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PATENT AND TRADEMARK LAW

Expert Analysis

Supreme Court Strikes Down Prohibition On Immoral or Scandalous Trademarks

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In 2011, Erik Brunetti, an artist and entrepreneur, filed an application to register the trademark "FUCT" for use in connection with "athletic apparel, namely, shirts, pants, jackets, footwear, hats and caps; children's and infant's apparel, namely, jumpers, overall sleepwear, pajamas, rompers and one-piece garments." Established in the 1990s, an era featuring the rise of streetwear labels like Supreme and Stüssy, FUCT was used in commerce by Brunetti in connection with a punk-political streetwear clothing line. The mark, according to Brunetti, is an acronym for "Friends U Can't Trust," to be pronounced with each letter said in turn—F-U-C-T. However, the U.S. Patent and Trademark Office (USPTO) took issue with the fact that the mark may also be pronounced as a word with less savory connotations.

The Trademark Examiner at the USPTO rejected Brunetti's application for FUCT, and the Trademark Trial and Appeal Board agreed, under the Lanham Act's prohibition on registering "immoral[] or scandalous" marks. 15 U.S.C. §1052(a). When Brunetti challenged the "immoral[] or scandalous" bar to trademark registrations, the Court of Appeals for the Federal Circuit concluded that this prohibition violated the First Amendment, effectively toeing the line of the Supreme Court's recent holding in *Matal v. Tam*, 137 S. Ct. 1744 (2017), which found the Lanham Act's disparagement clause of §2(a) unconstitutional. In June 2019, the Supreme Court affirmed the Federal Circuit's decision that the Lanham Act's prohibition on registration of "immoral[] or scandalous" trademarks is unconstitutional. *Iancu v. Brunetti*, No. 18-302, 2019 WL 2570622 (U.S. June 24, 2019).

> In June 2019, the Supreme Court affirmed the Federal Circuit's decision that the Lanham Act's prohibition on registration of "immoral[] or scandalous" trademarks is unconstitutional.

Background

The Lanham Act provides the framework for the federal registration system for trademarks in the U.S. The Act provides certain guidelines for registrable marks, but also instructs that the USPTO "refuse[] registration" of certain marks. 15 U.S.C. §1052. One category of unregistrable marks is for those that "[c]onsist[] of or comprise[] immoral[] or scandalous matter."

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Id. According to the USPTO, the operative question is whether a "substantial composite of the general public" would find the mark "shocking to the sense of truth, decency, or propriety"; "giving offense to the conscience or moral feelings"; "calling out for condemnation"; "disgraceful"; "offensive"; "disreputable"; or "vulgar." *In re Brunetti*, 877 F.3d 1330, 1336 (Fed. Cir. 2017). For decades, the USPTO has denied registration of such marks on this basis.

After the USPTO rejected Brunetti's FUCT application, Brunetti appealed to the Trademark Trial and Appeal Board of the USPTO and requested reconsideration. The USPTO denied his request, and the Board subsequently affirmed the refusal to register the mark on appeal, reasoning that the mark was "highly offensive" and "vulgar" with "decidedly sexual connotations" because the use of the mark in connection with Brunetti's website and products showed images nearby of "extreme nihilism" and "antisocial" behavior. *In Re Brunetti*, No. 85310960, 2014 WL 3976439, at *1, 4 (Aug. 1, 2014). The Board concluded that the mark spoke to "misogyny, depravity, [and] violence" and that on these grounds, the term was "extremely offensive" and therefore unregistrable. Id. at *5.

Brunetti argued that the term was an abbreviation for the phrase "Friends U Can't Trust" and therefore the mark was not meant to recall the expletive that is pronounced when the mark FUCT is said out loud. Id. at *4. The Board rejected this argument, finding that Brunetti's reliance on the acronym was a "façade," and finding that the mark was instead "knowingly calibrated to be simultaneously alluring, offensive, and corporate (i.e., 'mainstream')—retaining just enough ambiguity to provide plausible deniability when necessary around the question of whether it is merely another way to say 'fucked,' while knowing that members of its specially target audience would never be fooled." Id. The Board ultimately concluded that the mark was unregistrable. Id. at *5.

Brunetti then appealed to the Federal Circuit.

The Federal Circuit reversed the Board's refusal to register, holding that the mark FUCT was indeed vulgar, but that the Lanham Act provision at issue discriminated based on content, which constituted an impermissible violation of the First Amendment (just like the disparagement provision which it had previously deemed unconstitutional). *In re Brunetti*, 877 F.3d 1330, 1341 (Fed. Cir. 2017). The Federal Circuit also rejected the government's arguments that the First Amendment was irrelevant based on trademark registration being either a government subsidy program or limited public forum. Id. at 1342-55. Most importantly, the court concluded that the First Amendment "protects private expression, even private expression which is offensive to a substantial composite of the general public." Id. at 1357. Following the Federal Circuit's decision, the government petitioned for certiorari to the Supreme Court, and the Supreme Court agreed to take up the case.

The Supreme Court In 'Brunetti'

The Supreme Court affirmed the Federal Circuit's decision. In so doing, the court made an important analogy to the 2017 case *Matal v. Tam*, which struck down the Lanham Act prohibition on registering disparaging marks. 137 S. Ct. 1744 (2017).

In *Tam*, the singer of a rock group called The Slants attempted to register the mark THE SLANTS, chosen in an effort to take back and lessen the force of the term as a derogatory word for people of Asian descent. Id. The USPTO denied registration because of the Lanham Act prohibition on marks that may "disparage … or bring … into contemp[t] or disrepute" any "persons, living or dead," yet upon reaching the Supreme Court, this provision was declared unconstitutional. 15 U.S.C. §1052(a). The court there reached two important conclusions, namely that a

viewpoint-based bar to trademark registration is unconstitutional, and that the disparagement bar is viewpoint-based. Justice Anthony Kennedy wrote that the disparagement provision had the effect of permitting registration if a mark was "positive" about a person, but not if it was "derogatory"—a distinction which formed the "essence of viewpoint discrimination." *Tam*, 137 S. Ct. at 1750 (2017).

Analogizing to *Tam*, Justice Elena Kagan in *Brunetti* asked whether the Lanham Act's prohibition on "immoral[] or scandalous" marks was similarly viewpoint-based or viewpoint-neutral. *Iancu v. Brunetti*, No. 18-302, 2019 WL 2570622, at *4 (U.S. June 24, 2019). The court looked to a dictionary definition of "immoral" and found the definition to be "inconsistent with rectitude, purity, or good morals"; "wicked"; or "vicious" or alternatively "opposed to or violating morality"; or "morally evil." Id. The court similarly looked to a dictionary definition of "scandalous" and found the definition to be something that "give[es] offense to the conscience or moral feelings"; "excite[s] reprobation"; or "call[s] out condemnation" or alternatively something "shocking to the sense of truth, decency or propriety"; "disgraceful"; "offensive"; or "disreputable." Id. The court noted that these definitions created two opposing ideas in the provision: "those aligned with conventional moral standards and those hostile to them; those inducing societal nods of approval and those provoking offense and condemnation." Id. As a result of this dichotomy, the court concluded that the provision prohibiting "immoral[] or scandalous" marks was indeed viewpoint-based and discriminatory. Id.

The court also provided past examples of the USPTO's handling of applications to demonstrate the viewpoint-based discriminatory nature of the provision. Id. For instance, while the USPTO had rejected marks approving of drug use, such as YOU CAN'T SPELL HEALTHCARE WITHOUT THC for pain-relief medicine and MARIJUANA COLA and KO KANE for drinks, the USPTO had also registered marks that seemed to condemn drug use, such as D.A.R.E. TO RESIST DRUGS AND VIOLENCE and SAY NO TO DRUGS—REALITY IS THE BEST TRIP IN LIFE. Id. As such, the court concluded that a law which disfavors "ideas that offend" discriminates based on viewpoint and therefore violates the First Amendment. Id. (citing *Tam*, 137 S. Ct. at 1751).

Dissent and the 'Rush to Register' Vulgar Trademarks

In her part concurrence/part dissent, Justice Sonia Sotomayor notably agreed with the majority opinion that the statute's prohibition on "immoral" marks is unconstitutional, but argued that the prohibition on registration of "scandalous" marks should be maintained and applied with the limiting interpretation of prohibiting "obscene, vulgar, and profane" marks. Id. at *18. Justice Sotomayor urged the court to "adopt the narrower construction, rather than permit a rush to register trademarks for even the most viscerally offensive words and images that one can imagine," warning against "the Government's immediate powerlessness to say no" to these registrations. Id. at *10, 18.

Some commentators are less concerned, predicting instead that the other requirements for trademark registration, such as demonstrating use or intent to use the mark, will prevent a rush to register these kinds of marks.

Ultimately it remains to be seen whether Justice Sotomayor's predicted rush to register these sorts of marks will come to pass. In the meantime, whether or not the floodgates have opened, the Supreme Court's decisions in *Brunetti* and *Tam* provide an opportunity for certain companies and individuals to reassess their trademark portfolios, and to consider a sordid new frontier of trademark registrations.