US Supreme Court Strikes Down Ban of 'Scandalous' Trademarks

Skadden

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On June 24, 2019, the U.S. Supreme Court ruled, in a 6-3 decision in *Iancu v. Brunetti*, 588 U.S. ____ (2019), that Section 2(a) of the Lanham Act's ban on the registration of "immoral" or "scandalous" trademarks violates the First Amendment.

Background

Section 2(a) of the Lanham Act purports to prohibit the federal registration of "immoral [ ] or scandalous" trademarks. In 2012, Erik Brunetti, an artist and entrepreneur, filed a trademark application for the mark "FUCT" for use in connection with apparel. The examining attorney refused to register the mark pursuant to Section 2(a), reasoning that based on the mark's pronunciation, the mark was scandalous and vulgar. The Trademark Trial and Appeal Board (TTAB) affirmed this decision, and Brunetti appealed to the U.S. Court of Appeals for the Federal Circuit.

While the case was pending before the Federal Circuit, the U.S. Supreme Court decided *Matal v. Tam*, 137 S.Ct. 1744 (2017), which struck down Section 2(a)'s ban on registering "disparag[ing]" trademarks as unconstitutional viewpoint discrimination. Six months later, the Federal Circuit reversed the TTAB decision in *Brunetti*, finding, based on *Tam*, that Section 2(a)'s bar on the registration of "immoral or scandalous" marks also violates the First Amendment.

Majority Opinion

The Supreme Court, with Justice Elena Kagan writing for the majority, affirmed the Federal Circuit, holding that the Lanham Act's ban on registering immoral or scandalous marks constitutes viewpoint-based discrimination. The Court looked to dictionary definitions of "immoral" and "scandalous" to establish that Section 2(a) distinguishes between viewpoints that are aligned with conventional moral standards and those that are not or otherwise constitute "ideas that offend" — a distinction that the *Tam* decision made clear is not permitted by the First Amendment. To prove the point, the Court noted that a variety of trademark applications had been rejected because they communicated "immoral" or "scandalous" views about topics such as drug use, religion or terrorism, while others had been approved because they expressed more mainstream or accepted views regarding the same topics.

The Court also found that Section 2(a) bans all "scandalous" marks, not just those that are vulgar, lewd, sexually explicit or profane, independent of viewpoint. The Court declined the government's invitation to narrowly interpret the statute so as to only bar registration of marks that are offensive or shocking due to their mode of expression rather than their substantive content. The Court explained that the statutory language clearly does not draw the line at vulgar or lewd marks, but rather "covers the universe of immoral or scandalous ... material." The majority concluded, therefore, that if the Court were to adopt the government's argument, it would not merely be interpreting the statute but impermissibly "fashion[ing] a new one."

Concurring and Dissenting Opinions

Justice Samuel A. Alito, Jr. joined the majority but also filed a concurrence to note that the decision does not preclude Congress from adopting a statute that would deny registration of vulgar terms that "play no real part in the expression of ideas." He opined that the "FUCT" mark would be denied registration under such a statute, as "the term suggested by that mark is not needed to express any idea."

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Chief Justice John G. Roberts, Jr. and Justices Sonia Sotomayor and Stephen G. Breyer each filed separate opinions concurring in part and dissenting in part. Chief Justice Roberts agreed with the majority's holding that Section 2(a) was not susceptible to the government's narrowing construction, but he argued that refusing registration of only obscene, vulgar or profane marks (*i.e.*, not based on viewpoint) does not violate the First Amendment because doing so does not restrict any speech. Rather, he opined, the owners of the marks are merely denied the additional benefits of federal trademark registration and are free to use the vulgar terms in commerce to identify their goods or services.

Justice Sotomayor agreed with the majority that the term "immoral" in Section 2(a) suggests viewpoint-based discrimination but disagreed that the term "scandalous" violates the First Amendment. In her view, "scandalous" is an ambiguous term that could mean that a word or image is "simply indecent, shocking, or generally offensive." Given the ambiguity of the term and the canon of statutory construction "to save and not to destroy" a statute, Justice Sotomayor opined that the government's limiting construction of Section 2(a) to only prevent federal registration of obscene, vulgar or profane marks "would save it from unconstitutionality." Justice Breyer joined Justice Sotomayor's opinion but wrote separately to advocate for placing less emphasis on formal categories such as "viewpoint discrimination" and "content discrimination."

Looking Ahead

The Supreme Court's decision to strike down the bar on federal registration of immoral or scandalous trademarks was largely anticipated by commentators following the *Tam* decision. In the short term, the U.S. Patent and Trademark Office may see an influx of new trademark applications containing obscene and vulgar terms — a point Justice Sotomayor highlighted in expressing concern about the government being "powerless [ ] to say no" to a "coming rush" of lewd trademarks.

In the longer term, it is possible that Congress may revisit Section 2(a) to adopt narrower language that implements the government's proffered narrower interpretation of the statute to bar the registration of marks based on their mode of expression rather than based on a viewpoint. Indeed, the justices all but invite Congress to do so: In a footnote, Justice Kagan explained that the majority was saying "nothing at all" about the constitutionality of such a statute, and Justice Alito noted that the decision "does not prevent Congress from adopting a more carefully focused statute" concerning only "vulgar terms that play no real part in the expression of ideas."