IP Alert: Barring Registration of “Immoral or Scandalous” Trademarks Violates First Amendment

June 26, 2019

On June 24, 2019, the Supreme Court struck down as unconstitutional another provision in the Lanham Act regarding registration of trademarks. In particular, the Court ruled that the prohibition on registration of "immoral or scandalous" marks in 15 U.S.C. § 1052(a) is viewpoint-based discrimination that violates the First Amendment. *IANCU v. Brunetti*, 588 U.S. ___, 2019 WL 2570622 (2019).

In the case, Erik Brunetti sought to register the trademark "FUCT" for use in connection with his clothing line of the same name. The United States Patent and Trademark Office (USPTO) refused to register Brunetti's FUCT mark based on the prohibition on registration of "immoral or scandalous" marks. Brunetti appealed the trademark examiner's refusal, but the USPTO's Trademark Trial and Appeal Board agreed with the examiner, calling the mark "highly offensive" and "vulgar," and stating that it had "decidedly negative sexual connotations," and communicated "misogyny, depravity, [and] violence." *In re Brunetti*, 2014 WL 3976439 (TTAB 2017). Brunetti appealed the Board's decision to the Court of Appeals for the Federal Circuit, which found that the while the mark comprised immoral or scandalous matter, the immoral or scandalous bar is an "unconstitutional restriction of free speech." *In re Brunetti,* 877 F.3d 1330 (Fed. Cir. 2017). The Supreme Court agreed.

Relying heavily on its 2017 decision in *Matal v. Tam*, in which the Court struck down the "disparagement" clause of 1052(a), the Court found that the "facial viewpoint bias in the law results in viewpoint-discriminatory application." *Brunetti*, 588 U.S. __, 2019 WL 2570622, at *4. Specifically, the Court held that the "immoral or scandalous" bar to registration was likely to result in viewpoint discrimination where the Lanham Act "allows registration of marks when their messages accord with, but not when their messages defy, society's sense of decency or proprietary. . . [T]he statute, on its face, distinguishes between two opposed sets of ideas: those aligned with conventional moral standards and those hostile to them; those inducing societal nods of approval and those provoking offense and condemnation." *Id.* "[A] law disfavoring ideas that offend discriminates based on viewpoint, in violation of the First Amendment." *Id.* Accordingly, the USPTO can no longer refuse registration of a trademark on the basis that it contains "immoral or scandalous matter." Justice Kagan authored the decision, and was joined by Justices Thomas, Ginsburg, Alito, Gorsuch, and Kavanaugh.

In a strongly worded concurring opinion, Justice Alito wrote that "[v]iewpoint discrimination is poison to free society," and that "it is especially important for this Court to remain firm on the principle that the First Amendment does not tolerate viewpoint discrimination." *Id.* at *6. Justice Alito also noted that the Court's decision "does not prevent Congress from adopting a more carefully focused statute that precludes the registration of marks containing vulgar terms that play no real part in the expression of ideas." *Id.* Also concurring in part and dissenting in part, Justices Breyer, Sotomayor, and Chief Justice Roberts all agreed that the prohibition on "scandalous" marks should be narrowly construed as including only "obscene, vulgar, or profane" marks, which can be restricted by the Government without violating the First Amendment. *See generally id.* Justice Sotomayor voiced her concern, in which Justice Breyer joined, that the "coming rush to register such [vulgar, profane, or obscene] trademarks—and the Government's immediate powerlessness to say no—is eminently avoidable." *Id.* at *10.

While an interesting First Amendment analysis, it is unclear what impact the *Brunetti* decision will have on trademark owners. The number of "immoral or scandalous" marks now registrable that can serve as important brands in the marketplace is probably rather limited. There is concern that the Court's analysis in *Brunetti* and *Tam* will prompt new First Amendment challenges to other Lanham Act provisions.

As the dissenting Justices pointed out, there is likely to be a "rush" of vulgar terms registered with the USPTO. Whether the USPTO finds alternative reasons to deny registration of these marks, and whether such reasons are viewpoint neutral, will be something to watch.

As always, when selecting or seeking to register a trademark, consideration should be given to whether the mark is registrable. While *Brunetti* opens the door for registration of new trademarks, whether the mark actually functions as a trademark or violates any of the other principles of federal trademark law should be analyzed before seeking a federal trademark registration.

If you have any questions about the potential impact of the *Brunetti* decision on your trademarks, reach out to the Gray Plant Mooty Intellectual Property, Technology, and Privacy Practice Group.