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# U.S. SUPREME COURT STRIKES DOWN BAR ON “IMMORAL OR SCANDALOUS” TRADEMARKS

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On June 24, 2019, the U.S. Supreme Court struck down as unconstitutional the Lanham Act's "immoral or scandalous" prohibition on trademark registration. In *Iancu v. Brunetti*, the Court held—in context of Brunetti's failed attempt to register the trademark “FUCT” for use in connection with a clothing line—that the noted provision violates the First Amendment because it "disfavors certain ideas." In doing so, the Supreme Court built on its holding in *Matal v. Tam*, 137 S. Ct. 1744 (2017), that the Lanham Act's bar on the registration of "disparag[ing]" trademarks was invalid under the First Amendment as a viewpoint-based restriction. *Tam* involved the use of the slur "Slants" as the name and trademark of an all-Asian American musical group.

Justice Kagan, who authored the *Brunetti* majority opinion, noted that the U.S. Patent and Trademark Office (PTO) had found that “FUCT” met its test for “immoral or scandalous” marks, in that the mark was "highly offensive" and "vulgar," and possessed "decidedly negative sexual connotations." The PTO found that Brunetti's use of the mark was accompanied by imagery of "extreme nihilism" and "anti-social" behavior, communicating "misogyny, depravity, [and] violence."

Citing dictionary definitions of "immoral" and "scandalous," the Court stated "the Lanham Act permits registration of marks that champion society's sense of rectitude and morality, but not marks that denigrate those concepts." As such, the "immoral or scandalous" criteria in the Lanham Act are viewpoint-based, not viewpoint-neutral, and hence violate First Amendment free speech principles.

The PTO unsuccessfully argued to the Court that the statutory language could be construed narrowly to remove any viewpoint bias and preserve its constitutionality. The PTO argued that the bar on immoral or scandalous marks could be limited to marks that are "'vulgar'—meaning 'lewd,' 'sexually explicit or profane.'" The majority rejected this argument as contrary to the rule that the Court "will not rewrite a law to conform it to constitutional requirements" where, as here, no ambiguity exists as to the overbreadth of the challenged statutory language.

Some—including Justice Sotomayor in her dissenting opinion—anticipate a rush to register trademarks containing arguably vulgar, profane, or obscene words and images, with the PTO now powerless to say no.

Like the *Tam* case before it, *Brunetti* effectively rejects the PTO's argument that the government may impose communicative content restrictions in exchange for granting a federal benefit (in this case, registration). It reflects an erosion of deference to the administrative prerogative of the PTO, leaving it to Congress (if it is so inclined) to draft new statutory language within permissible constitutional limits.

For business entities, the Supreme Court's vindication of free speech rights in *Tam* and *Brunetti* may be viewed as consistent with the judicial trend toward expanding the application of the First Amendment to commercial speech. Companies have in recent years brought free speech challenges in the context of minimum wage laws; licensing requirements; meat labelling; and SEC disclosure laws. The First Amendment has also been the basis for challenging restrictions related to labeling genetically modified organisms in food; the FCC's "net neutrality" regulations; and promoting off-label use of drugs.

For questions or more information, contact the authors, Ben Clark and Matt Minder.

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