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Constitutionally protected free speech: “Immoral and scandalous” versus “disparaging” trademarks

Associate Dana Justus and Director Monica Riva Talley of Sterne Kessler discuss the U.S. Supreme Court’s agreement to hear case determining federal registrability of immoral and scandalous trademarks.

United States trademark attorneys received a New Year’s surprise earlier this month when the Supreme Court of the United States agreed to hear *Iancu v. Brunetti*. This case should determine the availability of federal trademark registration for “immoral” and “scandalous” marks – in this case, the acronym “FUCT” for a clothing line. *Brunetti* will mark the second trademark case before the Court in three years that evaluates the constitutionality of the federal ban on registering certain categories of marks under Section 1052(a) of the Lanham Act.

The Court’s interest in this case is particularly intriguing after its June 2017 decision in *Matal v. Tam*, in which it

upheld the U.S. Court of Appeals for the Federal Circuit’s 2014 holding that Section 1052(a)’s ban on the registration of “disparaging” marks violated the First Amendment of the U.S. Constitution’s protection for free speech. The *Tam* case pertained the mark “THE SLANTS,” the name of an Asian-American rock band, although a parallel case about the “REDSKINS” mark for the name of the Washington, D.C. professional football team received the lion’s share of media coverage and public interest.

After the *Tam* decision, most assumed that federal courts – and, in particular, the Federal Circuit, with its position as the U.S.’s highest-ranking court (other than the Supreme Court) for intellectual property matters – would view “immoral” and “scandalous” trademarks, which are included alongside “disparaging” marks in Section 1052(a), as similarly protected speech, and similarly nullify the ban on their registration with the U.S. Patent and Trademark Office (USPTO).

Following suit, the Federal Circuit ruled in December 2017, that the vulgar and “scandalous” mark FUCT was constitutionally-protected, private expression under the First Amendment, overturning the 2014 decision of the Trademark Trial and Appeal Board (the administrative body for the USPTO) denying federal registration of the mark. The Federal Circuit deemed the ban on scandalous and immoral trademarks to be a content-based restriction that discriminates against entire types of speech and held that the USPTO could not meet its burden of identifying a governmental interest in upholding such restriction.

Many were surprised when the USPTO appealed the *Brunetti* decision to the Supreme Court, assuming that the Court – which rarely hears trademark cases, much less cases about arguably similar registrability issues – would deny the government’s petition and allow the Federal Circuit’s decision stand. The odds were also not in the government’s favor, as the Supreme Court only grants a miniscule amount – typically between

Résumés

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Dana is an associate in Sterne Kessler’s Trademark & Brand Protection Practice where she focuses on U.S. and international trademark clearance, prosecution, enforcement, and portfolio management for clients in a wide variety of industries. She has significant experience in civil litigation related to trademark and copyright matters in federal district court and administrative proceedings at the Trademark Trial and Appeal Board (TTAB) and International Trade Commission (ITC). In addition, she conducts due diligence analysis of intellectual property assets, provides counseling on a variety of transactional matters, and works with clients on domain name monitoring and anti-counterfeiting enforcement.

Monica Riva Talley

Monica is a director and heads Sterne Kessler’s Trademark & Brand Protection Practice. For more than 20 years she has specialized in strategic trademark counseling and portfolio enhancement, developing anti-counterfeiting solutions and strategies, and resolving trademark disputes. Monica is particularly sought after for her expertise in enforcing brand rights against infringers and counterfeiters seeking to profit from her clients’ well-known brands.



two and five percent – of the petitions for writ of certiorari filed each year.

Theories abound about the Court’s interest in *Brunetti* so shortly after the *Tam* decision, as the Supreme Court (per its custom) does not provide any explanation on why it does or does not decide to hear cases. *Tam* was a 4-to-4 split decision (now-Justice Neil Gorsuch was not on the Court during the case’s oral arguments, and he abstained from the decision), so there may be motivation to decide the fate of “scandalous” registrations with a majority holding. The Court may also wish to more closely examine whether immoral and scandalous marks are actually constitutionally protected free speech, as it has consistently held in the past that obscene content is not protected under the First Amendment and can be subject to government regulation. In addition, there may be interest in further exploring whether trademarks are considered “commercial speech,” the laws governing which are subject to lower standards for constitutional compliance.

If the Court does uphold the Federal Circuit’s decision negating Section 1052(a)’s ban on the federal registration of scandalous and immoral trademarks, what does that mean for U.S. trademark owners and counsel? Well, for most – not much. Such marks are usually not marketable for most companies; although a minority find the shock value of marks such as *FUCT*, *DIRTY DICK’S CRAB HOUSE*, and *AMERICAN AS F*CK* to be a key point of their brand’s identity. It is unlikely, however, that removing the Lanham Act’s prohibition on the federal registration of scandalous and immoral marks will result in a flood of applications; the *Tam* decision did not result in a significant increase in applications for disparaging trademarks, given the relatively rare market occurrence of such brands and their evolving political

(in)acceptance. For example, the Cleveland Indians professional baseball team announced in 2018 that it was ending the use of its “Chief Wahoo” Indian head logo on the team’s uniforms, as the design was “no longer appropriate.”

In addition, the ability to obtain a federal registration for a scandalous or immoral trademark may fall short of other practical considerations, such as state or local regulations barring such business names or slogans. The New Hampshire town of Keene recently deemed signage for Vietnamese restaurant “Pho Keene Great” (the Vietnamese soup “pho” is pronounced “fuh”) as violating local and building lease regulations, in addition to inciting public complaints. Even if this mark may be federally registrable if the Supreme Court upholds the Federal Circuit’s *Brunetti* holding, that registration will be of little value to the restaurant owner if it cannot display the mark at its physical location.

Even if the registration of scandalous and immoral trademarks is not a market concern for the majority of business owners, this case continues to be a fascinating one to watch for U.S. practitioners. The Supreme Court’s eventual decision should hopefully bring some additional clarity to this area of U.S. trademark law and will certainly make for interesting reading.

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