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Supreme Court Report

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Supreme Court Holds that Ban on Registration of Immoral and Scandalous Trademarks Is Unconstitutional

In 2017, in *Matal v. Tam* (582 U.S. ___ (2017)), the U.S. Supreme Court found that the ban on the registration of disparaging trademarks was unconstitutional viewpoint discrimination, but left open the question of whether the ban on the registration of immoral and scandalous marks was similarly unconstitutional. On June 24, 2019, the Supreme Court answered this question in the affirmative, finding that it too was unconstitutional viewpoint discrimination.

Background

In 2011, Eric Brunetti, founder of the streetwear brand “FUCT,” observed that a number of competitors were using his brand name without authorization. Accordingly, he applied to register that name as a trademark with the U.S. Patent and Trademark Office (PTO). The PTO rejected the application

in accordance with 15 U.S.C. § 1052(a), which prohibits registration of scandalous matter.

On appeal, the Trademark Trial and Appeal Board (the Board) affirmed this rejection, noting that the mark properly was categorized as scandalous, especially in the context in which it was used (*i.e.*, in products promoting “extreme nihilism” and “anti-social” behavior).

Brunetti appealed the decision to the Federal Circuit, which reversed the Board’s decision. While the Federal Circuit panel agreed that the term fell under the definition of scandalous, it nevertheless held that the ban on immoral or scandalous marks was unconstitutional in light of *Tam*, as a similar ban against “ideas that offend.” The government then filed for certiorari.

The Supreme Court Decision

As in *Tam*, the Supreme Court found that the ban on registering immoral or scandalous marks was unconstitutional viewpoint discrimination. Writing for the majority, Justice Kagan noted that the ban “allows registration of marks when their messages accord with, but not when their messages defy, society’s sense of decency or propriety.” Therefore, just like the

ban on disparaging marks in *Tam*, the ban at issue “disfavor[ed] ‘ideas that offend’” and so “discriminate[d] based on viewpoint, in violation of the First Amendment.”

In its brief the government conceded that, if the provision at issue were read to ban all offensive marks, it would be unconstitutional. However, it argued that if the provision were read to exclude only trademarks that were offensive or shocking in their “mode of expression, independent of any views that they may express”—so remaining neutral on underlying viewpoints—it could be applied in a constitutional manner. The ban then would only apply to lewd, sexually explicit, or profane marks.

The majority, however, was unpersuaded by this line of reasoning, observing that “[t]he statute as written does not draw the line at lewd, sexually explicit, or profane marks. Nor does it refer only to marks whose ‘mode of expression,’ independent of viewpoint, is particularly offensive.” Declining to “fashion a new [statute],” in their view, the majority found the entire provision unconstitutional.

The various dissents were more sympathetic to the government’s argument. While still finding a ban on immoral material to be unconstitutional, as it “clearly connotes a preference for ‘rectitude and morality’ over its opposite,” they argued that Section 2(a) could be interpreted to support a viewpoint-neutral ban. The dissents contended that reading the provision to bar marks that offend “because of their mode of expression” (*i.e.*, for being obscene, vulgar, or profane), rather than for the ideas that they convey, would make such a ban constitutional.

Implications

As a result of *Brunetti* (as well as *Tam*), the content-based bars on

trademark registration have been reduced if not eliminated entirely. This could spark a “land rush” on being the first to claim offensive trademarks, as Justice Sotomayor anticipated in her dissent. However, there are several factors that should mitigate the extent of any such rush.

First, because any such applications likely would be rushed and opportunistic, they could be procedurally defective. Second, to the extent that such applications are merely opportunistic, they could be denied or eventually cancelled for failure to use, or to continue to use, the mark in commerce in connection with the goods or services purportedly at issue. Third, because many offensive brand names might not be appealing to relevant consumers, the unlikelihood of commercial success could act as a practical bar to registration. And fourth, various other grounds for denial of an offensive

mark—for example, failure to operate as a source indicator (rather than as mere ornamentation)—still would remain in effect. Indeed, such requirements may be likely to be applied more strictly in the wake of *Brunetti*.

Notably, *Brunetti* left open the possibility for Congress to reestablish some form of ban against scandalous marks, if it restricted that ban to their form of expression rather than their viewpoint. While the majority declined to interpret the current statute this way, it left open the question of whether a narrower ban—*i.e.*, “a statute limited to lewd, sexually explicit, and profane marks”—would be constitutional. The three dissenting justices indicated they would support such a law, and Justice Alito in his concurrence noted that a narrower statute could constitutionally bar registration of marks containing “vulgar terms that play no real part in the

expression of ideas.” Whether such a line can be drawn (*i.e.*, between marks that offend in their expression and marks that offend by their underlying ideas) remains to be seen.

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