Iancu v. Brunetti: FUCT Trademark Battle Heads to the Supreme Court

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This January, the Supreme Court granted the United States Patent and Trademark Office's petition for a writ of certiorari in the long-running trademark dispute over the L.A.-based fashion label FUCT. This case follows closely in the footsteps of *Matal v. Tam*, in which the Supreme Court struck down the Lanham Act's bar on the registration of disparaging trademarks. Like *Tam*, *Brunetti* involves a similar First Amendment challenge to Section 2(a) of the Lanham Act, this time addressing the constitutionality of the Act's bar on the registration of "scandalous" trademarks.

Erik Brunetti and Natas Kaupas founded FUCT in 1990. The high-end label is considered a forerunner of the modern streetwear movement and is known for pushing the boundaries of good taste, often by featuring risqué or explicit imagery on its clothing. For the first two decades of the brand's existence, Brunetti did not attempt to obtain federal trademark registration of the FUCT mark. Then, in 2011, two individuals filed an intent-to-use application for the mark for use on clothing; the application was later assigned to Brunetti and subsequently amended to include allegations of Brunetti's actual use of the brand.

The examining attorney refused to register the mark, citing Section 2(a) of the Lanham Act. Section 2(a) provides, in relevant part, that the PTO may refuse to register a trademark that "[c]onsists of or comprises immoral, deceptive, or scandalous matter . . ." He/She observed that FUCT is a homophone of the past tense of a profane expletive and is therefore unsuitable for federal registration. Brunetti appealed this determination to the Trademark Trial and Appeals Board (TTAB), which affirmed the examining attorney's refusal. In reaching its decision, the TTAB relied on dictionary definitions and observed that Brunetti often used the mark in the context of "extreme nihilism—displaying an unending succession of anti-social imagery of executions, despair, violent and bloody scenes . . . and dozens of examples of other imagery lacking in taste." The mark, it concluded, was scandalous and properly refused registration.

Brunetti appealed this decision to the Federal Circuit. While the case was pending before the Court of Appeals, the Supreme Court issued its ruling in *Matal v. Tam*, in which all eight Justices who participated in the decision agreed that the Lanham Act's provision barring disparaging trademarks violated the First Amendment. After the parties concluded supplemental briefing and re-argument in light of *Tam*, the Federal Circuit reversed course. Although the Federal Circuit agreed that the mark was vulgar and therefore scandalous, Judge Kimberly Moore, writing for the Court, held that "Section 2(a)'s bar on registering immoral or scandalous marks is an unconstitutional restriction of free speech" and reversed the Board's holding that FUCT was unregistrable. Relying heavily on Tam, the Federal Circuit determined that Section 2(a)'s ban on immoral or scandalous marks did not survive the strict scrutiny demanded by the First Amendment—or even, for that matter, the lesser intermediate scrutiny standard afforded to commercial speech under *Central Hudson Gas & Electric Corp. v. Public Service Commission*, 447 U.S. 557, 563 (1980).

The PTO filed a petition for *certiorari*, arguing that Section 2(a) does not run afoul of the First Amendment because federal registration of a mark is not a prerequisite for use of that mark in

commerce. Rather, the PTO argued, the scandalous-marks provision merely establishes a lawful eligibility requirement for federal registration of that mark. The PTO also argued that the Supreme Court's earlier decision in *Tam* is largely not controlling; while all eight Justices agreed that trademark registration confers important legal rights and benefits and does not constitute "government speech," the remainder of the Court's decision was split between two opinions, neither of which gained the support of a majority. Justice Kennedy, writing separately from Justice Alito's plurality opinion, opined that the Lanham Act's disparagement provision was viewpoint-based discrimination but expressly reserved "the question of how other provisions of the Lanham Act should be analyzed under the First Amendment."

In response to the PTO's petition, Brunetti conceded that Supreme Court review was appropriate, arguing instead that the Federal Circuit's decision was correctly decided and should be affirmed. Specifically, Brunetti argued that the scandalous-material bar in Section 2(a) is not a content-neutral rule that rejects all profanity, but instead is selectively employed to refuse certain applications based on the level of perceived offensiveness. Brunetti further argued that the PTO's refusal to register Brunetti's mark constituted impermissible viewpoint discrimination and that the scandalous provision was impermissibly vague.

On January 4, 2019, the Supreme Court granted the PTO's petition. Certainly, the Supreme Court's potential willingness to strike down an additional provision of the Lanham Act on First Amendment grounds indicates that it is sensitive to the significant free-speech concerns associated with content-based limitations on eligibility for federal trademark registration. Indeed, many of the concerns regarding government regulation of disparaging marks articulated in *Tam* arguably apply with equal force in the context of scandalous marks. Still, while many expect the Supreme Court to come down in a manner consistent with its earlier ruling in *Tam*, the downfall of Section 2(a)'s bar on scandalous trademark registrations may not be a foregone conclusion. For one thing, it is well settled that "obscenity is not within the area of constitutionally protected speech or press," *Roth v. United States*, 354 U.S. 476, 492-93 (1957), and as a result, the Court may be skeptical of First Amendment arguments in support of Section 2(a)'s unconstitutionality in light of the arguably obscene context in which Brunetti employs his mark. Furthermore, although Tam was only recently decided in 2017, the makeup of the Court has shifted significantly with the addition of Justices Gorsuch (who did not participate in the discussion or decision of *Tam*) and Kavanaugh. Oral argument is expected to be held this spring.