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Risqué Business: US Supreme Court Opens Trademark Registry to "Immoral or Scandalous" Trademarks

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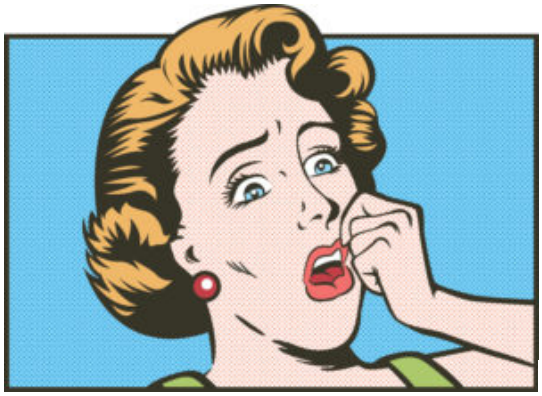
On June 24, 2019, the US Supreme Court invalidated the Lanham Act's ban on registering "immoral or scandalous" trademarks. In Iancu v. Brunetti, the Court held that that the ban, in Section 2(a) of the Lanham Act, violated the First Amendment because it required the Government to discriminate against certain viewpoints: marks considered to have "immoral or scandalous" content. This decision was not unexpected, as it was presaged by the Court's 2017 decision in Matal v. Tam, which invalidated the Lanham Act's ban on registering trademarks that "disparage" persons.



The trademark application at issue in the *Iancu* case was for FUCT for clothing, Ser. No. 85310960, filed by California clothing designer Erik Brunetti. The Trademark Examiner found that the mark was the phonetic equivalent of the past tense of the verb "F***" and thus was "vulgar, profane and scandalous slang" that fell within the Lanham Act's prohibition of registering "immoral or scandalous" trademarks. The rejection was upheld by the Trademark Trial and Appeal Board, which after reviewing the evidence of use, concluded that the mark was "extremely offensive" in context. On appeal, the Court of Appeals for the Federal Circuit reversed the refusal to register FUCT, and ruled that the prohibition on registering "scandalous or immoral" marks violated the First Amendment. *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017). The U.S. Supreme Court affirmed the Federal Circuit on June 24, 2019, in *Iancu v. Brunetti*.

In a 6-3 decision written by Justice Kagan, the Supreme Court held that the Section 2(a) ban on registering a mark which "comprises immoral … or scandalous matter" [15 U.S.C. §1052(a)], impermissibly required the Trademark Office to make acceptance or rejection decisions based on the message communicated by the mark. Such viewpoint discrimination violates the First Amendment. The Court rejected the Government's invitation to interpret the "immoral or scandalous" phrase to

mean “vulgar, lewd, or profane.” While noting that the Court may interpret “ambiguous statutory language” to avoid Constitutional issues, Justice Kagan found that Section 2(a) was not ambiguous and “does not draw the line at lewd, sexually explicit, or profane marks.” She also noted that determining what is immoral or scandalous depended on one’s viewpoint; such content-based discrimination was deemed incompatible with the First Amendment’s Free Speech clause.

All the Justices agreed that the “immoral” clause could not survive Constitutional scrutiny. Several Justices believed that the Court should have adopted a clearer definition of “scandalous” to bar lewd or profane marks. Thus, Justices Roberts, Sotomayor and Breyer issued separate opinions concurring in the invalidation of the “immoral” prong, but dissenting from the invalidation of the “scandalous” prong. In their view, “scandalous” is an ambiguous term and could have been interpreted to prohibit the registration of obscene, profane or vulgar marks without violating the First Amendment. As the dissents point out, the Lanham Act’s Section 2(a) bar on “immoral or scandalous” trademarks applies only to the Federal registration of trademarks — not to a person’s ability to use those trademarks for their products. Justice Alioto issued a separate concurring opinion, in which he referred the issue to Congress, for enactment of a more precise and focused statute to preclude Federal trademark registration of vulgar or lewd terms.

So what is next? No doubt Congress will heed Justice Alioto’s invitation and debate various definitions of lewd and vulgar marks. Meanwhile, we can expect many inventive and possibly shocking trademarks – the USPTO may need to put Adult-Only screens or X-rated screens on its TESS database. In addition, Trademark Examiners will have to sift through hundreds of expressive marks urging consumers to buy and support “F***ing” everything.

As of June 24, 2019, nearly 200 trademark applications for various “F***” marks had been suspended, awaiting the *Iancu v. Brunetti* decision. In many suspension letters, the trademark examiners had articulated fairly precise interpretations of “scandalous.” For example, the suspension letter for another FUCT application filed by Mr. Brunetti (Ser. No. 87580969, in Class 9 for cell phone cases and other items) states: “For a mark to be “scandalous,” the evidence must show that the mark would be considered shocking to the sense of decency or propriety, giving offense to the conscience or moral feelings, or calling out for condemnation. . . . A mark is scandalous when the evidence demonstrates that a substantial composite of the general public (although not necessarily a majority) would consider the mark to be scandalous in the context of contemporary attitudes and the relevant marketplace.” (Citations omitted.) That form suspension letter, and the numerous cases cited in it, demonstrate that the Trademark Office has already given considerable thought to articulating a lewd/vulgarity standard. However, in light of the Supreme Court’s ruling, more concrete standards than “shocking to decency” or “giving offense to moral feelings” will be needed to pass constitutional muster.

As society’s standards for what is considered shocking or offensive certainly morph over time, it will be difficult for Congress to articulate standards that are not content-based, in terms of the expression communicated. Nevertheless, some restrictions on speech are permitted under the First Amendment – such as obscene, defamatory, or treasonous speech. Further, trademarks are brands and source identifiers. While brands often contain expressive elements, statements or slogans that are merely “ornamental” or are merely expressions of opinion — rather than source-identifying — do not function as trademarks, under Sections 1, 2, and 45 of the Lanham Act, 15 U.S.C. §§1051, 1052, and 1127. For this reason, many of the “F***” marks may fail to pass muster when specimens are submitted as proof of use, which is required under U.S. trademark law prior to registration. The Trademark Office’s recent announcement of increased scrutiny of specimens of use may result in screening out “F***” marks that are used merely to vent emotions, rather than for branding purposes. While Trademark

Office examiners have had to assess trademark applications under the “immoral or scandalous” standard for many, there will no doubt be an influx of many more “F***” and X-rated trademarks now – which will certainly involve the Trademark Office in more risqué business than before.

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