

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.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. When advising companies, our attorney-client relationship is with the company, not with any individual. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our AI Principles, may be considered Attorney Advertising and is subject to our [legal notices](#).

Key Contacts

Bobby Ghajar Santa Monica	bghajar@cooley.com +1 310 883 6404
--	---

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.