) of the Lanham Act, a provision designed to protect a living person's privacy and publicity rights and that it is "viewpoint neutral." That means it wouldn't have mattered if the phrase was complimentary of the former president or if it involved a different political figure because the act prohibits identifying any living person without their consent.

Elster appealed to the Federal Circuit, which overturned the USPTO's decision last year and said the case went to "the heart of the First Amendment" because it violated Elster's right to criticize a government official or public figure.

The appeals court said there was "no possible claim" that former President Donald Trump "enjoys a right of privacy protecting him from criticism" and that "the right of publicity does not support a government restriction on the use of a mark because the mark is critical of a public official without his or her consent."

Elster applied to register "Trump Too Small" in 2018 as a reference to a memorable exchange between U.S. Sen. Marco Rubio, R-Fla., and then-candidate Trump during a 2016 presidential primary debate regarding the size of Trump's hands. Elster has said he wants to use the phrase on T-shirts and hats to "convey that some features of President Trump and his policies are diminutive."

The USPTO's stance is Elster can still use his phrase in apparel without a trademark or Trump's permission.

"Respondent's unquestioned First Amendment right to criticize the former president does not entitle him to enhanced mechanisms for enforcing property rights in another person's name," the government agency said in its petition to the high court.

Elster and his counsel did not respond to requests for comment, and the USPTO declined to comment.

"The statute makes it virtually impossible to register a mark that expresses an opinion about a public figure — including a political message (as here) that is critical of the president of the United States," Elster said in his brief opposing the USPTO's cert petition.

What's at Stake

The justices could expand the possibilities of what can be a trademark like they did in Matal v. Tam in 2017, the case that held restrictions on registering disparaging marks unconstitutional, and Iancu v.

Brunetti in 2019, which did the same for immoral or scandalous marks.

The USPTO argues Elster's case presents justices with an opportunity to settle a question Tam and Brunetti left unanswered — whether a Lanham Act prohibition on a trademark registration is a restriction on speech or a condition to a government benefit.

Elster's case has drawn attention from trademark attorneys and various interest groups that have submitted amicus briefs, including the International Trademark Association, the American Intellectual Property Law Association, the Motion Picture Association Inc. and Public Citizen, a nonprofit consumer advocacy organization.

There's wide consensus that the case has First Amendment implications, but opinions differ on whose rights are at stake — Elster's, or those who would want to use the phrase as a public political slogan.

"Why should anybody have exclusive rights on a political slogan attacking a major public figure? That's the most immediate concern," Paul Levy, an attorney for Public Citizen, told Law360. In its brief, Public Citizen argued that if Elster prevails, it would make it easier for political figures to register trademarks for phrases critical of them.

"I see it as a First Amendment issue in the opposite direction," Levy said.

One of the attorneys who wrote the brief for the International Trademark Association, Jonathan Moskin of Foley & Lardner LLP, echoed the argument.

"If I wanted to have T-shirts or banners or posters or something saying 'Trump is too small of mind to be considered to become the 47th president,' then Mr. Elster would have at least a colorable basis to challenge my use that otherwise he wouldn't have," Moskin told Law360.

The USPTO made a similar argument in its brief, which the American Intellectual Property Law Association called "disingenuous."

"Trademarks have no legal existence independent of the goods or services they represent," the group argued in its brief. "Elster would have no claim against a member of the public using the phrase 'Trump Too Small' as a mere slogan rather than a designation of source for a product or service."

The Motion Picture Association said it is taking no position on what should be the outcome of the case, but asked the justices that if they conclude that Section 1052(c) restricts speech, they "may address whether or when a person's right-of-publicity interests outweigh a trademark applicant's First Amendment rights."

"The MPA has a significant stake in that issue, given that its members are frequently the target of lawsuits in which individuals claim their rights of publicity are infringed when they are depicted in movies and television shows," the brief said.

Possible Outcomes

In asking the Supreme Court to weigh in, the USPTO said the case could determine the constitutionality of Section 1052(c). Elster argues the Federal Circuit's decision has a much narrower application, calling it a "case-specific holding."

"This case involves a one-off as-applied constitutional challenge — one that turns on the unique circumstances of the government's refusal to register a trademark that voices political criticism of a former president of the United States," Elster's brief said.

The USPTO argues the case is far from "a one-off" and that the court of appeal's holding invalidates "an entire category of marks" that criticize "government officials or public figures."

Elster is not trying to invalidate all of Section 1052(c), according to Bannigan of Debevoise.

"Elster doesn't argue that the trademark office may not refuse registration of 'Megan Bannigan too small' or another mark that incorporates the name of a person who isn't a public figure," she said. "The Federal Circuit decision that was in Elster's favor now requires the trademark office to take a middle-ground approach and decide as to each individual application whether the refusal to register a mark would violate the First Amendment in the case of the name of a public figure."

Bannigan said she sees two ways the Supreme Court could go on the case: It could eliminate the prohibition on registering names of a living person without their consent, or it could uphold the statute as it currently exists to all trademark applications.

"Where I have a problem is this middle ground, where we have to decide whether somebody's famous or a public figure or not," she said. "The statute on its face is straightforward, and it's relatively easily administered by the USPTO."

Kirk Damman, a member of Lewis Rice LLC, said he sees the case as a clash of two unconnected questions.

"Arguing that it's a First Amendment issue and there needs to be a right to political commentary is not the opposite of arguing is it a registrable trademark. It can be political commentary without being a registered trademark," he said.

It's possible the justices could agree that "Trump Too Small" is protected political speech while still holding the statute as valid and concluding Elster can't register the phrase "because it essentially doesn't serve as an identifier of goods," Damman said.

If the statute at issue is invalidated, Damman and Bannigan predict a flood of registrations with the names of public figures. If that happens, the USPTO may rely on the "failure to function doctrine" and look at how applicants are using or intending to use a mark, Bannigan said.

"You have to remember that a trademark is something that is source identifying and just slapping something on the front of a T-shirt isn't necessarily source identifying," she said.

Elster's case differs from the Tam and Brunetti decisions because those did not deal with an individual's right to privacy and publicity, Tiffany Blofield, a shareholder at Greenberg Traurig LLP, said.

"The court could find a middle ground and rule that the First Amendment protects the right to register a mark that contains criticism of a government official or public figure, but maintain the Lanham Act's 2(c) requirement for consent by the individual in other situations," Blofield said.

The case is Vidal v. Elster, case number 22-704, in the Supreme Court of the United States.

--Editing by Alyssa Miller.
