

SCOTUS to Decide If Ban on Scandalous Trademarks Is Unconstitutional

January 8, 2019

On January 4, 2019, the Supreme Court of the United States agreed to hear the United States Patent and Trademark Office's ("USPTO") appeal of *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017). In taking this case, it appears that the Supreme Court intends to decide whether the bar on registration of "immoral" and "scandalous" trademarks is an unconstitutional violation of the Free Speech Clause of the First Amendment. The Supreme Court struck down as unconstitutional a similar bar on registration of "disparaging" trademarks last year.

Background

In re Brunetti involves the trademark "FUCTION" for clothing. Erik Brunetti, founder of the lifestyle and clothing brand FUCTION, first sought to register the FUCTION mark in 2011, but the USPTO denied his registration because the mark is a "vulgar term." Current trademark law – in particular, Lanham Act Section 2(a), 15 U.S.C. 1052(a) – holds that "immoral" or "scandalous" matter cannot be registered as a trademark. Brunetti appealed to the Trademark Trial and Appeal Board ("TTAB"), but the TTAB affirmed the USPTO. Brunetti then appealed the TTAB's decision to the Federal Circuit.

While Brunetti's Federal Circuit appeal was pending, the Supreme Court decided [Matal v. Tam](#), 137 S. Ct. 1744 (2017), which involved a related section of trademark law barring registration of "disparaging" marks. The Supreme Court found that prohibiting registration of "disparaging" marks violated the First Amendment's Free Speech Clause.

In light of *Tam*, the Federal Circuit held in *In re Brunetti* that, like the bar on disparaging marks, the bar on scandalous marks is an unconstitutional restriction on free speech. The USPTO appealed the Federal Circuit's decision.

The Supreme Court's decision to hear *In re Brunetti* comes as somewhat of a surprise, as many members of the legal community thought that *Tam* settled the issue, and that the bars on registration for both "disparaging" and "scandalous" marks were equally unconstitutional. In its appeal to the Supreme Court, however, the USPTO argued that the *Tam* decision left open a number of key issues. Brunetti agreed that the Supreme Court should hear the case due to outstanding questions left by *Tam*.

Key takeaways

The Supreme Court's decision to hear the case affects businesses with pending trademark applications, as the USPTO has suspended any arguably "immoral" or "scandalous" trademark applications until *In re Brunetti* is decided. A decision for Brunetti will allow businesses that now use such marks without registration to apply to the USPTO for protection.

Also, just as commentators predicted that the decision in *Tam* could lead to a wave of new, "disparaging" trademark applications, a decision finding the scandalous clause unconstitutional could encourage businesses to roll out new brands that capitalize on shock value.

Finally, a ruling striking the clause could open the door to First Amendment challenges to other arguably "speech-based" parts of

the trademark law, like the ban on marks that are likely to dilute the distinctiveness of others' marks by "tarnishment."

The Supreme Court will likely hear the case in April, and will likely rule by the end of June.

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