CLIENT ALERT

Supreme Court Strikes Down Ban on Immoral and Scandalous Trademarks

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On June 24, 2019, in its decision in *Iancu v. Brunetti*, the Supreme Court struck down a federal ban on registering immoral and scandalous trademarks. Erik Brunetti filed a trademark application with the U.S. Patent and Trademark Office to register his clothing brand name "FUCT." A PTO examining attorney determined that "FUCT" was vulgar and denied Brunetti's application. On review, the Trademark Trial and Appeal Board concluded that "FUCT" was "extremely offensive."[1] When Brunetti appealed the decision, the Court of Appeals for the Federal Circuit ruled that the bar on "immoral or scandalous" trademarks violated the First Amendment. The Supreme Court then granted *certiorari* and affirmed.

The *Brunetti* decision comes just two years after the Supreme Court's decision in *Matal v. Tam.*[2] Simon Tam applied to register the trademark "The Slants," the name of his rock band. The PTO denied his application because it interpreted "The Slants" as a disparaging term for people of Asian descent. In its decision in *Tam*, the Supreme Court invalidated the Lanham Act's ban on the registration of marks that disparage any person, living or dead. A divided Supreme Court agreed on two propositions: 1) if a trademark registration bar is viewpoint-based, it is unconstitutional; and 2) the disparagement bar was viewpoint-based.

[1] *Iancu v. Brunetti*, No. 18-302, 2019 WL 2570622, at *3 (U.S. June 24, 2019).

[2] *Matal v. Tam*, 582 U.S. ___, 137 S. Ct. 1744, 198 L. Ed. 2d 366 (2017).

Brunetti involves a neighboring provision of the Lanham Act prohibiting the registration of trademarks that are immoral or scandalous.[3] Writing for a 6–3 majority, Justice Kagan concluded that the "immoral or scandalous" criterion was a viewpoint-based restriction on speech and was therefore unconstitutional. Justice Kagan pointed out that the PTO rejects trademarks conveying approval of drug use ("You can't spell healthcare without THC" for pain-relief medication, "Marijuana Cola" and "Ko Kane" for beverages), but registers trademarks conveying disapproval of drug use ("D.A.R.E. to resist drugs and violence" and "Say no to drugs – reality is the best trip in life").[4] Justice Alito concurred with the majority, writing, "Viewpoint discrimination is poison to a free society," but he warned that the registration of "such marks serves only to further coarsen our popular culture."[5]

All nine justices agreed that the bar on registering "immoral" marks was unconstitutional, but there was debate about whether the bar on "scandalous" marks could be interpreted in a viewpoint-neutral manner. Justices Roberts, Breyer, and Sotomayor dissented in part, writing in separate opinions that "scandalous" could be read more narrowly to bar only marks that offend because of their *mode* of expression – marks that are obscene, vulgar, or profane.

The three dissenters also argued that the statutory bar on registering "scandalous" marks does not pose significant harm to First Amendment interests. Chief Justice Roberts said that in denying trademark registration, "No speech is being restricted; no one is being punished."[6] Justice Breyer emphasized that businesses would still be free to use highly vulgar or obscene words on their products, while Justice Sotomayor wrote, "The stakes are far removed from a situation in which, say, Brunetti was facing a threat to his liberty."[7]

Justices Breyer and Sotomayor argued that the government has a reasonable interest in not registering highly vulgar or obscene trademarks because the government would likely be seen as promoting that speech. Justice Breyer also mentioned that the government has an interest in protecting the sensibilities of children who would be exposed to vulgar or obscene words in public spaces where goods are sold.

Finally, Justices Breyer and Sotomayor raised concerns about the consequences of the Court's decision, particularly in regard to racial epithets. Justice Breyer argued that vulgar or obscene trademarks may create "the risk of verbal altercations or even physical confrontations. (Just think about how you might react if you saw someone wearing a t-shirt

[3] 15 U.S.C. § 1052(a).

[4] *Iancu v. Brunetti*, No. 18-302, 2019 WL 2570622, at *4 (U.S. June 24, 2019).

[5] *Id.* at *6.

[6] *Id.* at *7.

[7] *Id*. at *14.

or using a product emblazoned with an odious racial epithet.)"[8] Justice Sotomayor referenced "a particularly egregious racial epithet" and worried that the government would now be compelled to register trademarks containing that epithet.[9]

The *Brunetti* decision leaves open the possibility that Congress could amend the Lanham Act to specifically prohibit lewd, sexually explicit, and profane trademarks. Such a ban would likely survive constitutional scrutiny as a viewpoint-neutral speech restriction. Until then, however, we may see an influx of registered trademarks along the lines of "FUCT."

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[8] *Id.* at *10.

[9] *Id.* at *13.