

INTELLECTUAL PROPERTY: LAW & THE INFORMATION SOCIETY

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The [Third Edition of our casebook \(2016\) is the current edition](#). For 2017, there were a few significant legal developments, but they were sufficiently short that we thought it better to issue them as a supplement than as a new edition. This supplement makes the following changes to the third edition of the casebook:

- **Trademark law: Chapter 6.** In June, the Supreme Court produced one of the most interesting cases of the last 20 years dealing with the interaction between intellectual property and the First Amendment, and one that will have a major impact on the controversy over the REDSKINS trademarks. As we had suggested it might since the first edition of the casebook, the Court struck down the Lanham Act's disparagement provision in section 1052(a) as a violation of the First Amendment. The supplement replaces the earlier material on disparaging marks with the Supreme Court decision in *Matal v. Tam*, and adds a discussion and new problem dealing with *Tam*'s potential impact on registering immoral and scandalous marks.
- **Copyright law: Chapter 11.** In March, the Supreme Court issued a major (and to us, deeply puzzling) decision on copyright over useful articles. *Star Athletica v. Varsity Brands* replaced the tangle of tests for conceptual separability with a line that seems to us neither bright in terms of its precision nor its wisdom. It then proceeded to apply that test to cheerleader uniforms in a way that the authors, at least, found mystifying, although doubtless it will be fun to teach. The supplement moves *Brandir v. Cascade* to a note and replaces it with the Supreme Court's *Star Athletica* decision.
- **Patent law: Chapter 18.** We found that students were (wrongly) concluding post-*Alice* that *all* business method or software/business method patents were now barred as abstract ideas. The supplement adds a discussion of post-*Alice* cases from the Federal Circuit, showing that this is not true – though the reasoning method appears to involve more hand-waving than analytical precision. The supplement also includes minor changes to other patent chapters.

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Grounds for Refusing Registration

The following replaces sections i–iii on pages 153–172 of the book, up to “iv.) Deceptive marks.” It replaces the material on disparaging marks with the Supreme Court’s 2017 decision in *Matal v. Tam*, and adds a discussion of *Tam*’s potential impact on the immoral and scandalous marks provision. This update is current as of July 2017.

Section 1052 of the Lanham Act contains a series of grounds for refusing federal registration of trademarks. We will take its subsections in turn.

1.) 1052(a)

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 3501 (9) of title 19) enters into force with respect to the United States.¹

i.) Disparaging marks. The law regarding disparaging marks has recently changed: in June 2017, the Supreme Court invalidated §1052(a)’s prohibition on registering marks that “may disparage [persons, beliefs, etc.] or bring them into contempt, or disrepute,” holding that it violates the First Amendment. The opinion in this case—*Matal v. Tam*—is below. You may have read about the REDSKINS litigation—before the *Tam* decision, the federal registrations of six trademarks containing the term REDSKINS were cancelled because they were found disparaging to Native Americans in violation of §1052(a). There, the court echoed the reasoning of earlier cases holding that the refusal to register disparaging marks does not impermissibly restrict free speech, because the trademark holder is free to go on using the disparaging mark, just without the benefits of federal registration. See *Pro-Football, Inc. v. Blackhorse* (E.D. Va. 2015). Now such marks *can* be registered. As you read the case below, remember that the question here is *constitutionality*. One

¹ The last clause of § 1052(a) was inserted to comply with the TRIPS Agreement. It prohibits geographical indications on wines and spirits that identify a place other than their origin, even if the term is not misleading; “Champagne” cannot be used on sparkling wine unless it comes from Champagne, France. (Or unless the wine was grandfathered in by being used before the relevant date. Hence the excellent Chandon Brut sparkling wine from California may not use the term “champagne” but Cooks Champagne may.)

might find some marks offensive but believe that the government does not get to deny them registration for that reason alone.

Matal v. Tam

No. 15-1293 (June 19, 2017), 582 U.S. ____ (2017)



ALITO, J., announced the judgment of the Court and delivered the opinion of the Court with respect to Parts I, II, and III-A, in which ROBERTS, C. J., and KENNEDY, GINSBURG, BREYER, SOTOMAYOR, and KAGAN, JJ., joined, and in which THOMAS, J., joined except for Part II, and an opinion with respect to Parts III-B, III-C, and IV, in which ROBERTS, C. J., and THOMAS and BREYER, JJ., joined. KENNEDY, J., filed an opinion concurring in part and concurring in the judgment, in which GINSBURG, SOTOMAYOR, and KAGAN, JJ., joined. THOMAS, J., filed an opinion concurring in part and concurring in the judgment. GORSUCH, J., took no part in the consideration or decision of the case. [The Justices who joined on each portion are noted below.]

This case concerns a dance-rock band’s application for federal trademark registration of the band’s name, “The Slants.” “Slants” is a derogatory term for persons of Asian descent, and members of the band are Asian-Americans. But the band members believe that by taking that slur as the name of their group, they will help to “reclaim” the term and drain its denigrating force.

The Patent and Trademark Office (PTO) denied the application based on a provision of federal law prohibiting the registration of trademarks that may “disparage . . . or bring . . . into contemp[t] or disrepute” any “persons, living or dead.” 15 U.S.C. §1052(a). We now hold that this provision violates the Free Speech Clause of the First Amendment. It offends a bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend.

I

[unanimous]

A

“The principle underlying trademark protection is that distinctive marks—words, names, symbols, and the like—can help distinguish a particular artisan’s goods from those of others.” *B&B Hardware, Inc. v. Hargis Industries, Inc.* (2015); see also *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.* (2000). A trademark “designate[s] the goods as the product of a particular trader” and “protect[s] his good will against the sale of another’s product as his.” It helps consumers identify goods and services that they wish to purchase, as well as those they want to avoid.

“[F]ederal law does not create trademarks.” Trademarks and their precursors have ancient origins, and trademarks were protected at common law and in equity at the time of the founding of our country. For most of the 19th century, trademark protection was the province of the States. Eventually, Congress stepped in to provide a degree of national uniformity, passing the first federal legislation protecting trademarks in 1870. The foundation of current federal trademark law is the Lanham Act, enacted in 1946. By that time, trademark had expanded far beyond phrases that do no more than identify a good or service. Then, as now, trademarks often consisted of catchy phrases that convey a message.

Under the Lanham Act, trademarks that are “used in commerce” may be placed on

the “principal register,” that is, they may be federally registered. And some marks “capable of distinguishing [an] applicant’s goods or services and not registrable on the principal register . . . which are in lawful use in commerce by the owner thereof” may instead be placed on a different federal register: the supplemental register. There are now more than two million marks that have active federal certificates of registration. This system of federal registration helps to ensure that trademarks are fully protected and supports the free flow of commerce. “[N]ational protection of trademarks is desirable,” we have explained, “because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation.” *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.* (1987).

B

Without federal registration, a valid trademark may still be used in commerce. And an unregistered trademark can be enforced against would-be infringers in several ways. Most important, even if a trademark is not federally registered, it may still be enforceable under §43(a) of the Lanham Act, which creates a federal cause of action for trademark infringement.¹ Unregistered trademarks may also be entitled to protection under other federal statutes, such as the Anticybersquatting Consumer Protection Act, 15 U.S.C. §1125(d). And an unregistered trademark can be enforced under state common law, or if it has been registered in a State, under that State’s registration system.

Federal registration, however, “confers important legal rights and benefits on trademark owners who register their marks.” Registration on the principal register (1) “serves as ‘constructive notice of the registrant’s claim of ownership’ of the mark” (15 U.S.C. §1072); (2) “is ‘prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner’s ownership of the mark, and of the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate’” (§1057(b)); and (3) can make a mark “‘incontestable’” once a mark has been registered for five years (§§1065, 1115(b)). Registration also enables the trademark holder “to stop the importation into the United States of articles bearing an infringing mark.” See 15 U.S.C. §1124.

C

The Lanham Act contains provisions that bar certain trademarks from the principal register. For example, a trademark cannot be registered if it is “merely descriptive or deceptively misdescriptive” of goods, §1052(e)(1), or if it is so similar to an already registered trademark or trade name that it is “likely...to cause confusion, or to cause mistake, or to deceive,” §1052(d).

At issue in this case is one such provision, which we will call “the disparagement clause.” This provision prohibits the registration of a trademark “which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into

¹ In the opinion below, the Federal Circuit opined that although “Section 43(a) allows for a federal suit to protect an unregistered trademark,” “it is not at all clear” that respondent could bring suit under §43(a) because “there is no authority extending §43(a) to marks denied under §2(a)’s disparagement provision.” When drawing this conclusion, the Federal Circuit relied in part on our statement in *Two Pesos* that “the general principles qualifying a mark for registration under §2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under §43(a).” We need not decide today whether respondent could bring suit under §43(a) if his application for federal registration had been lawfully denied under the disparagement clause.

contempt, or disrepute.” §1052(a). This clause appeared in the original Lanham Act and has remained the same to this day.

When deciding whether a trademark is disparaging, an examiner at the PTO generally applies a “two-part test.” The examiner first considers “the likely meaning of the matter in question, taking into account not only dictionary definitions, but also the relationship of the matter to the 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.” “If that meaning is found to refer to identifiable persons, institutions, beliefs or national symbols,” the examiner moves to the second step, asking “whether that meaning may be disparaging to a substantial composite of the referenced group.” If the examiner finds that a “substantial composite, although not necessarily a majority, of the referenced group would find the proposed mark . . . to be disparaging in the context of contemporary attitudes,” a prima facie case of disparagement is made out, and the burden shifts to the applicant to prove that the trademark is not disparaging. What is more, the PTO has specified that “[t]he fact that an applicant may be a member of that group or has good intentions underlying its use of a term does not obviate the fact that a substantial composite of the referenced group would find the term objectionable.”

D

Simon Tam is the lead singer of “The Slants.” He chose this moniker in order to “reclaim” and “take ownership” of stereotypes about people of Asian ethnicity. The group “draws inspiration for its lyrics from childhood slurs and mocking nursery rhymes” and has given its albums names such as “The Yellow Album” and “Slanted Eyes, Slanted Hearts.”

Tam sought federal registration of “THE SLANTS,” on the principal register, but an examining attorney at the PTO rejected the request, applying the PTO’s two-part framework and finding that “there is . . . a substantial composite of persons who find the term in the applied for mark offensive.” The examining attorney relied in part on the fact that “numerous dictionaries define ‘slants’ or ‘slant-eyes’ as a derogatory or offensive term.” The examining attorney also relied on a finding that “the band’s name has been found offensive numerous times”—citing a performance that was canceled because of the band’s moniker and the fact that “several bloggers and commenters to articles on the band have indicated that they find the term and the applied-for mark offensive.”

Tam contested the denial of registration before the examining attorney and before the PTO’s Trademark Trial and Appeal Board (TTAB) but to no avail. Eventually, he took the case to federal court, where the en banc Federal Circuit ultimately found the disparagement clause facially unconstitutional under the First Amendment’s Free Speech Clause. The majority found that the clause engages in viewpoint-based discrimination, that the clause regulates the expressive component of trademarks and consequently cannot be treated as commercial speech, and that the clause is subject to and cannot satisfy strict scrutiny. The majority also rejected the Government’s argument that registered trademarks constitute government speech, as well as the Government’s contention that federal registration is a form of government subsidy. And the majority opined that even if the disparagement clause were analyzed under this Court’s commercial speech cases, the clause would fail the “intermediate scrutiny” that those cases prescribe.

Several judges wrote separately, advancing an assortment of theories. Concurring, Judge O’Malley agreed with the majority’s reasoning but added that the disparagement clause is unconstitutionally vague. Judge Dyk concurred in part and dissented in part. He

argued that trademark registration is a government subsidy and that the disparagement clause is facially constitutional, but he found the clause unconstitutional as applied to THE SLANTS because that mark constitutes “core expression” and was not adopted for the purpose of disparaging Asian-Americans. In dissent, Judge Lourie agreed with Judge Dyk that the clause is facially constitutional but concluded for a variety of reasons that it is also constitutional as applied in this case. Judge Reyna also dissented, maintaining that trademarks are commercial speech and that the disparagement clause survives intermediate scrutiny because it “directly advances the government’s substantial interest in the orderly flow of commerce.”

The Government filed a petition for certiorari, which we granted in order to decide whether the disparagement clause “is facially invalid under the Free Speech Clause of the First Amendment.” . . .

III

Because the disparagement clause applies to marks that disparage the members of a racial or ethnic group, we must decide whether the clause violates the Free Speech Clause of the First Amendment. And at the outset, we must consider three arguments that would either eliminate any First Amendment protection or result in highly permissive rational-basis review. Specifically, the Government contends (1) that trademarks are government speech, not private speech, (2) that trademarks are a form of government subsidy, and (3) that the constitutionality of the disparagement clause should be tested under a new “government-program” doctrine. We address each of these arguments below.

A

[unanimous]

The First Amendment prohibits Congress and other government entities and actors from “abridging the freedom of speech”; the First Amendment does not say that Congress and other government entities must abridge their own ability to speak freely. And our cases recognize that “[t]he Free Speech Clause . . . does not regulate government speech.”

As we have said, “it is not easy to imagine how government could function” if it were subject to the restrictions that the First Amendment imposes on private speech. “[T]he First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others,” but imposing a requirement of viewpoint-neutrality on government speech would be paralyzing. When a government entity embarks on a course of action, it necessarily takes a particular viewpoint and rejects others. The Free Speech Clause does not require government to maintain viewpoint neutrality when its officers and employees speak about that venture.

Here is a simple example. During the Second World War, the Federal Government produced and distributed millions of posters to promote the war effort. There were posters urging enlistment, the purchase of war bonds, and the conservation of scarce resources. These posters expressed a viewpoint, but the First Amendment did not demand that the Government balance the message of these posters by producing and distributing posters encouraging Americans to refrain from engaging in these activities.

But while the government-speech doctrine is important—indeed, essential—it is a doctrine that is susceptible to dangerous misuse. If private speech could be passed off as government speech by simply affixing a government seal of approval, government could silence or muffle the expression of disfavored viewpoints. For this reason, we must exercise great caution before extending our government-speech precedents.

At issue here is the content of trademarks that are registered by the PTO, an arm of the Federal Government. The Federal Government does not dream up these marks, and it does not edit marks submitted for registration. Except as required by the statute involved here, 15 U.S.C. §1052(a), an examiner may not reject a mark based on the viewpoint that it appears to express. Thus, unless that section is thought to apply, an examiner does not inquire whether any viewpoint conveyed by a mark is consistent with Government policy or whether any such viewpoint is consistent with that expressed by other marks already on the principal register. Instead, if the mark meets the Lanham Act's viewpoint-neutral requirements, registration is mandatory. *Id.* (requiring that “[n]o trademark . . . shall be refused registration on the principal register on account of its nature unless” it falls within an enumerated statutory exception). And if an examiner finds that a mark is eligible for placement on the principal register, that decision is not reviewed by any higher official unless the registration is challenged. See §§1062(a), 1071. Moreover, once a mark is registered, the PTO is not authorized to remove it from the register unless a party moves for cancellation, the registration expires, or the Federal Trade Commission initiates proceedings based on certain grounds. See 15 U.S.C. §§1058(a), 1059, 1064.

In light of all this, it is far-fetched to suggest that the content of a registered mark is government speech. If the federal registration of a trademark makes the mark government speech, the Federal Government is babbling prodigiously and incoherently. It is saying many unseemly things. It is expressing contradictory views.⁹ It is unashamedly endorsing a vast array of commercial products and services. And it is providing Delphic advice to the consuming public.

For example, if trademarks represent government speech, what does the Government have in mind when it advises Americans to “make.believe” (Sony), “Think different” (Apple), “Just do it” (Nike), or “Have it your way” (Burger King)? Was the Government warning about a coming disaster when it registered the mark “EndTime Ministries”?

The PTO has made it clear that registration does not constitute approval of a mark. And it is unlikely that more than a tiny fraction of the public has any idea what federal registration of a trademark means.

None of our government speech cases even remotely supports the idea that registered trademarks are government speech. . . . Trademarks have not traditionally been used to convey a Government message. With the exception of the enforcement of 15 U.S.C. §1052(a), the viewpoint expressed by a mark has not played a role in the decision whether to place it on the principal register. And there is no evidence that the public associates the contents of trademarks with the Federal Government.

This brings us to the case on which the Government relies most heavily, *Walker v. Texas Div., Sons of Confederate Veterans, Inc.* (2015), which likely marks the outer bounds of the government-speech doctrine. Holding that the messages on Texas specialty license plates are government speech, the *Walker* Court cited three factors distilled from *Pleasant Grove City v. Summum* (2009). First, license plates have long been used by the States to convey state messages. Second, license plates “are often closely identified in the public mind” with the State, since they are manufactured and owned by the State, generally designed by the State, and serve as a form of “government ID.” Third, Texas

⁹ Compare “Abolish Abortion,” Registration No. 4,935,774 (Apr. 12, 2016), with “I Stand With Planned Parenthood,” Registration No. 5,073,573 (Nov. 1, 2016); compare “Capitalism Is Not Moral, Not Fair, Not Freedom,” Registration No. 4,696,419 (Mar. 3, 2015), with “Capitalism Ensuring Innovation,” Registration No. 3,966,092 (May 24, 2011); compare “Global Warming Is Good,” Registration No. 4,776,235 (July 21, 2015), with “A Solution to Global Warming,” Registration No. 3,875,271 (Nov. 10, 2010).

“maintain[ed] direct control over the messages conveyed on its specialty plates.” As explained above, none of these factors are present in this case.

In sum, the federal registration of trademarks is vastly different from . . . even the specialty license plates in *Walker*. Holding that the registration of a trademark converts the mark into government speech would constitute a huge and dangerous extension of the government-speech doctrine. For if the registration of trademarks constituted government speech, other systems of government registration could easily be characterized in the same way.

Perhaps the most worrisome implication of the Government’s argument concerns the system of copyright registration. If federal registration makes a trademark government speech and thus eliminates all First Amendment protection, would the registration of the copyright for a book produce a similar transformation?

The Government attempts to distinguish copyright on the ground that it is “the engine of free expression,” but as this case illustrates, trademarks often have an expressive content. Companies spend huge amounts to create and publicize trademarks that convey a message. It is true that the necessary brevity of trademarks limits what they can say. But powerful messages can sometimes be conveyed in just a few words.

Trademarks are private, not government, speech.

B

[Alito, Roberts, Thomas, Breyer]

We next address the Government’s argument that this case is governed by cases in which this Court has upheld the constitutionality of government programs that subsidized speech expressing a particular viewpoint. These cases implicate a notoriously tricky question of constitutional law. “[W]e have held that the 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.’” But at the same time, government is not required to subsidize activities that it does not wish to promote. Determining which of these principles applies in a particular case “is not always self-evident,” but no difficult question is presented here.

Unlike the present case, the decisions on which the Government relies all involved cash subsidies or their equivalent. In *Rust v. Sullivan* (1991), a federal law provided funds to private parties for family planning services. . . . In other cases, we have regarded tax benefits as comparable to cash subsidies.

The federal registration of a trademark is nothing like the programs at issue in these cases. The PTO does not pay money to parties seeking registration of a mark. Quite the contrary is true: An applicant for registration must pay the PTO a filing fee of \$225-\$600. (Tam submitted a fee of \$275 as part of his application to register THE SLANTS.) And to maintain federal registration, the holder of a mark must pay a fee of \$300-\$500 every 10 years. The Federal Circuit concluded that these fees have fully supported the registration system for the past 27 years.

The Government responds that registration provides valuable non-monetary benefits that “are directly traceable to the resources devoted by the federal government to examining, publishing, and issuing certificates of registration for those marks.” But just about every government service requires the expenditure of government funds. This is true of services that benefit everyone, like police and fire protection, as well as services that are utilized by only some, *e.g.*, the adjudication of private lawsuits and the use of public parks and highways.

Trademark registration is not the only government registration scheme. For example, the Federal Government registers copyrights and patents. State governments and their subdivisions register the title to real property and security interests; they issue driver's licenses, motor vehicle registrations, and hunting, fishing, and boating licenses or permits. . . .

C

[Alito, Roberts, Thomas, Breyer]

Finally, the Government urges us to sustain the disparagement clause under a new doctrine that would apply to "government-program" cases. For the most part, this argument simply merges our government-speech cases and the previously discussed subsidy cases in an attempt to construct a broader doctrine that can be applied to the registration of trademarks. The only new element in this construct consists of two cases involving a public employer's collection of union dues from its employees. But those cases occupy a special area of First Amendment case law, and they are far removed from the registration of trademarks. . . .

Potentially more analogous are cases in which a unit of government creates a limited public forum for private speech. . . . However, even in such cases, what we have termed "viewpoint discrimination" is forbidden.

Our cases use the term "viewpoint" discrimination in a broad sense, and in that sense, the disparagement clause discriminates on the bases of "viewpoint." To be sure, the clause evenhandedly prohibits disparagement of all groups. It applies equally to marks that damn Democrats and Republicans, capitalists and socialists, and those arrayed on both sides of every possible issue. It denies registration to any mark that is offensive to a substantial percentage of the members of any group. But in the sense relevant here, that is viewpoint discrimination: Giving offense is a viewpoint.

We have said time and again that "the public expression of ideas may not be prohibited merely because the ideas are themselves offensive to some of their hearers."

For this reason, the disparagement clause cannot be saved by analyzing it as a type of government program in which some content- and speaker-based restrictions are permitted.

IV

[Alito, Roberts, Thomas, Breyer]

Having concluded that the disparagement clause cannot be sustained under our government-speech or subsidy cases or under the Government's proposed "government program" doctrine, we must confront a dispute between the parties on the question whether trademarks are commercial speech and are thus subject to the relaxed scrutiny outlined in *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm'n of N.Y.* (1980). The Government and *amici* supporting its position argue that all trademarks are commercial speech. They note that the central purposes of trademarks are commercial and that federal law regulates trademarks to promote fair and orderly interstate commerce. Tam and his *amici*, on the other hand, contend that many, if not all, trademarks have an expressive component. In other words, these trademarks do not simply identify the source of a product or service but go on to say something more, either about the product or service or some broader issue. The trademark in this case illustrates this point. The name "The Slants" not only identifies the band but expresses a view about social issues.

We need not resolve this debate between the parties because the disparagement

clause cannot withstand even *Central Hudson* review. Under *Central Hudson*, a restriction of speech must serve “a substantial interest,” and it must be “narrowly drawn.” This means, among other things, that “[t]he regulatory technique may extend only as far as the interest it serves.” The disparagement clause fails this requirement.

It is claimed that the disparagement clause serves two interests. The first is phrased in a variety of ways in the briefs. Echoing language in one of the opinions below, the Government asserts an interest in preventing “underrepresented groups” from being “bombarded with demeaning messages in commercial advertising.” An *amicus* supporting the Government refers to “encouraging racial tolerance and protecting the privacy and welfare of individuals.” But no matter how the point is phrased, its unmistakable thrust is this: The Government has an interest in preventing speech expressing ideas that offend. And, as we have explained, that idea strikes at the heart of the First Amendment. Speech that demeans on the basis of race, ethnicity, gender, religion, age, disability, or any other similar ground is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express “the thought that we hate.”

The second interest asserted is protecting the orderly flow of commerce. Commerce, we are told, is disrupted by trademarks that “involv[e] disparagement of race, gender, ethnicity, national origin, religion, sexual orientation, and similar demographic classification.” Such trademarks are analogized to discriminatory conduct, which has been recognized to have an adverse effect on commerce.

A simple answer to this argument is that the disparagement clause is not “narrowly drawn” to drive out trademarks that support invidious discrimination. The clause reaches any trademark that disparages *any person, group, or institution*. It applies to trademarks like the following: “Down with racists,” “Down with sexists,” “Down with homophobes.” It is not an anti-discrimination clause; it is a happy-talk clause. In this way, it goes much further than is necessary to serve the interest asserted.

The clause is far too broad in other ways as well. The clause protects every person living or dead as well as every institution. Is it conceivable that commerce would be disrupted by a trademark saying: “James Buchanan was a disastrous president” or “Slavery is an evil institution”?

There is also a deeper problem with the argument that commercial speech may be cleansed of any expression likely to cause offense. The commercial market is well stocked with merchandise that disparages prominent figures and groups, and the line between commercial and non-commercial speech is not always clear, as this case illustrates. If affixing the commercial label permits the suppression of any speech that may lead to political or social “volatility,” free speech would be endangered.

* * *

For these reasons, we hold that the disparagement clause violates the Free Speech Clause of the First Amendment. The judgment of the Federal Circuit is affirmed.

It is so ordered.

Justice KENNEDY, with whom JUSTICE GINSBURG, JUSTICE SOTOMAYOR, and JUSTICE KAGAN join, concurring in part and concurring in the judgment.

The Patent and Trademark Office (PTO) has denied the substantial benefits of federal trademark registration to the mark THE SLANTS. The PTO did so under the mandate of the disparagement clause in 15 U.S.C. §1052(a), which prohibits the registration of marks that may “disparage . . . or bring . . . into contemp[t] or disrepute” any “persons,

living or dead, institutions, beliefs, or national symbols.”

As the Court is correct to hold, §1052(a) constitutes viewpoint discrimination—a form of speech suppression so potent that it must be subject to rigorous constitutional scrutiny. The Government’s action and the statute on which it is based cannot survive this scrutiny.

The Court is correct in its judgment, and I join Parts I, II, and III-A of its opinion. This separate writing explains in greater detail why the First Amendment’s protections against viewpoint discrimination apply to the trademark here. It submits further that the viewpoint discrimination rationale renders unnecessary any extended treatment of other questions raised by the parties.

I

Those few categories of speech that the government can regulate or punish—for instance, fraud, defamation, or incitement—are well established within our constitutional tradition. Aside from these and a few other narrow exceptions, it is a fundamental principle of the First Amendment that the government may not punish or suppress speech based on disapproval of the ideas or perspectives the speech conveys.

The First Amendment guards against laws “targeted at specific subject matter,” a form of speech suppression known as content based discrimination. This category includes a subtype of laws that go further, aimed at the suppression of “particular views . . . on a subject.” A law found to discriminate based on viewpoint is an “egregious form of content discrimination,” which is “presumptively unconstitutional.”

At its most basic, the test for viewpoint discrimination is whether—within the relevant subject category—the government has singled out a subset of messages for disfavor based on the views expressed. In the instant case, the disparagement clause the Government now seeks to implement and enforce identifies the relevant subject as “persons, living or dead, institutions, beliefs, or national symbols.” 15 U.S.C. §1052(a). Within that category, an applicant may register a positive or benign mark but not a derogatory one. The law thus reflects the Government’s disapproval of a subset of messages it finds offensive. This is the essence of viewpoint discrimination.

The Government disputes this conclusion. It argues, to begin with, that the law is viewpoint neutral because it applies in equal measure to any trademark that demeans or offends. This misses the point. A subject that is first defined by content and then regulated or censored by mandating only one sort of comment is not viewpoint neutral. To prohibit all sides from criticizing their opponents makes a law more viewpoint based, not less so. The logic of the Government’s rule is that a law would be viewpoint neutral even if it provided that public officials could be praised but not condemned. The First Amendment’s viewpoint neutrality principle protects more than the right to identify with a particular side. It protects the right to create and present arguments for particular positions in particular ways, as the speaker chooses. By mandating positivity, the law here might silence dissent and distort the marketplace of ideas.

The Government next suggests that the statute is viewpoint neutral because the disparagement clause applies to trademarks regardless of the applicant’s personal views or reasons for using the mark. Instead, registration is denied based on the expected reaction of the applicant’s audience. In this way, the argument goes, it cannot be said that Government is acting with hostility toward a particular point of view. For example, the Government does not dispute that respondent seeks to use his mark in a positive way. Indeed, respondent endeavors to use *The Slants* to supplant a racial epithet, using new insights, musical talents,

and wry humor to make it a badge of pride. Respondent's application was denied not because the Government thought his object was to demean or offend but because the Government thought his trademark would have that effect on at least some Asian-Americans.

The Government may not insulate a law from charges of viewpoint discrimination by tying censorship to the reaction of the speaker's audience. The Court has suggested that viewpoint discrimination occurs when the government intends to suppress a speaker's beliefs, but viewpoint discrimination need not take that form in every instance. The danger of viewpoint discrimination is that the government is attempting to remove certain ideas or perspectives from a broader debate. That danger is all the greater if the ideas or perspectives are ones a particular audience might think offensive, at least at first hearing. An initial reaction may prompt further reflection, leading to a more reasoned, more tolerant position.

Indeed, a speech burden based on audience reactions is simply government hostility and intervention in a different guise. The speech is targeted, after all, based on the government's disapproval of the speaker's choice of message. And it is the government itself that is attempting in this case to decide whether the relevant audience would find the speech offensive. For reasons like these, the Court's cases have long prohibited the government from justifying a First Amendment burden by pointing to the offensiveness of the speech to be suppressed.

The Government's argument in defense of the statute assumes that respondent's mark is a negative comment. In addressing that argument on its own terms, this opinion is not intended to imply that the Government's interpretation is accurate. From respondent's submissions, it is evident he would disagree that his mark means what the Government says it does. The trademark will have the effect, respondent urges, of reclaiming an offensive term for the positive purpose of celebrating all that Asian-Americans can and do contribute to our diverse Nation. While thoughtful persons can agree or disagree with this approach, the dissonance between the trademark's potential to teach and the Government's insistence on its own, opposite, and negative interpretation confirms the constitutional vice of the statute.

II

The parties dispute whether trademarks are commercial speech and whether trademark registration should be considered a federal subsidy. The former issue may turn on whether certain commercial concerns for the protection of trademarks might, as a general matter, be the basis for regulation. However that issue is resolved, the viewpoint based discrimination at issue here necessarily invokes heightened scrutiny.

"Commercial speech is no exception," the Court has explained, to the principle that the First Amendment "requires heightened scrutiny whenever the government creates a regulation of speech because of disagreement with the message it conveys." Unlike content based discrimination, discrimination based on viewpoint, including a regulation that targets speech for its offensiveness, remains of serious concern in the commercial context.

To the extent trademarks qualify as commercial speech, they are an example of why that term or category does not serve as a blanket exemption from the First Amendment's requirement of viewpoint neutrality. Justice Holmes' reference to the "free trade in ideas" and the "power of . . . thought to get itself accepted in the competition of the market," was a metaphor. In the realm of trademarks, the metaphorical marketplace of ideas becomes a tangible, powerful reality. Here that real marketplace exists as a matter of state law and our common-law tradition, quite without regard to the Federal Government. These marks make up part of the expression of everyday life, as with the names of entertainment

groups, broadcast networks, designer clothing, newspapers, automobiles, candy bars, toys, and so on. Nonprofit organizations—ranging from medical research charities and other humanitarian causes to political advocacy groups—also have trademarks, which they use to compete in a real economic sense for funding and other resources as they seek to persuade others to join their cause. To permit viewpoint discrimination in this context is to permit Government censorship.

This case does not present the question of how other provisions of the Lanham Act should be analyzed under the First Amendment. It is well settled, for instance, that to the extent a trademark is confusing or misleading the law can protect consumers and trademark owners. This case also does not involve laws related to product labeling or otherwise designed to protect consumers. These considerations, however, do not alter the speech principles that bar the viewpoint discrimination embodied in the statutory provision at issue here.

It is telling that the Court’s precedents have recognized just one narrow situation in which viewpoint discrimination is permissible: where the government itself is speaking or recruiting others to communicate a message on its behalf. The exception is necessary to allow the government to stake out positions and pursue policies. But it is also narrow, to prevent the government from claiming that every government program is exempt from the First Amendment. These cases have identified a number of factors that, if present, suggest the government is speaking on its own behalf; but none are present here.

There may be situations where private speakers are selected for a government program to assist the government in advancing a particular message. That is not this case either. The central purpose of trademark registration is to facilitate source identification. To serve that broad purpose, the Government has provided the benefits of federal registration to millions of marks identifying every type of product and cause. Registered trademarks do so by means of a wide diversity of words, symbols, and messages. Whether a mark is disparaging bears no plausible relation to that goal. While defining the purpose and scope of a federal program for these purposes can be complex, our cases are clear that viewpoint discrimination is not permitted where, as here, the Government “expends funds to encourage a diversity of views from private speakers.”

* * *

A law that can be directed against speech found offensive to some portion of the public can be turned against minority and dissenting views to the detriment of all. The First Amendment does not entrust that power to the government’s benevolence. Instead, our reliance must be on the substantial safeguards of free and open discussion in a democratic society.

For these reasons, I join the Court’s opinion in part and concur in the judgment.

Justice THOMAS, concurring in part and concurring in the judgment.

. . . I also write separately because “I continue to believe that when the government seeks to restrict truthful speech in order to suppress the ideas it conveys, strict scrutiny is appropriate, whether or not the speech in question may be characterized as ‘commercial.’” I nonetheless join Part IV of JUSTICE ALITO’s opinion because it correctly concludes that the disparagement clause, 15 U.S.C. §1052(a), is unconstitutional even under the less stringent test announced in *Central Hudson*.

Questions:

- 1.) On what do the justices agree? On what do they disagree?
 - 2.) What reasons does the court give for the claim that registered trademarks are private speech rather than government speech?
 - 3.) Do you think that the disparagement clause constitutes viewpoint discrimination? Why? Why not?
 - 4.) Do you foresee a flood of trademark applications seeking federal registration for “offensive” marks?
 - 5.) Is this case consistent with *SFAA v. USOC*? Why? Why not?
-

ii.) Marks that falsely suggest a connection to persons. Aside from disparaging marks, §1052(a) also prohibits marks that may “*falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols.*” Note that this is different from disparagement—falsely suggesting a connection need not be disparaging. It is also distinct from § 1052(c)’s prohibition on using names of particular living individuals, and § 1052(e)’s prohibition on marks that are “primarily merely a surname” (both discussed below). The provision barring false associations with “persons” emerged from the concepts of rights of publicity and privacy. It only precludes registration when, among other things, “the plaintiff’s name or identity is of sufficient fame or reputation that when the defendant’s mark is used on its goods or services, a connection with the plaintiff would be presumed.” So, for example, BO BALL with a baseball/football design could not be registered because it falsely suggested a connection with the famous athlete Bo Jackson, but DA VINCI could be registered for jewelry and leather giftware because reasonable buyers would not assume a connection between Leonardo Da Vinci and the trademark owner’s products.² Given the holding in *Matal v. Tam*, how would you distinguish between the “false connection to persons” and the “disparagement” provisions of 1052(a) for constitutional purposes?

iii.) Immoral or scandalous marks. Here is a brief illustration of the existing law regarding immoral or scandalous marks. (As you will read below, *Matal v. Tam* has put the constitutionality of this prohibition into doubt – you will have the opportunity to address the constitutional issues in Problem 6-2.) To determine whether a mark is too immoral or scandalous to be registrable, courts and the PTO look at whether a “substantial composite of the general public” views it as vulgar or offensive “in terms of contemporary attitudes.” Courts have held that terms such as BULLSHIT and JACK-OFF have obvious vulgar meanings. But what if the mark in question is capable of multiple meanings? Compare the two opinions below.

² See *In re Sauer*, 27 U.S.P.Q.2d 1073 (T.T.A.B. 1993), *aff’d*, 26 F.3d 140 (Fed. Cir. 1994); *Lucien Piccard Watch Corp. v. Crescent Corp.*, 314 F. Supp. 329 (S.D.N.Y. 1970).

In re Marsha Fox
702 F.3d 633 (Fed. Cir. 2012)



DYK, Circuit Judge.

The mark at issue here has two parts: a literal element, consisting of the words COCK SUCKER, and a design element, consisting of a drawing of a crowing rooster. Since 1979, Fox has used this mark to sell rooster-shaped chocolate lollipops. . . . The consumers targeted by Fox’s business are, primarily, fans of the University of South Carolina and Jacksonville State University, both of which employ gamecocks as their athletic mascots. . . .

[T]he association of COCK SUCKER with a poultry-themed product does not diminish the vulgar meaning—it merely establishes an additional, non-vulgar meaning and a double entendre. This is not a case in which the vulgar meaning of the mark’s literal element is so obscure or so faintly evoked that a context that amplifies the non-vulgar meaning will efface the vulgar meaning altogether. Rather, the mark is precisely what Fox intended it to be: a double entendre, meaning both “rooster lollipop” and “one who performs fellatio.” . . .

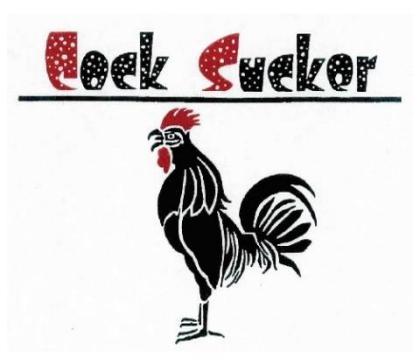


Image from the USPTO Trademark

[T]here is no requirement in the statute that a mark’s vulgar meaning must be the only relevant meaning—or even the most relevant meaning. Rather, as long as a “substantial composite of the general public” perceives the mark, in context, to have a vulgar meaning, the mark as a whole “consists of *or comprises* . . . scandalous matter.” . . . We therefore see no reason why the PTO is required to prove anything more than the existence of a vulgar meaning to a substantial composite of the general public in order to justify its refusal. . . .

[T]he outcome of our decision is that Fox will remain free to use her mark in commerce. She will be unable, however, to call upon the resources of the federal government in order to enforce that mark.

In re Hershey
6 U.S.P.Q.2d 1470 (T.T.A.B. 1988)



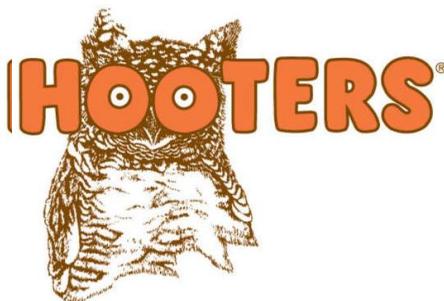
KRUGMAN, Administrative Judge.

While the Examining Attorney has demonstrated that “pecker” is a slang expression for penis, one reference, *The American Thesaurus of Slang*, bears a 1947 copyright notice indicating that said reference is over forty years old. The more recent reference, the 1975 edition of *The Dictionary of American Slang*, indicates that use of the term “pecker” meaning penis is rapidly becoming archaic. . . . [Dictionary] evidence, standing alone, is at best marginal to demonstrate that the mark is a vulgar, slang reference to male genitalia and would be recognized as such a reference by a substantial composite of the general public. Moreover, applicant has demonstrated from dictionary definitions of “pecker” that its primary meanings to the public are innocuous, namely, one that pecks,

a woodpecker or a bird's bill. In addition, while not part of the mark sought to be registered, the specimens of record comprise labels showing a design of a bird appearing below the mark. . . . We conclude, therefore, that the term "BIG PECKER BRAND" is, at most, a double entendre, one meaning of which may be a vulgar reference to male genitalia. However, considering the relative paucity of evidence concerning the public's perception of "pecker" as referring to penis and considering the bird head design on the specimens reinforcing the more conventional meaning of the term, we believe the mark neither offends morality nor raises scandal, and we reverse the refusal of registration under Section 2(a).

PROBLEM 6-1

Hooters is often held up as the oldest example of a restaurant subgenre dubbed "Breastaurants"—defined by Wikipedia as "a restaurant that has sexual undertones, most commonly in the form of large-breasted, skimpily-dressed waitresses and barmaids and double-entendre brand name." (Others include the Tilted Kilt, Twin Peaks, Bone Daddy's, and Mugs & Jugs.) Hooters, on the other hand, has sometimes referred to itself as "a family restaurant." HOOTERS owns numerous trademarks including the term HOOTERS and the image of the owl peering through the "OO," first registered in 1985 (Owls hoot).



Does the federal registration of the HOOTERS mark comply with 1052(a)? Is it scandalous and immoral? Does your answer only go to the word mark, or to the combination of word and logo? Both?

Your analysis will require you to answer the following:

- 1.) What is the meaning of "Hooters"? Does the owl image make a difference? Positive or negative? Would the reasoning of the *Fox* court and the *Hershey* TTAB decision provide different answers?
- 2.) Would a "substantial composite" of the public find the term immoral or scandalous?
- 3.) Who would have standing to challenge? The courts have been relatively generous with standing in the context of cases alleging marks are immoral or scandalous. In *Bromberg v. Carmel Self Service, Inc.*, 198 U.S.P.Q. 176 (T.T.A.B. 1978), the TTAB held that two women had standing to oppose a registration application of ONLY A BREAST IN THE MOUTH IS BETTER THAN A LEG IN THE HAND for restaurant services on grounds that the mark was immoral and scandalous, and disparaging to women, even though they were not in the restaurant business and pleaded no commercial injury; they needed merely to be "members of a group who may *believe* the mark to be scandalous." (Emphasis added.) Is this enough to meet a constitutional standing requirement? Does it cast light on the First Amendment issue discussed in Problem 6-2?

Now we turn to the constitutional issue: Does the reasoning in *Matal v. Tam* also invalidate §1052(a)'s bar on registering immoral or scandalous marks? The Federal Circuit will have the opportunity to consider this question in the appeal of *In re Brunetti*, in which the TTAB affirmed the PTO's refusal to register FUCT for apparel. The trademark applicant, Erik Brunetti, produces edgy "streetwear," and first adopted the FUCT mark in 1991. He argued that FUCT was an arbitrary, coined word for his brand, and an acronym for FRIENDS U CAN'T TRUST. The TTAB disagreed. It found that FUCT is the "phonetic equivalent" of "fucked," and canvassed many dictionary definitions of "fuck" and its variations (e.g. from vocabulary.com: "Fuck is one of the most common words in English—it's also one of the most offensive. Its main meaning is 'have sex,' but it has hundreds of other uses . . ."), and also definitions of "fuct" from Urban Dictionary ("The past tense of the verb fuck. Also used to express a general state of incapability. We are so fuct!" . . .). The Board concluded: "In light of the evidence recited above, with the prevalence of various meanings of the term 'fucked' (e.g., having decidedly-negative sexual connotations, as well as extreme misogyny, depravity, violence, intolerance, anger, and imagery of being 'doomed' or a 'loser,' etc.) that dominate applicant's themes and designs, we find that applicant's declaration statements that 'fuct' was chosen as an invented or coined term stretches credulity." The Board also explained that "the threshold for objectionable matter is lower for what can be described as 'scandalous' than for 'obscene,'" and that "vulgar" was an appropriate standard for assessing scandalousness because "the word 'vulgar' captures the essence of the prohibition against registration in the case at bar." While Brunetti also raised First Amendment issues, the TTAB declined to address them because it wasn't the appropriate forum. (While the *Brunetti* appeal is pending, the PTO has suspended action on applications involving immoral or scandalous marks, and is issuing only advisory refusals.)

PROBLEM 6-2

The day after the *Tam* decision, the Federal Circuit asked the *Brunetti* parties to file supplemental briefs explaining how the case should be resolved in light of *Matal v. Tam*. In particular, the court is asking the parties to address "the Supreme Court's statements that 'offensive' speech cannot be denied trademark protection and its application to this case" and "whether there is any basis for treating immoral and scandalous marks differently than disparaging marks in light of the Supreme Court's unanimous holding that 'offensive' trademarks cannot be banned." **How should the government respond to these questions? Can it make an argument that the immoral and scandalous prohibition is not viewpoint discrimination? Under *Central Hudson*, what are its best arguments that the ban serves "a substantial interest" and is "narrowly drawn"? How about Mr. Brunetti—what are his strongest arguments? Bonus question: do you agree with the Federal Circuit's description of the holding in *Matal*?**



CHAPTER ELEVEN

Copyrightable Subject Matter

This material replaces *Brandir v. Cascade* on pages 338–344 (up to *Lotus*) with the Supreme Court’s 2017 decision in *Star Athletica v. Varsity Brands* and related discussion.

4.) Useful Articles

As defined by the Copyright Act, a “useful article” is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” Such useful articles, along with “any article that is normally a part of a useful article,” cannot be copyrighted; they are protectable, if at all, only by patent law. However, the “*design* of a useful article” *can* be copyrighted as a “pictorial, graphic, or sculptural work” if “such design incorporates pictorial, graphic, or sculptural features that *can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article,*” 17 U.S.C. §101, a standard known as “separability.” But how does one determine whether a useful article’s design features are sufficiently separable from its utilitarian aspects, particularly when (unlike a hood ornament on a car, for example) they cannot physically be detached from the underlying article? This is the “metaphysical quandary”¹ of conceptual separability.

Sometimes form and function merge—as with a sculptural work that also serves as a bicycle rack, or a mannequin, or a belt buckle.² Are these copyrightable “works of applied art” or uncopyrightable “industrial designs”? Sometimes design elements serve functional purposes—as with the sequins and beads on the bodice of a prom dress that “cover the body in a particularly attractive way for that special occasion” or the chevrons, stripes, and color blocks on a cheerleader uniform that appear to identify the wearer as a cheerleader (and apparently make the wearer appear both “slimmer” and “curvier”).³ Can these aesthetic features “exist independently” of their utilitarian function? How do we know—do we look at the perception of an ordinary observer? The motivations of the designer? At whether they are primarily ornamental or functional? Or whether, taking away any functionality, they’re still marketable as art? At stake is a dividing line between copyright and patent law. Draw it too far one way, and copyright confers 95 years (or life plus 70 years) of exclusivity over utilitarian subject matter without ensuring that patent

¹ Quoting *Universal Furniture Int’l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417 (4th Cir.2010).

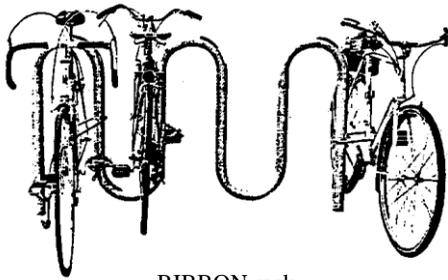
² See *Brandir Int’l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142 (2d Cir.1987) (bicycle rack not copyrightable); *Carol Barnhart, Inc. v. Economy Cover Corp.*, 773 F.2d 411 (2d Cir.1985) (mannequin torso not copyrightable); *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (2d Cir.1980) (belt buckle copyrightable).

³ *Jovani Fashion, Inc. v. Cinderella Divine, Inc.*, 808 F.Supp.2d 542 (S.D.N.Y. 2011) (prom dress design not copyrightable, affirmed by the Second Circuit); *Star Athletica, LLC v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017) (cheerleader uniform designs copyrightable). Please note that the Supreme Court in *Star Athletica* did not find that identifying the wearer as a cheerleader was the purpose of these design features. The claims about enhancing the wearer’s appearance are from the oral argument in that case.

eligibility thresholds are satisfied. Draw it too far the other way, and copyright excludes legitimate works of art from its purview.

Not surprisingly, courts have “struggled mightily to formulate a test” for conceptual separability.⁴ In 2017, in the case involving cheerleader uniforms, the Supreme Court sought to “resolve widespread disagreement over the proper test for implementing §101’s separate identification and independent-existence requirements.” The appellate decision in that case had listed *nine* different approaches to analyzing conceptual separability from courts, scholars, and the Copyright Office, and arguably added a tenth one. The Supreme Court’s majority opinion largely ignored those prior formulations, and provided its own standard. In theory, therefore, we now have a definitive test.

This Supreme Court decision is below. But first, consider the analysis in an earlier case, *Brandir Int’l, Inc. v. Cascade Pacific Lumber Co.* (2d Cir. 1987). There, the Second Circuit addressed the question of whether a bicycle rack called the “RIBBON Rack” was copyrightable. The sculptor had originally come up with a minimalist sine wave sculpture made of metal. One of his friends, an avid cyclist, opined that it would make a great bike rack. Rather than beating the friend with his own bike in a fit of artistic pique, the sculptor saw a business opportunity and modified the ribbon rack to make it more suitable for such a task. But was it copyrightable as a sculpture?



RIBBON rack



Previous sculptures that led to the RIBBON rack

The court in *Brandir* summarized several possible approaches to “conceptual separability . . . including whether the primary use is as a utilitarian article as opposed to an artistic work, whether the aesthetic aspects of the work can be said to be ‘primary,’ and whether the article is marketable as art, none of which is very satisfactory.” But the court finally adopted an approach drawn from a law review article by Professor Robert Denicola (*Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 1983). Professor Denicola had proposed a test that focused on the motivations of the artist, rather than the mind of the beholder, concluding that “copyrightability ‘ultimately should depend on the extent to which the work reflects artistic expression uninhibited by functional considerations.’” Writing for the majority, Judge Oakes summarized Denicola’s test as follows: “if design elements reflect a merger of aesthetic and functional considerations, the artistic aspects of a work cannot be said to be conceptually separable from the utilitarian elements. Conversely, where design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influences, conceptual separability exists.”

Applying this standard, the majority held that the RIBBON Rack was not copyrightable. While the rack originated as a series of wire sculptures (see above), the final form at

⁴ *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F. 3d 468 (6th Cir. 2015).

issue in the case had “adapted the original aesthetic elements to accommodate and further a utilitarian purpose”—among other things, the regular undulations allowed multiple types of bicycles and mopeds to park both under and over the curves. The majority concluded:

Using the test we have adopted, it is not enough that . . . the rack may stimulate in the mind of the reasonable observer a concept separate from the bicycle rack concept. While the RIBBON Rack may be worthy of admiration for its aesthetic qualities alone, it remains nonetheless the product of industrial design. Form and function are inextricably intertwined in the rack, its ultimate design being as much the result of utilitarian pressures as aesthetic choices. . . . Thus there remains no artistic element of the RIBBON Rack that can be identified as separate and “capable of existing independently of, the utilitarian aspects of the article.”

Judge Winter filed a dissenting opinion, explaining “The grounds of my disagreement are that: (1) my colleagues’ adaptation of Professor Denicola’s test diminishes the statutory concept of ‘conceptual separability’ to the vanishing point; and (2) their focus on the process or sequence followed by the particular designer makes copyright protection depend upon largely fortuitous circumstances concerning the creation of the design in issue.” Judge Winter proposed a standard focusing on how the final work is perceived: “the relevant question is whether the design of a useful article, however intertwined with the article’s utilitarian aspects, causes an ordinary reasonable observer to perceive an aesthetic concept not related to the article’s use. The answer to this question is clear in the instant case because any reasonable observer would easily view the Ribbon Rack as an ornamental sculpture.”

Take a look at the RIBBON rack above. How would you vote? Copyrightable or not?

Star Athletica, LLC v. Varsity Brands, Inc.

137 S. Ct. 1002 (2017)



Justice THOMAS delivered the opinion of the Court.

Congress has provided copyright protection for original works of art, but not for industrial designs. The line between art and industrial design, however, is often difficult to draw. This is particularly true when an industrial design incorporates artistic elements. Congress has afforded limited protection for these artistic elements by providing that “pictorial, graphic, or sculptural features” of the “design of a useful article” are eligible for copyright protection as artistic works if those features “can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” 17 U.S.C. §101. We granted certiorari to resolve widespread disagreement over the proper test for implementing §101’s separate-identification and independent-existence requirements. We hold that a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated. Because that test is satisfied in this case, we affirm.

I

Respondents Varsity Brands, Inc., Varsity Spirit Corporation, and Varsity Spirit Fashions & Supplies, Inc., design, make, and sell cheerleading uniforms. Respondents have obtained or acquired more than 200 U.S. copyright registrations for two-dimensional designs appearing on the surface of their uniforms and other garments. These designs are primarily “combinations, positionings, and arrangements of elements” that include “chevrons . . . , lines, curves, stripes, angles, diagonals, inverted [chevrons], coloring, and shapes.” At issue in this case are Designs 299A, 299B, 074, 078, and 0815. [Here are images of these designs from the Appendix to the opinion (from the registration deposits Varsity submitted to the Copyright Office), alongside images of two of the designs worn as uniforms.]



Petitioner Star Athletica, L.L.C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. The District Court entered summary judgment for petitioner on respondents’ copyright claims on the ground that the designs did not qualify as protectable pictorial, graphic, or sculptural works. It reasoned that the designs served the useful, or “utilitarian,” function of identifying the garments as “cheerleading uniforms” and therefore could not be “physically or conceptually” separated under § 101 “from the utilitarian function” of the uniform.

The Court of Appeals for the Sixth Circuit reversed. In its view, the “graphic designs” were “separately identifiable” because the designs “and a blank cheerleading uniform can appear ‘side by side’—one as a graphic design, and one as a cheerleading uniform.” And it determined that the designs were “‘capable of existing independently’” because they could be incorporated onto the surface of different types of garments, or hung on the wall and framed as art.

Judge McKeague dissented. He would have held that, because “identifying the wearer as a cheerleader” is a utilitarian function of a cheerleading uniform and the surface designs were “integral to” achieving that function, the designs were inseparable from the uniforms. . . .

II B

We must now decide when a feature incorporated into a useful article “can be identified separately from” and is “capable of existing independently of” “the utilitarian aspects” of the article. This is not a free-ranging search for the best copyright policy, but rather “depends solely on statutory interpretation.” “The controlling principle in this case is the basic and unexceptional rule that courts must give effect to the clear meaning of statutes as written.” We thus begin and end our inquiry with the text, giving each word its “ordinary, contemporary, common meaning.” We do not, however, limit this inquiry to the text of §101 in isolation. “[I]nterpretation of a phrase of uncertain reach is not confined

to a single sentence when the text of the whole statute gives instruction as to its meaning.” We thus “look to the provisions of the whole law” to determine §101’s meaning.

1

The statute provides that a “pictorial, graphic, or sculptural featur[e]” incorporated into the “design of a useful article” is eligible for copyright protection if it (1) “can be identified separately from,” and (2) is “capable of existing independently of, the utilitarian aspects of the article.” §101. The first requirement—separate identification—is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities.

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. See 2 OED 88 (def. 5) (defining “[c]apable” of as “[h]aving the needful capacity, power, or fitness for”). In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in §101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

Of course, to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot itself be a useful article or “[a]n article that is normally a part of a useful article” (which is itself considered a useful article). §101. Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it. . . .

3

This interpretation is . . . consistent with the history of the Copyright Act. In *Mazer v. Stein* (1954), a case decided under the 1909 Copyright Act, the respondents copyrighted a statuette depicting a dancer. The statuette was intended for use as a lamp base, “with electric wiring, sockets and lamp shades attached.” Copies of the statuette were sold both as lamp bases and separately as statuettes. . . . [T]he Court held that the respondents owned a copyright in the statuette even though it was intended for use as a lamp base. . . . Congress essentially lifted the language governing protection for the design of a useful article directly from the post-*Mazer* regulations and placed it into §101 of the 1976 Act. Consistent with *Mazer*, the approach we outline today interprets §§101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp.



Statuette/ lamp base from *Mazer v. Stein*

language governing protection for the design of a useful article directly from the post-*Mazer* regulations and placed it into §101 of the 1976 Act. Consistent with *Mazer*, the approach we outline today interprets §§101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp.

C

In sum, a feature of the design of a useful article is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.

Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter’s canvas—they would qualify as “two-dimensional . . . works of . . . art,” §101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression—different types of clothing—without replicating the uniform. The decorations are therefore separable from the uniforms and eligible for copyright protection.¹

The dissent argues that the designs are not separable because imaginatively removing them from the uniforms and placing them in some other medium of expression—a canvas, for example—would create “pictures of cheerleader uniforms.” Petitioner similarly argues that the decorations cannot be copyrighted because, even when extracted from the useful article, they retain the outline of a cheerleading uniform.

This is not a bar to copyright. Just as two-dimensional fine art corresponds to the shape of the canvas on which it is painted, two-dimensional applied art correlates to the contours of the article on which it is applied. A fresco painted on a wall, ceiling panel, or dome would not lose copyright protection, for example, simply because it was designed to track the dimensions of the surface on which it was painted. Or consider, for example, a design etched or painted on the surface of a guitar. If that entire design is imaginatively removed from the guitar’s surface and placed on an album cover, it would still resemble the shape of a guitar. But the image on the cover does not “replicate” the guitar as a useful article. Rather, the design is a two-dimensional work of art that corresponds to the shape of the useful article to which it was applied. The statute protects that work of art whether it is first drawn on the album cover and then applied to the guitar’s surface, or vice versa. Failing to protect that art would create an anomaly: It would extend protection to two-dimensional designs that cover a part of a useful article but would not protect the same design if it covered the entire article. The statute does not support that distinction, nor can it be reconciled with the dissent’s recognition that “artwork printed on a t-shirt” could be protected.

To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression—a uniform or otherwise.²

¹ We do not today hold that the surface decorations are copyrightable. We express no opinion on whether these works are sufficiently original to qualify for copyright protection, or on whether any other prerequisite of a valid copyright has been satisfied.

² The dissent suggests that our test would lead to the copyrighting of shovels. But a shovel, like a cheerleading uniform, even if displayed in an art gallery, is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. §101. It therefore cannot be copyrighted. A drawing of a shovel could, of course, be copyrighted. And, if the shovel included any artistic features that could be perceived as art apart from the shovel, and which would qualify as protectable pictorial, graphic, or sculptural works on their own or in another medium, they too could be copyrighted. But a shovel as a shovel cannot.

D

Petitioner and the Government raise several objections to the approach we announce today. None is meritorious.

1

Petitioner first argues that our reading of the statute is missing an important step. It contends that a feature may exist independently only if it can stand alone as a copyrightable work *and* if the useful article from which it was extracted would remain equally useful. . . . The designs here are not protected, it argues, because they are necessary to two of the uniforms’ “inherent, essential, or natural functions”—identifying the wearer as a cheerleader and enhancing the wearer’s physical appearance. Because the uniforms would not be equally useful without the designs, petitioner contends that the designs are inseparable from the “utilitarian aspects” of the uniform. . . . The debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own. . . . Were we to accept petitioner’s argument that the only protectable features are those that play absolutely no role in an article’s function, we would effectively abrogate the rule of *Mazer* and read “applied art” out of the statute.

Because we reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article, we necessarily abandon the distinction between “physical” and “conceptual” separability, which some courts and commentators have adopted based on the Copyright Act’s legislative history. According to this view, a feature is *physically* separable from the underlying useful article if it can “be physically separated from the article by ordinary means while leaving the utilitarian aspects of the article completely intact.” *Conceptual* separability applies if the feature physically could not be removed from the useful article by ordinary means.

The statutory text indicates that separability is a conceptual undertaking. Because separability does not require the underlying useful article to remain, the physical-conceptual distinction is unnecessary.

2

Petitioner next argues that we should incorporate two “objective” components into our test to provide guidance to the lower courts: (1) “whether the design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influence” and (2) whether “there is [a] substantial likelihood that the pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function.”

We reject this argument because neither consideration is grounded in the text of the statute. The first would require the decisionmaker to consider evidence of the creator’s design methods, purposes, and reasons. The statute’s text makes clear, however, that our inquiry is limited to how the article and feature are perceived, not how or why they were designed. The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act.

3

Finally, petitioner argues that allowing the surface decorations to qualify as a “work of authorship” is inconsistent with Congress’ intent to entirely exclude industrial design from copyright. Petitioner notes that Congress refused to pass a provision that would have provided limited copyright protection for industrial designs, including clothing, when it enacted the 1976 Act, and that it has enacted laws protecting designs for specific useful articles—semiconductor chips and boat hulls—while declining to enact other industrial design statutes. From this history of failed legislation petitioner reasons that Congress intends to channel intellectual property claims for industrial design into design patents. It therefore urges us to approach this question with a presumption against copyrightability.

We do not share petitioner’s concern. As an initial matter, “[c]ongressional inaction lacks persuasive significance” in most circumstances. Moreover, we have long held that design patent and copyright are not mutually exclusive. Congress has provided for limited copyright protection for certain features of industrial design, and approaching the statute with presumptive hostility toward protection for industrial design would undermine Congress’ choice. In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection. . . .

Justice BREYER, with whom Justice KENNEDY joins, dissenting.

I agree with much in the Court’s opinion. But I do not agree that the designs that Varsity Brands, Inc., submitted to the Copyright Office are eligible for copyright protection. Even applying the majority’s test, the designs cannot “be perceived as . . . two- or three-dimensional work[s] of art separate from the useful article.”

Look at the designs that Varsity submitted to the Copyright Office. You will see only pictures of cheerleader uniforms. And cheerleader uniforms are useful articles. A picture of the relevant design features, whether separately “perceived” on paper or in the imagination, is a picture of, and thereby “replicate[s],” the underlying useful article of which they are a part. Hence the design features that Varsity seeks to protect are not “capable of existing independently o[f] the utilitarian aspects of the article.” 17 U.S.C. §101.

I

The relevant statutory provision says that the “design of a useful article” is copyrightable “only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” But what, we must ask, do the words “identified separately” mean? Just when is a design separate from the “utilitarian aspect of the [useful] article?” The most direct, helpful aspect of the Court’s opinion answers this question by stating:

Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

Exactly so. These words help explain the Court’s statement that a copyrightable work of art must be “perceived as a two- or three-dimensional work of art separate from the useful article.” . . .

Consider, for example, the explanation that the House Report for the Copyright Act of 1976 provides. It says:

Unless the shape of an automobile, airplane, ladies’ dress, food processor,

television set, or any other industrial product contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted. . . .

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is “yes,” then the design is eligible for copyright protection. Otherwise, it is not. The abstract nature of these questions makes them sound difficult to apply. But with the Court’s words in mind, the difficulty tends to disappear.

An example will help. Imagine a lamp with a circular marble base, a vertical 10-inch tall brass rod (containing wires) inserted off center on the base, a light bulb fixture emerging from the top of the brass rod, and a lampshade sitting on top. In front of the brass rod a porcelain Siamese cat sits on the base facing outward. Obviously, the Siamese cat is *physically separate* from the lamp, as it could be easily removed while leaving both cat and lamp intact. And, assuming it otherwise qualifies, the designed cat is eligible for copyright protection.



Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp’s construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. The two are integrated into a single functional object, like the similar configuration of the ballet dancer statuettes that formed the lamp bases at issue in *Mazer v. Stein* (1954). But we can easily imagine the cat on its own. . . . In doing so, we do not create a mental picture of a lamp (or, in the Court’s words, a “replica” of the lamp), which is a useful article. We simply perceive the cat separately, as a small cat figurine that could be a copyrightable design work standing alone that does not replicate the lamp. Hence the cat is *conceptually separate* from the utilitarian article that is the lamp.

Case law, particularly case law that Congress and the Copyright Office have considered, reflects the same approach. Congress cited examples of copyrightable design works, including “a carving on the back of a chair” and “a floral relief design on silver flatware.” Copyright Office guidance on copyrightable designs in useful articles include “an engraving on a vase,” “[a]rtwork printed on a t-shirt,” “[a] colorful pattern decorating the surface of a shopping bag,” “[a] drawing on the surface of wallpaper,” and “[a] floral relief decorating the handle of a spoon.” Courts have found copyrightable matter in a plaster ballet dancer statuette encasing the lamp’s electric cords and forming its base, as well as carvings engraved onto furniture, and designs on laminated floor tiles.

By way of contrast, Van Gogh’s painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright.

Courts have similarly denied copyright protection to objects that begin as three-dimensional designs, such as measuring spoons shaped like heart-tipped arrows, candleholders shaped like sailboats, and wire spokes on a wheel cover. None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from the utilitarian aspects of the object to which it relates. The designs cannot be physically separated because they themselves make up the shape of the spoon, candleholders, or wheel covers of which they are a part. And spoons, candleholders, and wheel covers are useful objects, as are the old shoes depicted in Van Gogh's painting. More importantly, one cannot easily imagine or otherwise conceptualize the design of the spoons or the candleholders or the shoes without that picture, or image, or replica being a picture of spoons, or candleholders, or wheel covers, or shoes. The designs necessarily bring along the underlying utilitarian object. Hence each design is not conceptually separable from the physical useful object.

The upshot is that one could copyright the floral design on a soup spoon but one could not copyright the shape of the spoon itself, no matter how beautiful, artistic, or esthetically pleasing that shape might be: A picture of the shape of the spoon is also a picture of a spoon; the picture of a floral design is not.

To repeat: A separable design feature must be "capable of existing independently" of the useful article as a separate artistic work that is not itself the useful article. If the claimed feature could be extracted without replicating the useful article of which it is a part, and the result would be a copyrightable artistic work standing alone, then there is a separable design. But if extracting the claimed features would necessarily bring along the underlying useful article, the design is not separable from the useful article. In many or most cases, to decide whether a design or artistic feature of a useful article is conceptually separate from the article itself, it is enough to imagine the feature on its own and ask, "Have I created a picture of a (useful part of a) useful article?" If so, the design is not separable from the useful article. If not, it is.

In referring to imagined pictures and the like, I am not speaking technically. I am simply trying to explain an intuitive idea of what separation is about, as well as how I understand the majority's opinion. So understood, the opinion puts design copyrights in their rightful place. The law has long recognized that drawings or photographs of real world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects. That is why a copyright on Van Gogh's painting would prevent others from reproducing that painting, but it would not prevent others from reproducing and selling the comfortable old shoes that the painting depicts. Indeed, the purpose of §113(b) was to ensure that "copyright in a pictorial, graphic, or sculptural work, portraying a useful article as such, does not extend to the manufacture of the useful article itself."

II

To ask this kind of simple question—does the design picture the useful article?—will not provide an answer in every case, for there will be cases where it is difficult to say whether a picture of the design is, or is not, also a picture of the useful article. But the question will avoid courts focusing primarily upon what I believe is an unhelpful feature of the inquiry, namely, whether the design can be imagined as a "two- or three-dimensional work of art." That is because virtually any industrial design can be thought of separately as a "work of art": Just imagine a frame surrounding the design, or its being

placed in a gallery. Consider Marcel Duchamp's "readymades" series, the functional mass-produced objects he designated as art. What is there in the world that, viewed through an esthetic lens, cannot be seen as a good, bad, or indifferent work of art? What design features could not be imaginatively reproduced on a painter's canvas? Indeed, great industrial design may well include design that is inseparable from the useful article—where, as Frank Lloyd Wright put it, "form and function are one." Where they are one, the designer may be able to obtain 15 years of protection through a design patent. But, if they are one, Congress did not intend a century or more of copyright protection.

III

The conceptual approach that I have described reflects Congress' answer to a problem that is primarily practical and economic. Years ago Lord Macaulay drew attention to the problem when he described copyright in books as a "tax on readers for the purpose of giving a bounty to writers." He called attention to the main benefit of copyright protection, which is to provide an incentive to produce copyrightable works and thereby "promote the Progress of Science and useful Arts." But Macaulay also made clear that copyright protection imposes costs. Those costs include the higher prices that can accompany the grant of a copyright monopoly. They also can include (for those wishing to display, sell, or perform a design, film, work of art, or piece of music, for example) the costs of discovering whether there are previous copyrights, of contacting copyright holders, and of securing permission to copy. Sometimes, as Thomas Jefferson wrote to James Madison, costs can outweigh "the benefit even of limited monopolies." And that is particularly true in light of the fact that Congress has extended the "limited Times" of protection, U.S. Const. Art. I, § 8, cl. 8, from the "14 years" of Jefferson's day to potentially more than a century today.

The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright's statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry. Congress has left "statutory . . . protection . . . largely unavailable for dress designs." 1 Nimmer § 2A.08[H][3][a].

Congress' decision not to grant full copyright protection to the fashion industry has not left the industry without protection. Patent design protection is available. A maker of clothing can obtain trademark protection under the Lanham Act for signature features of the clothing. And a designer who creates an original textile design can receive copyright protection for that pattern as placed, for example, on a bolt of cloth, or anything made with that cloth.

The fashion industry has thrived against this backdrop, and designers have contributed immeasurably to artistic and personal self-expression through clothing. But a decision by this Court to grant protection to the design of a garment would grant the designer protection that Congress refused to provide. It would risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly \$370 billion in annual spending and 1.8 million jobs. That is why I believe it important to emphasize those parts of the Court's opinion that limit the scope of its interpretation. That language, as I have said, makes clear that one may not "claim a copyright in a useful article merely by creating a replica of that article in some other medium," which "would not give rise to any rights in the useful article that inspired it."

IV

If we ask the “separateness” question correctly, the answer here is not difficult to find. The majority’s opinion, in its appendix, depicts the cheerleader dress designs that Varsity submitted to the Copyright Office. Can the design features in Varsity’s pictures exist separately from the utilitarian aspects of a dress? Can we extract those features as copyrightable design works standing alone, without bringing along, via picture or design, the dresses of which they constitute a part?

Consider designs 074, 078, and 0815. They certainly look like cheerleader uniforms. That is to say, they look like pictures of cheerleader uniforms, just like Van Gogh’s old shoes look like shoes. I do not see how one could see them otherwise. Designs 299A and 299B present slightly closer questions. They omit some of the dresslike context that the other designs possess. But the necklines, the sleeves, and the cut of the skirt suggest that they too are pictures of dresses. Looking at all five of Varsity’s pictures, I do not see how one could conceptualize the design features in a way that does not picture, not just artistic designs, but dresses as well.

Were I to accept the majority’s invitation to “imaginatively remov[e]” the chevrons and stripes as they are arranged on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a “painter’s canvas,” that painting would be of a cheerleader’s dress. The esthetic elements on which Varsity seeks protection exist only as part of the uniform design—there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms. Hence, each design is not physically separate, nor is it conceptually separate, from the useful article it depicts, namely, a cheerleader’s dress. They cannot be copyrighted.

Varsity, of course, could have sought a design patent for its designs. Or, it could have sought a copyright on a textile design, even one with a similar theme of chevrons and lines.

But that is not the nature of Varsity’s copyright claim. It has instead claimed ownership of the particular “treatment and arrangement” of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. The majority imagines that Varsity submitted something different—that is, only the surface decorations of chevrons and stripes, as in a textile design. As the majority sees it, Varsity’s copyright claim would be the same had it submitted a plain rectangular space depicting chevrons and stripes, like swaths from a bolt of fabric. But considered on their own, the simple stripes are plainly unoriginal. Varsity, then, seeks to do indirectly what it cannot do directly: bring along the design and cut of the dresses by seeking to protect surface decorations whose “treatment and arrangement” are coextensive with that design and cut. As Varsity would have it, it would prevent its competitors from making useful three-dimensional cheerleader uniforms by submitting plainly unoriginal chevrons and stripes as cut and arranged on a useful article. But with that cut and arrangement, the resulting pictures on which Varsity seeks protection do not simply depict designs. They depict clothing. They depict the useful articles of which the designs are inextricable parts. And Varsity cannot obtain copyright protection that would give them the power to prevent others from making those useful uniforms, any more than Van Gogh can copyright comfortable old shoes by painting their likeness.

I fear that, in looking past the three-dimensional design inherent in Varsity’s claim by treating it as if it were no more than a design for a bolt of cloth, the majority has lost sight of its own important limiting principle. One may not “claim a copyright in a useful article merely by creating a replica of that article in some other medium,” such as in a

picture. That is to say, one cannot obtain a copyright that would give its holder “any rights in the useful article that inspired it.”

With respect, I dissent.

Questions:

1.) How do Justices Thomas and Breyer construe both the appropriate “test” and the limiting principles for separability? Does Breyer endorse the majority’s test, or provide his own alternative? For the majority, is any design feature now potentially copyrightable⁵, as long as it is not an exact replica of a useful article? If Nike seeks to copyright the two-dimensional pattern (chevron on the neckline, stripes along the side, stripe around the bottom) of these jerseys, can they (assuming the design is original)? What about other industrial designs—is Breyer correct that, if the majority opinion is broadly construed, one might copyright a shovel? Provide broad and narrow readings of the opinion and compare the judicial methodology of the majority and dissent.



2.) Justice Thomas says “Applying this test to the surface decorations on the cheerleading uniforms is straightforward.” Justice Breyer says that “If we ask the ‘separateness’ question correctly, the answer here is not difficult to find.” Yet they reach opposite conclusions. Look again at the designs submitted by Varsity to the Copyright Office (page 20). What do you see? Works of art? Cheerleader uniforms? Both? Do those designs necessarily “bring along” the useful article? Should this matter?

3.) Would the RIBBON Rack now be copyrightable?

4.) In the trademark context, in *Wal-Mart*, the Court held that product design (in that case, the design of children’s seersucker outfits) can never be inherently distinctive, drawing a “bright line” that favored competition:

Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness. How easy it is to mount a plausible suit depends, of course, upon the clarity of the test. . . . Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle.

Why is the same not true of *copyright* in product design? Where does *Star Athletica* draw the “bright line”? In *Traffix*, the Court explained that “copying is not always discouraged or disfavored by the laws which preserve our competitive economy. Allowing competitors to copy will have salutary effects in many instances.” Is that the approach the court adopts here?

⁵ Note that the court explicitly says it’s not ruling on “originality,” so this requirement would still need to be satisfied. However, in her concurrence Justice Ginsburg notes “In view of the dissent’s assertion that Varsity’s designs are ‘plainly unoriginal,’ however, I note this Court’s recognition that ‘the requisite level of creativity [for copyrightability] is extremely low; even a slight amount will suffice.’”

5.) Congress has repeatedly declined to extend copyright to fashion designs, expressing concern that this “would create a new monopoly which has not been justified by a showing that its benefits will outweigh the disadvantage of removing such designs from free public use.” Breyer echoes this with his concern that the majority’s opinion, if interpreted broadly, could “risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly \$370 billion in annual spending and 1.8 million jobs.” During oral argument in *Star Athletica*, Justice Sotomayor said: “You’re killing knock-offs with copyright. You haven’t been able to do it with trademark law. You haven’t been able to do it with patent designs. We are now going to use copyright law to kill the knockoff industry. I don’t know that that’s bad. I’m just saying.” After the decision came out, many news reports hailed it as a victory for the fashion industry. True?

6.) You encountered cheerleader uniforms in *Dallas Cowboys* and may have wondered, “what is the function of a cheerleader uniform”? In the Sixth Circuit decision in *Star Athletica*, much turned on this question. The majority held that the uniform’s function was to “cover the body, permit free movement, and wick moisture,” and not to “identify the wearer as a cheerleader.” The dissent disagreed: “That broad definition could be used to describe all athletic gear. But the particular athletic uniforms before us serve to identify the wearer as a cheerleader. Without stripes, braids, and chevrons, we are left with a blank white pleated skirt and crop top. As the district court recognized, the reasonable observer would not associate this blank outfit with cheerleading. This may be appropriate attire for a match at the All England Lawn Tennis Club, but not for a member of a cheerleading squad.” Do you agree?

CHAPTER SEVENTEEN
Patents: Hopes, Fears, History & Doctrine



On page 651, please note that the term of protection for design patents is now 15 years.

CHAPTER EIGHTEEN

Patentable Subject Matter



On page 696, this Note follows the Questions at the bottom of the page and adds some post-*Alice* updates to the discussion of patentable subject matter.

Note: As discussed at length in this chapter, judicially recognized exceptions to patentable subject matter hold “laws of nature,” “natural phenomena,” and “abstract ideas” to be unpatentable. However, students should be aware that courts or examiners may also use other terminology, including (as noted by the PTO’s Manual of Patent Examining Procedure) “physical phenomena,” “scientific principles,” “systems that depend on human intelligence alone,” “disembodied concepts,” “mental processes” and “disembodied mathematical algorithms and formulas.” The breadth (and ambiguity) of these latter formulations may be of use in considering some of the problems we pose here.

Turning to “abstract ideas,” here is a summary of some of the post-*Alice* case law. In *Amdocs v. Openet*, 841 F.3d 1288 (Fed. Cir. 2016), the Federal Circuit declined to define “abstract idea,” opting instead for a flexible approach: “The problem with articulating a single, universal definition of ‘abstract idea’ is that it is difficult to fashion a workable definition to be applied to as-yet-unknown cases with as-yet-unknown inventions. . . . Instead of a definition, then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided. That is the classic common law methodology for creating law when a single governing definitional context is not available.” With this in mind, here is list compiled by the PTO of subject matter that the Supreme Court and Federal Circuit have deemed “abstract ideas.” They largely involve fundamental economic practices, methods of organizing human activities, and mathematical formulas. (You are already familiar with most of the Supreme Court examples.)

- mitigating settlement risk (*Alice*)
- hedging (*Bilski*)
- creating a contractual relationship (*buySAFE v. Google*, 765 F.3d 1350, (Fed. Cir. 2014))
- using advertising as an exchange or currency (*Ultramercial v. Hulu*, 772 F.3d 709 (Fed. Cir. 2014))
- processing information through a clearinghouse (*Dealertrack v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012))
- comparing new and stored information and using rules to identify options (*SmartGene v. Advanced Biological Labs*, 555 F. App’x 950 (Fed. Cir. 2014))
- using categories to organize, store and transmit information (*Cyberfone v. CNN*, 558 F. App’x 988 (Fed. Cir. 2014))
- organizing information through mathematical correlations (*Digitech Image Tech. v. Electronics for Imaging*, 758 F.3d 1344 (Fed. Cir. 2014))
- managing a game of bingo (*Planet Bingo v. VKGS*, 576 F. App’x 1005 (Fed. Cir. 2014))

2014))

- the Arrhenius equation for calculating the cure time of rubber (*Diehr*)
- a formula for updating alarm limits (*Flook*)
- a mathematical formula relating to standing wave phenomena (*Mackay Radio v. Radio Corp.*, 306 U.S. 86 (1939))
- a mathematical procedure for converting one form of numerical representation to another (*Benson*)

Students sometimes wrongly conclude from *Alice* and examples such as these that all business method patents or software/business method patents will be rejected by the PTO and the courts. That is by no means true. Here are two illustrative post-*Alice* cases from the Federal Circuit that deal with whether business practices conducted “over the Internet” (as compared to using a “generic computer”)—arguably abstract ideas—are patent-eligible subject matter.

Ultramercial v. Hulu, 772 F.3d 709 (Fed. Cir. 2014) addressed a “patent directed to a method for distributing copyrighted media products over the Internet where the consumer receives a copyrighted media product at no cost in exchange for viewing an advertisement, and the advertiser pays for the copyrighted content.” (Sound familiar?) First, while noting that “we do not purport to state that all claims in all software-based patents will necessarily be directed to an abstract idea,” the Federal Circuit held that “the process of receiving copyrighted media, selecting an ad, offering the media in exchange for watching the selected ad, displaying the ad, allowing the consumer access to the media, and receiving payment from the sponsor of the ad all describe an abstract idea, devoid of a concrete or tangible application.” Turning to the question of whether there was any “inventive concept,” the court explained that “‘additional features’ must be more than ‘well-understood, routine, conventional activity’ . . . [a]dding routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet does not transform an otherwise abstract idea into patent-eligible subject matter.” In a concurrence, Judge Mayer offered an alternative basis for rejecting the patent: “Because the purported inventive concept in *Ultramercial*’s asserted claims is an entrepreneurial rather than a technological one, they fall outside 101.”

Compare *Ultramercial* with *DDR Holdings v. Hotels.com*, 773 F.3d 1245 (Fed. Cir. 2014), which involved a system that allowed websites to retain viewers after they clicked on third-party ads by linking the viewers to a new composite webpage showing both the “look and feel” of the original site and the advertiser’s product information. The Federal Circuit distinguished this invention from the one in *Ultramercial* by explaining that there was an “inventive concept” sufficient for patentability. While cautioning that “not all claims purporting to address Internet-centric challenges are eligible for patent,” the court explained that “these claims stand apart because they do not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet. Instead, the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” Thus, the invention was “not merely the routine or conventional use of the Internet.” Do you agree with the distinction the Federal Circuit is drawing with its earlier case?

Citing *DDR Holdings*, the Federal Circuit has found other technological solutions to computer system problems to be patent-eligible subject matter. In *Amdocs v. Openet*, 841 F.3d 1288 (Fed. Cir. 2016) (the case cited above), the patents at issue covered “parts of a system designed to solve an accounting and billing problem faced by network service

providers.” Even assuming the patents were directed to an abstract idea, the court found a sufficient inventive concept in “an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases).” And in *Bascom v. AT&T*, 827 F.3d 1341 (Fed. Cir. 2016), the court held that a customizable system for filtering objectionable Internet content was patent-eligible. Here the inventive concept was “the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user.” The court reasoned that this was not merely “conventional or generic,” but rather “a technology-based solution...that overcomes existing problems with other Internet filtering systems.”

Summaries of additional post-*Alice* case law can be found via <https://www.uspto.gov/patent/laws-and-regulations/examination-policy/subject-matter-eligibility>.

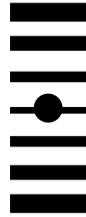
CHAPTER TWENTY
**Requirements for Patent
Protection: Novelty**



This briefly expands on the Note at the bottom of page 740.

Note: Today's courts still apply the standards in *City of Elizabeth*, but they also put considerable stress on such things as the nature of control exercised by the inventor and the extent of any confidentiality agreement covering the use. The Federal Circuit has listed thirteen factors potentially relevant in assessing experimental use: (1) the necessity for public testing, (2) the amount of control over the experiment retained by the inventor, (3) the nature of the invention, (4) the length of the test period, (5) whether payment was made, (6) whether there was a secrecy obligation, (7) whether records of the experiment were kept, (8) who conducted the experiment, (9) the degree of commercial exploitation during testing, (10) whether the invention reasonably requires evaluation under actual conditions of use, (11) whether testing was systematically performed, (12) whether the inventor continually monitored the invention during testing, and (13) the nature of contacts made with potential customers.

CHAPTER TWENTY-ONE
Non-Obviousness



Here is a brief note that goes on page 751, before *Stratoflex*.

In *KSR v. Teleflex* (2007), the Supreme Court affirmed the *Graham v. Deere* framework for assessing obviousness and endorsed an “expansive and flexible” approach to the inquiry, rejecting the Federal Circuit’s overly “rigid” application of its “‘teaching, suggestion, or motivation’ (TSM) test, under which a patent claim is only proved obvious if the prior art, the problem’s nature, or the knowledge of a person having ordinary skill in the art reveals some motivation or suggestion to combine the prior art teachings.”