Supreme Court Strikes Down Ban on "Immoral" or "Scandalous" Trademarks

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In a decision that is likely to trigger a rush to register trademarks that may be seen as obscene, vulgar, or profane, the U.S. Supreme Court recently determined, in a 6-3 opinion authored by Justice Elena Kagan, that a 113-year-old ban on the registration of "immoral" or "scandalous" trademarks violates the First Amendment's guarantee of free speech.

The case involved Erik Brunetti, the founder of "FUCT," a lifestyle and clothing brand, who sought to register the "FUCT" mark in 2011 for the company's apparel line. The U.S. Patent and Trademark Office (USPTO) refused registration of the mark, claiming it violated the Trademark Act's bar to registration of "immoral" or "scandalous" trademarks. 15 U.S.C. § 1052(a). But the Supreme Court held that the "immoral or scandalous" bar violates the First Amendment because it discriminates between viewpoints—it favors viewpoints "aligned with conventional moral standards" and "inducing societal nods of approval" and disfavors viewpoints "provoking offense and condemnation." In reaching this result, the Court refused the Government's request to narrowly interpret the "immoral or scandalous" bar to cover only "lewd, sexually explicit, or profane" marks, which the Government urged would eliminate First Amendment problems. "To cut the statute off where the Government urges," the Court concluded, "is not to interpret the statute Congress enacted, but to fashion a new one." Justice Samuel Alito echoed this sentiment in a separate concurring opinion, stating that "we are not legislators and cannot substitute a new statute for the one now in force." The Court thus left it to Congress to fashion a new law that prohibits the registration of marks containing obscene, vulgar, or profane terms that do not express ideas or viewpoints.

The Court's decision is not particularly surprising—just two years ago in *Matal v. Tam*, the Court unanimously held that the Trademark Act's ban on registration of "disparaging" trademarks constituted viewpoint discrimination and was therefore unconstitutional. 137 S. Ct. 1744 (2017). More surprising is the splintered state of the Court: Chief Justice John Roberts, Justice Stephen Breyer, and Justice Sonia Sotomayor all dissented in part. All three dissenting Justices agreed that the bar to registration of "immoral" marks violates the First Amendment because it discriminates between viewpoints. But all three also engaged in what the majority opinion dubbed "statutory surgery"—carving out the term "scandalous" and narrowly construing it to prohibit only the registration of marks that are obscene, vulgar, or profane. In doing so, these Justices noted that the statute does not restrict speech *per se*, in that it does not prevent

businesses from using any particular words (vulgar or not) on their products, and even as unregistered trademarks—it merely denies certain benefits associated with federal trademark registration.

Until Congress passes legislation limiting the effects of the Court's decision, the floodgates for registering what would have previously constituted "immoral" or "scandalous" trademarks are now open. Companies that have had trademark applications denied on these grounds in the past are free to try again, and applications that were put on hold pending the Court's decision should now proceed to registration, provided other requirements for registration are met. Whether Congress will spring into action to fashion a replacement for the now-defunct "immoral or scandalous" bar remains to be seen. If Congress does act, the Court has provided a blueprint for a viewpoint-neutral replacement that seems likely to satisfy First Amendment concerns—a ban on registration of marks that are obscene, vulgar, or profane.

If you have any questions regarding this case, please contact your Lathrop Gage attorney or the attorney listed above.

*The author gratefully acknowledges the work and contributions of **Dara Alverado** and **Brad Johnson,** law school students at the University of Missouri—Kansas City, in preparation of this Alert.*