Iancu v. Brunetti: The Other Shoe Drops on Lanham Act's Viewpoint-Based Restrictions

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PRACTICES Intellectual Property, Trademark and Advertising

So-called scandalous or immoral trademarks now can receive federal trademark protection, although this change is unlikely to impact most corporate brand owners.

In a much-anticipated ruling this week, the U.S. Supreme Court in *Iancu v. Brunetti* interpreted a provision in the Lanham Act barring federal registration of "immoral" or "scandalous" trademarks.

The Supreme Court's decision in *Brunetti* is the second high-profile case in the last few years regarding the Lanham Act's viewpoint-based restrictions on eligibility for federal trademark registration. In the first such case, *Matal v. Tam* (also known as the "Slants" case), the Supreme Court struck down a neighboring provision in the Lanham Act, which barred federal registration of marks that "disparage" any person or group of people. In that case, a divided Supreme Court held that the Lanham Act's directive to refuse registration for disparaging marks was viewpoint-discriminatory, and therefore, that the prohibition was unconstitutional.

In addition to the bar on registration of disparaging marks, Section 2(a) of the Lanham Act also contains a provision prohibiting registration of "immoral or scandalous" trademarks. 15 U.S.C. § 1052(a). Under this provision, the United States Patent and Trademark Office (USPTO) would deny registration of a mark if a substantial composite of the public would find it to be, in the Court's words, "shocking to the sense of truth, decency, or propriety"; "giving offense to the conscience or moral feelings"; "calling out for condemnation"; "disgraceful"; "offensive"; "disreputable"; or "vulgar."

Once *Tam* established the constitutional infirmities of the Lanham Act's bar to disparaging marks, many expected Erik Brunetti's constitutional challenge to the "immoral or scandalous" provision to be the second shoe to drop. Brunetti, one of the founders of the high-end streetwear label FUCT, applied for federal registration of the brand in 2011. Citing Section 2(a)'s immoral or scandalous provision, the Examining Attorney refused registration on the basis that the mark—a homophone of the past tense of a well-known expletive—was immoral or scandalous. Brunetti appealed, but the Trademark Trial and Appeal Board (TTAB) affirmed the Examining Attorney's refusal. Brunetti appealed to the Federal Circuit, which reversed the TTAB's refusal. Relying heavily on the Supreme Court's *Tam* decision, the Federal Circuit held that "Section 2(a)'s bar on registering immoral or scandalous marks is an unconstitutional restriction of free speech."

As is common when a lower court invalidates a federal statute, the Supreme Court granted *certiorari*, and in a concise opinion authored by Justice Kagan, it affirmed the Federal Circuit's decision striking down the challenged provision. The Court held that Section 2(a)'s bar on immoral or scandalous marks constitutes viewpoint-based discrimination—the same basis for the Court striking down the related bar on disparaging marks in *Tam*. The Court reasoned that the immoral or scandalous bar "permits registration of marks that champion society's sense of rectitude and morality, but not marks that denigrate those concepts." To illustrate, the Court identified several instances in which the USPTO refused registration of marks communicating plausibly immoral or scandalous views about drug use, religion, and terrorism, yet approved registration of marks

expressing more accepted views on the same topics. For example, the USPTO refused MARIJUANA COLA for glamorizing drug abuse, but allowed registration of marks identifying the drug-prevention program D.A.R.E. TO RESIST DRUGS AND VIOLENCE, suggesting that Section 2(a) rendered certain marks ineligible for registration based on the particular stance or viewpoint they expressed.

The Government conceded at oral argument that the immoral or scandalous bar could "easily encompass material that was shocking [or offensive] because it expressed an outrageous point of view." However, it argued that the Court should not strike down the immoral or scandalous bar because the statute is "susceptible of" a limiting construction that would render Section 2(a) viewpoint neutral. Specifically, the Government urged that the Court interpret Section 2(a) as barring only "marks that are offensive [or] shocking . . . because of their *mode* of expression, independent of any views that they may express."

The Court rejected this argument, holding that the plain language of the statute was not ambiguous, as "[t]here are a great many immoral and scandalous ideas in the world . . . and the Lanham Act covers them all." It pointed out that it could not rewrite a statute, which is a task only for Congress. Accordingly, the Court concluded that the immoral or scandalous bar violates the First Amendment.

The relatively modest impact of the Supreme Court's ruling in *Tam* suggests that the practical effect of *Brunetti* may similarly be somewhat limited. Certainly, some marks that were previously rejected as immoral or scandalous will likely now be entitled to registration. Still, by most accounts, *Tam*'s rejection of the disparaging bar has not resulted in an epidemic of disparaging or hateful marks flooding the market. Indeed, the commercial nature of trademarks creates a strong economic disincentive to use disparaging marks that would alienate potential customers. Similarly, while there may be a modest increase in applications for marks that previously would not have been eligible for registration, there is reason to be skeptical of a coming rush of vulgar, profane, or obscene trademark applications, or that the availability of federal trademark protection would result in an appreciable increase in the prevalence of obscene marks in commerce.