

## The State Of Scandalous Trademarks Post-Brunetti

By Jeffrey Greene and Rose Kautz

(April 16, 2020, 6:14 PM EDT) -- Last June, in *Iancu v. Brunetti*,<sup>[1]</sup> the U.S. Supreme Court struck down the statutory bar preventing federal registration of “immoral and scandalous” trademarks,<sup>[2]</sup> finding it violated the First Amendment. This ruling opened the door for brands to seek federal registration of trademarks that, in the past, would have been refused as too vulgar, profane or offensive (such as “Fuct,” which was the mark at issue in *Brunetti*).

While many heralded *Brunetti* as a free speech victory, others expressed concern about its impact. Justice Sonia Sotomayor, for example, warned in her dissent-in-part that the ruling would permit “a rush to register trademarks for even the most viscerally offensive words and images that one can imagine.”<sup>[3]</sup>

Was she right? We decided to run the numbers to find out.

### Trends In Trademark Filings for Immoral, Scandalous and Offensive Marks

Using comedian George Carlin’s “seven dirty words” as a representative sample of commonly recognized “scandalous” phrases,<sup>[4]</sup> we collected detailed records for over 1,100 trademark applications submitted to the U.S. Patent and Trademark Office between 2000 and 2019.<sup>[5]</sup> To determine the impact of *Brunetti* (and its predecessor *Matal v. Tam*,<sup>[6]</sup> which was decided in 2017), we compared the data for trademark applications submitted in the past three years to the data for trademark applications submitted between 2000 and 2016. This analysis revealed some remarkable results.

First, while scandalous trademark applications have skyrocketed since 2017 — both in terms of absolute numbers and year-over-year growth — registrations remain low. Figure 1, below, depicts this contrast.

In the past three years, almost 60% of trademark applications overall have matured to registration, based on the most recent USPTO data available for all trademarks in all classes.<sup>[7]</sup> By contrast, less than 10% of scandalous trademark applications have matured to registration. Notably, the registration rate

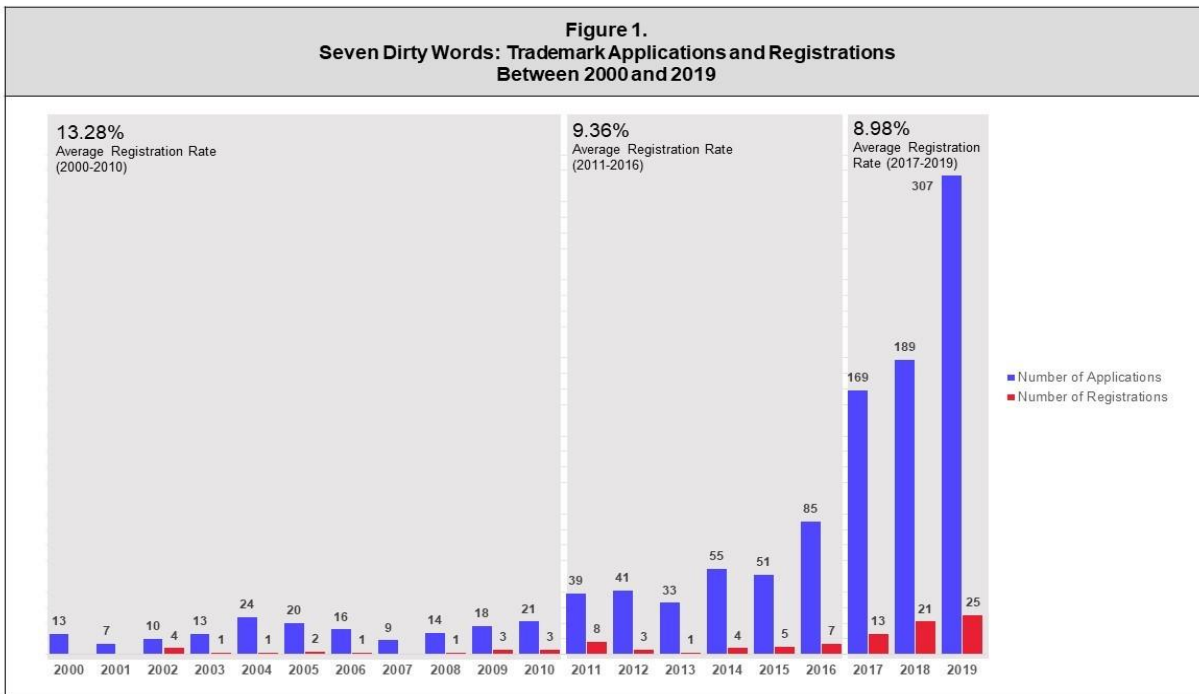


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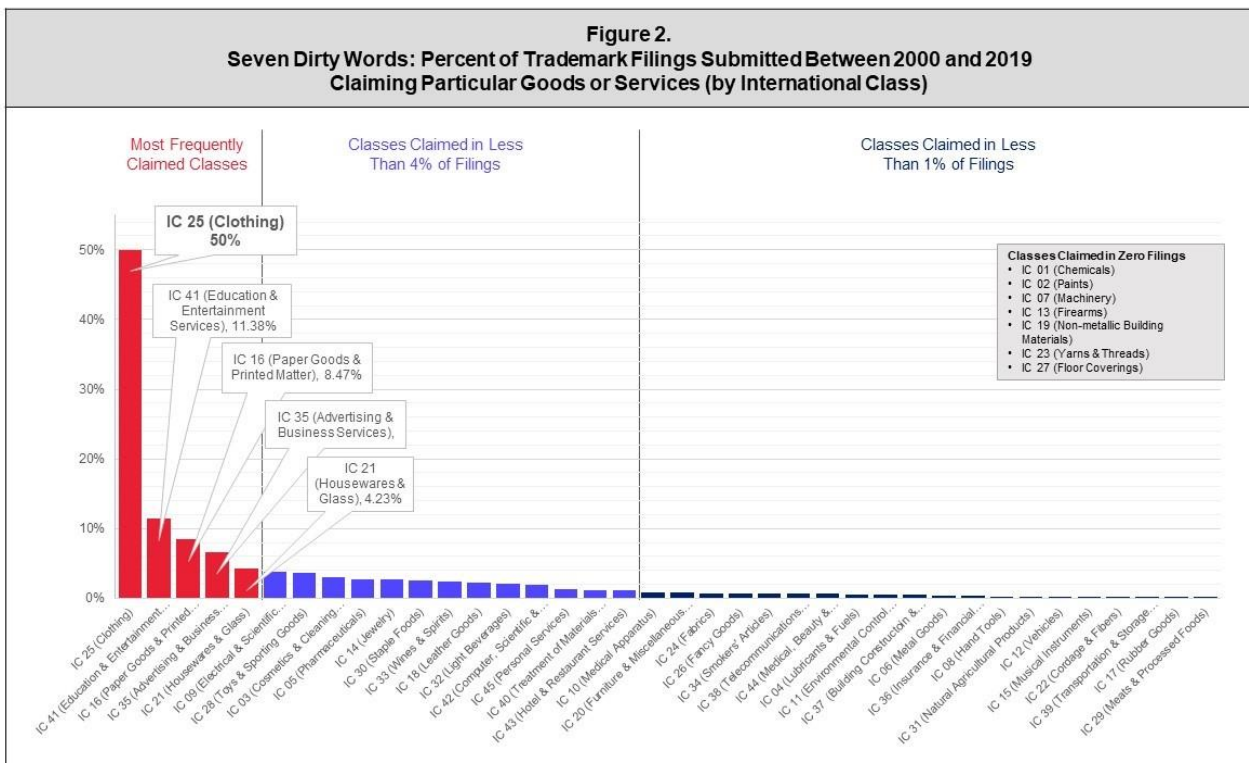


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for scandalous trademarks between 2017 and 2019 is lower than the historical registration rate for similar marks between 2000 and 2016. See Figure 1.



The second most striking revelation is how disproportionately the fashion industry has been impacted by the wave of scandalous trademark applications. Half of the scandalous trademark filings we reviewed included a claim for clothing or apparel in Class 25. See Figure 2.



This proportion is almost six times the national average: Only 8.4% of trademark filings overall included Class 25 in the past five years.[8]

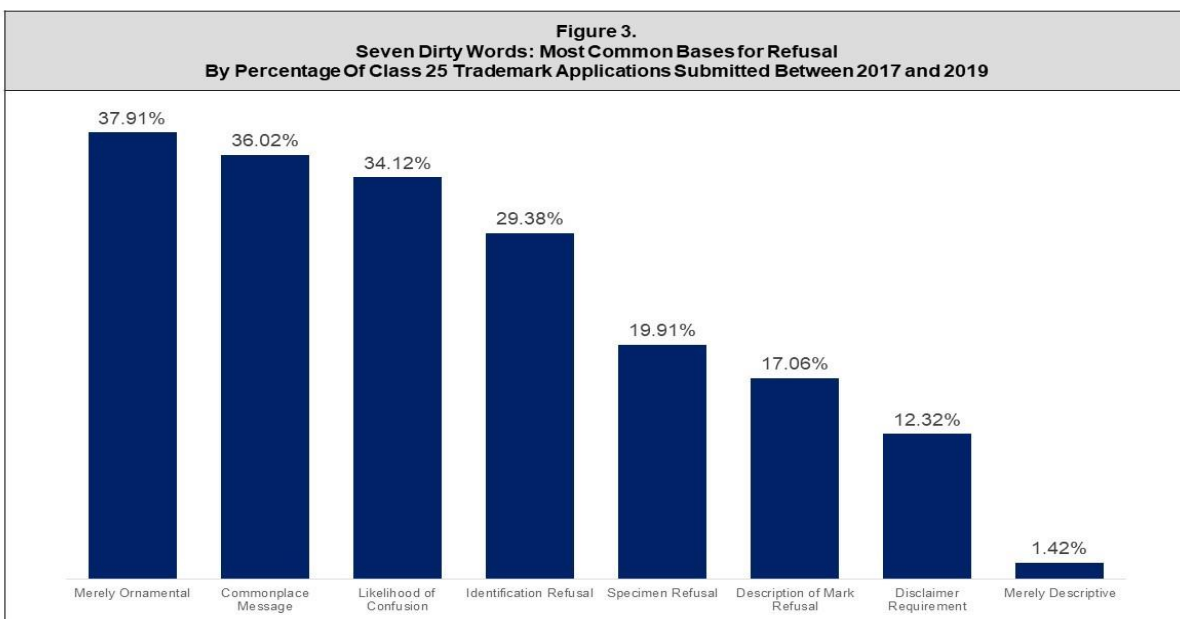
Scandalous trademark filings are also five times more likely to cover clothing than any other type of good or service. The next most commonly claimed goods and services were Class 41 education and entertainment services (approximately 11% of filings), Class 16 paper and printed goods (approximately 8.5% of filings), Class 35 retail, marketing, and business services (approximately 6.5% of filings), and Class 21 housewares (approximately 4.2% of filings). The remaining 40 classes were each claimed in less than 3% of trademark filings, and 27 classes were claimed in less than 1% of trademark filings.

### New Obstacles For Scandalous Fashion Brands

As the data above makes clear, following Tam and Brunetti, more scandalous brands have arisen in the fashion world than in any other industry. Readers familiar with the field may recall multiple controversies in recent years involving major fashion houses, each arising from an arguably objectionable or offensive new product.[9] This has led industry commentators, such as those in Salon[10] and the Business of Fashion,[11] to question whether fashion brands have been purposefully relying on scandal to attract consumers’ attention in an increasingly crowded market.

Even if controversy is the goal, aspiring Brunettis will likely face challenges in replicating the subversive apparel brand’s success. In fact, fashion brands seeking to register scandalous marks may face more obstacles now than before 2017.

Of the scandalous trademark applications covering Class 25 and submitted between 2017 and 2019 that we reviewed, two-thirds (66%) received an office action, preliminarily refusing the trademark on one or more grounds. A noteworthy trend involving two types of refusals — both directly relevant to fashion brands — appears to be emerging: “merely ornamental” refusals and “commonplace message” refusals.



First, between 2017 and 2019, almost 38% of scandalous Class 25 trademark applications received a “merely ornamental” refusal or advisory.[12] If the specimen (evidence establishing use of a trademark) shows the applied-for trademark used in a way that most purchasers would perceive as a decoration, rather than an identification of the product’s manufacturer, then the USPTO will reject the application a “merely ornamental.” Slogans on the front of T-shirts, for example, are almost always rejected as ornamental, whereas trademarks on tags, labels, and product packaging are commonly accepted indicators of a product’s source.

Second, about 36% of scandalous fashion brand applications received a “commonplace message” refusal. A trademark is supposed to identify the unique source of a good, and to distinguish one provider’s goods from others. The USPTO deems certain phrases too commonplace to serve this “source-identifying” function of a trademark. Ironically, many vulgar, profane, offensive, and scandalous marks have received this refusal, placing "F\*\*\* You" in the hallowed halls alongside other unregistrable common phrases like "Drive Safely" and "Proudly Made in the USA." [13]

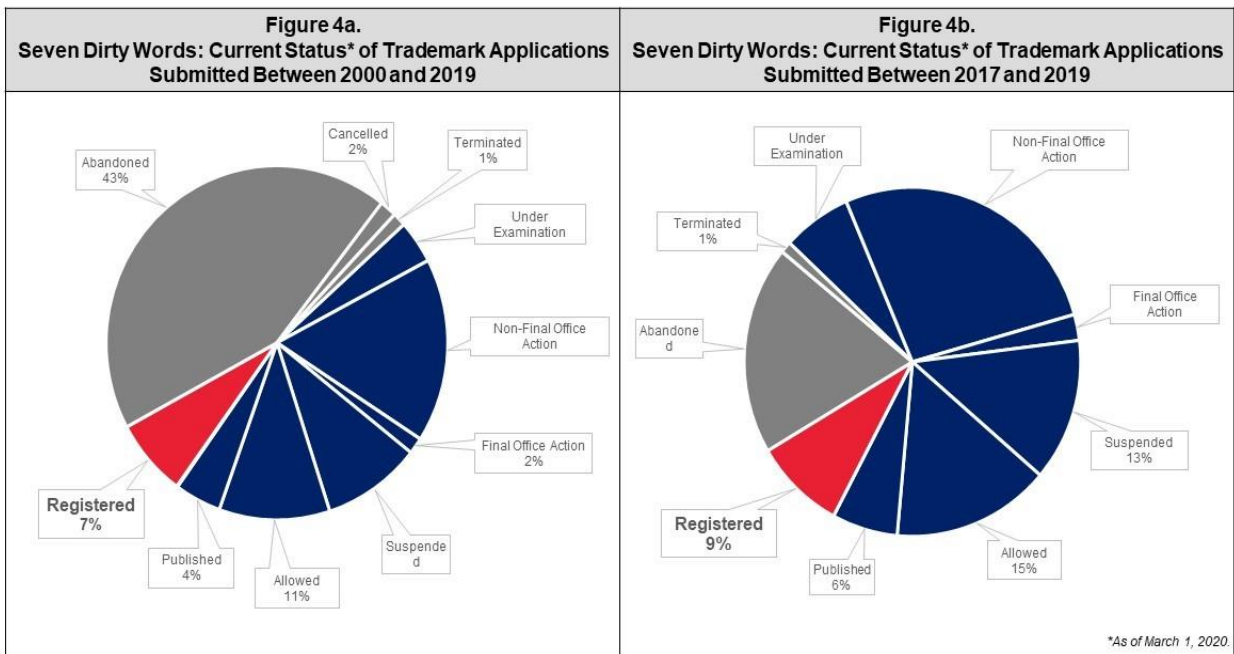
Finally, fashion brands also continue to encounter the more typical obstacles to registration, such as likelihood of confusion, identification, specimen, and description refusals. See Figure 3 above. Due to the recent influx of scandalous filings, the USPTO may be more likely to refuse scandalous applications than other applications based on a likelihood of confusion with earlier-filed applications or registrations, and may be more likely to delay or suspend a new trademark application while a blocking trademark application undergoes examination.

Examiners are also frequently rejecting specimens of use for failure to sufficiently show use of the trademark in commerce or are requiring additional information from applicants to “prove up” the claims made in their applications.

### **Looking Ahead**

Currently, the chances of successfully registering a scandalous trademark appear low. Of all of the “seven dirty words” trademark filings between 2000 and 2019, only 7% of applications have actually registered (see Figure 4a below, red section). The remaining trademark applications are split almost evenly between dead (46%, see Figure 4a gray sections) and pending (47%, see Figure 4a blue sections).

But the outlook will soon change drastically. If we consider only more recent applications — those filed since Tam and Brunetti — the “dead” portion of the pie shrinks from 46% to 20% (see Figure 4b, gray sections), the “registered” portion increases slightly from 7% to 9% (see Figure 4b red section), and the “pending” portion (see Figure 4b blue sections) expands from 47% to 71% of applications.



Given how many new trademark applications have been allowed and published for opposition, the number of registrations will almost certainly rise in the coming months and years. The registration rate will likely also increase as brand owners become familiar with the new obstacles scandalous trademark applications are facing, and find new ways to surmount them. Savvy brand owners will need to be aware of this shifting landscape and develop new strategies to stay ahead of the curve.

### Key Takeaways

Justice Sotomayor was right. Tam and Brunetti did cause a rush at the USPTO of scandalous trademark filings.

But the data also suggests there was an upward trend in scandalous trademark filings even before 2017. Perhaps society is becoming desensitized to these terms, and this increase was inevitable — Brunetti just accelerated it. As Justice Stephen Breyer observed in his dissent-in-part, the list of words society deems offensive has changed over time from words of religious disrespect to words that are sexually explicit or describe bodily functions, and may be evolving again towards race-based epithets.[14]

Regardless, Brunetti was not a free pass to breeze through trademark office proceedings and trademark examiners have other tricks up their sleeves to ensure not every immoral, scandalous or disparaging trademark application results in a registration. Tam and Brunetti may have removed one obstacle to offensive trademark applications, but many other obstacles remain.

The fashion industry has been, and likely will continue to be, the most impacted by these changes. For brands seeking to capitalize on controversy and register scandalous trademarks, a few lessons from recent trends are clear.

First, be prepared for challenges and delays. Given the recent rise of scandalous trademark applications, trademarks containing common vulgar, profane, or offensive terms are likely to encounter likelihood of confusion refusals and suspensions or delays. Scandalous trademark applications also appear to be facing increased scrutiny, so brand owners should be prepared to respond to inquiries and provide detailed information regarding when, where, and how the brand has used, or intends to use, its scandalous trademark in commerce.

Second, monitor closely to stay ahead of the curve. Post-Brunetti trademark filings are uncharted territory. We can gain some insight from the trends that have emerged in recent registrations and refusals, but the legal landscape is likely to keep shifting rapidly over the next few years.

Third, know the law. A large percentage of the applications we reviewed were abandoned without argument after receiving a nonfinal office action. But many of the refusals and obstacles discussed above could have been overcome, or avoided entirely, by an experienced trademark attorney. Fashion brands, in particular, should be aware of the requirements for specimens and use in commerce, and should understand the distinction between “trademark use” and “ornamental use” of a trademark.

In short: Slapping a swear word on a T-shirt does not a trademark make.

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[1] See *Iancu v. Brunetti*, No. 18–302, 588 U.S. \_\_\_, 139 S. Ct. 2294 (2019).

[2] See Section 2(a) of the Lanham Act, 15 U.S.C. §1052(a).

[3] *Brunetti*, 588 U.S. \_\_\_, 139 S. Ct. 2294 (Sotomayor, J., concurring-in-part and dissenting-in-part).

[4] See *Federal Communications Commission v. Pacifica Foundation*, 438 U.S. 726 (1978). We assume readers are already familiar with these words, and will not reprint them here. For those who wish to seek them out, the list is available on Wikipedia at [https://en.wikipedia.org/wiki/Seven\\_dirty\\_words](https://en.wikipedia.org/wiki/Seven_dirty_words).

[5] Our methodology consisted of a basic index search for each of the “seven dirty words” on the USPTO Trademark Electronic Search System (TESS) website, <http://tmsearch.uspto.gov>. We deduplicated these search results, removed false positive hits, and created a searchable index of the more detailed records for each filing from the Trademark Status & Document Retrieval (TSDR) website <http://tsdr.uspto.gov>. The resulting database contains 1,134 offensive trademark filings submitted between January 1, 2000 and December 31, 2019.

[6] In *Tam*, the Supreme Court invalidated a related ban on registering “disparaging” marks, after a free-speech challenge by Asian rock band The Slants. See *Matal v. Tam*, 582 U.S. \_\_\_, 137 S. Ct. 1744 (2017).

[7] See USPTO Data Visualization Center -- Trademark Dashboard, <https://www.uspto.gov/dashboards/trademarks/main.dashxml> (as of March 1, 2020).

[8] See *id.*

[9] See, e.g., Maeve McDermott, Blackface Shoes And Holocaust T-Shirts: Fashion Brands' Most Controversial Designs, USA TODAY (Published Feb. 22, 2019 8:15 AM ET, Updated Feb. 24, 2019 5:25 PM ET), <https://www.usatoday.com/story/life/people/2019/02/22/blackface-gucci-prada-zara-burberry-fashion-most-controversial-designs/2926837002>.

[10] See Rachel Leah, Prada, Gucci And Now Burberry: Are Brands Under Fire For Offensive Designs Doing It On Purpose?, SALON (Feb. 20, 2019 9:30 PM UTC), <https://www.salon.com/2019/02/20/prada-gucci-and-now-burberry-are-brands-under-fire-for-offensive-designs-doing-it-on-purpose>.

[11] See Lauren Sherman, Dolce & Gabbana Court Controversy. Are Their Sales Better For It?, BUSINESS OF FASHION (Feb. 25, 2018 12:20 PM), <https://www.businessoffashion.com/articles/professional/dolce-gabbana-court-controversy-are-their-sales-better-for-it>.

[12] For clarity, we included in this category both use-based applications that received ornamental refusals, intent-to-use applications that received an ornamental use advisory (which often leads to an ornamental use refusal at the time a statement of use or amendment to allege use is filed).

[13] See *In re Volvo Cars of N. Am., Inc.*, 46 USPQ2d 1455, 1460-61 (TTAB 1998) (DRIVE SAFELY not registrable for automobiles and automobile parts because the mark would be perceived merely as an “everyday, commonplace safety admonition”); *In re Remington Prods., Inc.*, 3 USPQ2d 1714, 1715-16 (TTAB 1987) (PROUDLY MADE IN USA not registrable for electric shavers because the mark would be perceived merely as a common message encouraging the purchase of domestic-made products).

[14] *Brunetti*, 588 U.S. \_\_\_, 139 S. Ct. 2294 (Breyer, J., concurring-in-part and dissenting-in-part).