

# U.S. SUPREME COURT STRIKES DOWN BAN ON "IMMORAL" OR "SCANDALOUS" TRADEMARK REGISTRATIONS

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## Intellectual Property Alert

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On June 24, 2019, the U.S. Supreme Court held in *Iancu v. Brunetti* that the Lanham Act's prohibition on registration of "immoral" or "scandalous" trademarks violates the First Amendment.[1] The holding was in favor of Respondent Erik Brunetti, who had been denied a trademark registration for "FUCTION" in connection with various clothing items.

This decision comes two years after *Matal v. Tam*, in which the U.S. Supreme Court struck down the Lanham Act's prohibition on registration of marks that "disparage" others.[2] In that case, Respondent Simon Tam had been denied a trademark registration for "THE SLANTS" for the name of his band. A plurality of the court in *Tam* agreed that (1) viewpoint-based bars to trademark registration violate the First Amendment, and (2) the "disparagement" bar was viewpoint based.

### Brunetti's Procedural History

In 2011, Eric Brunetti applied to register "FUCTION" for use on clothing items. The U.S. Patent and Trademark Office ("PTO") examiner refused registration, claiming the mark was "immoral" or "scandalous" under Section 2(a) of the Lanham Act.[3] On appeal, the Trademark Trial and Appeal Board ("TTAB") affirmed the PTO examiner's refusal.[4]

Brunetti appealed the TTAB decision to the Federal Circuit. The Federal Circuit agreed that "FUCTION" qualified as an "immoral" or "scandalous" mark under Section 2(a), but held that the statute's prohibition against such registrations was an unconstitutional content-based restriction on speech.[5] In support of its holding, the Federal Circuit cited the Supreme Court's reasoning from *Tam*.

### Supreme Court Decision

The majority opinion in *Brunetti*, authored by Justice Kagan and joined by Justices Thomas, Ginsburg, Alito, Gorsuch, and Kavanaugh, affirmed the Federal Circuit, concluding that the "immoral" or "scandalous" bar, like bar on "disparaging" marks at issue in *Tam*, is unconstitutional because it discriminates based on viewpoint. The majority found that the Lanham Act's bar on "immoral" trademark registrations "permits registration of marks that champion society's sense of rectitude and morality, but not marks that denigrate those concepts." [6] The bar on "scandalous" trademark registrations "allows registration of marks when their messages accord with, but not when their messages defy, society's sense of decency or propriety." [7] The majority noted that the PTO has refused to register marks that communicate "immoral" or "scandalous" views about drug use, religion, and terrorism, while approving registration of marks that express more accepted views on the same topics. [8]

The PTO argued that the Lanham Act could be limited to remove any viewpoint bias, and that the PTO could narrowly apply the "immoral" or "scandalous" bar to prohibit registration of marks that are "immoral" or "scandalous" due to their mode of expression, independent of any views that they may express. According to the PTO, this approach would mostly limit it to refusing marks that are lewd, sexually explicit, or profane. The majority rejected this approach, however, stating that "[t]o cut the statute off where the Government urges is not to interpret the statute Congress enacted, but to fashion a new one."<sup>[9]</sup>

Justices Roberts, Breyer, and Sotomayor each wrote opinions that concurred in part and dissented in part. All three dissenting Justices agreed that the prohibition on "immoral" material was unconstitutional, but each would have permitted a narrow viewpoint-neutral application of the prohibition against "scandalous" material to prohibit registration of obscene, vulgar, or profane marks.

#### Ramifications

In her opinion concurring in part and dissenting in part, Justice Sotomayor predicted that majority's decision "will beget unfortunate results" because "the Government will have no statutory basis to refuse ... registering marks containing the most vulgar, profane, or obscene words and images imaginable."<sup>[10]</sup> Justice Sotomayor anticipated a "coming rush to register such trademarks,"<sup>[11]</sup> and we note that the path to registration now appears clear for a backlog of trademark applications that had been suspended at the PTO pending the Court's *Brunetti* decision. We will monitor the PTO's handling of this backlog.

In his concurring opinion, Justice Alito called on Congress to prevent the registration of such marks that would "further coarsen our popular culture," writing that the majority'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."<sup>[12]</sup> Whether Congress will address the proposed statutory fixes or whether it could actually specify marks that might be considered "lewd" or "profane" remains to be seen.

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#### **Notes:**

[1] 139 S. Ct. 782 (2019).

[2] 137 S. Ct. 1744 (2017).

[3] 15 U.S.C. § 1052(a).

[4] *In re Brunetti*, No. 85310960, 2014 WL 3976439 (TTAB Aug. 1, 2014).

[5] *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017).

[6] Slip. Op. at 5.

[7] *Id.* at 6.

[8] *Id.* at 6-8.

[9] *Id.* at 9.

[10] Slip. Op. (Sotomayor, J., concurring in part and dissenting in part) at 1.

[11] *Id.*

[12] Slip. Op. (Alito, J., concurring) at. 1–2.

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