

NOTES

Iancu v. Brunetti: The First Amendment Takes Precedence Over Lanham Act’s Prohibition of Trademarks Composed of Immoral or Scandalous Matter

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I. OVERVIEW OF THE CASE

Artist and entrepreneur Erik Brunetti founded the streetwear clothing line, FUCTION, in 1990.¹ In an effort to protect the brand name, Brunetti filed an application with the United States Patent and Trademark Office (USPTO) to register the FUCTION trademark.² Although Brunetti claimed FUCTION was pronounced by enunciating each letter, from left to right, the USPTO trademark examining attorney concluded the mark was vulgar and, thus, unregistrable.³ Brunetti appealed the examiner’s decision to the USPTO’s Trademark Trial and Appeal Board (TTAB).⁴

Upon review of the examining attorney’s decision, the TTAB found the mark to be “highly offensive” and “vulgar,” with “decidedly negative sexual connotations” and denied Brunetti’s trademark application.⁵ Looking past the word alone, TTAB investigated how the mark was used on the brand’s website and products and found it was placed near imagery associated with “‘extreme nihilism’ and ‘antisocial behavior,’” which “communicated ‘misogyny, depravity, [and] violence.’”⁶ In sum, the USPTO and TTAB determined the mark was composed of immoral or scandalous matter and prohibited registration of the mark under 15 U.S.C. § 1052(a) of the Lanham Act.⁷

Brunetti appealed the TTAB’s decision to the United States Federal Circuit to bring “a facial challenge to the ‘immoral or scandalous’ bar.”⁸

1. *Iancu v. Brunetti*, 139 S. Ct. 2294, 2297 (2019); *In re Brunetti*, 877 F.3d 1330, 1337 (Fed. Cir. 2017).

2. *Iancu*, 139 S. Ct. at 2297.

3. *Id.* at 2297-98.

4. *Id.* at 2298.

5. *Id.* (citations omitted).

6. *Id.* (quoting App. to Pet. For Cert. 64a).

7. *Id.* at 2298.

8. *Id.*

The Federal Circuit agreed with the TTAB that Brunetti's mark consisted of immoral or scandalous matter and that TTAB correctly applied the standard set out in 15 U.S.C. § 1052(a).⁹ However, the Federal Circuit reversed TTAB's ruling because it found the criterion set out in § 1052(a) violated the Free Speech Clause of the First Amendment.¹⁰ The Government filed a petition for a writ of certiorari and argued that the Federal Circuit erred in holding that the criterion set out in § 1052(a) was unconstitutional.¹¹ The Supreme Court of the United States granted certiorari and *held* that the Lanham Act's prohibition on the registration of "immoral" or "scandalous" trademarks discriminated on the basis of viewpoint and violated the First Amendment. *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019).

II. BACKGROUND

The First Amendment of the United States Constitution states, "Congress shall make no law . . . abridging the freedom of speech."¹² It is a well-established principle of First Amendment law "that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable."¹³ Recently, this principle has been used to challenge certain provisions of trademark law that allow the government to deny registration of trademarks that society finds offensive.¹⁴

Generally speaking, a trademark is a distinctive designation used by a person to distinguish his or her goods from the goods of another.¹⁵ Trademark law establishes a trademark owner's right to prevent another from using the mark if such simultaneous use would likely cause consumer confusion as to the source of the goods.¹⁶ Although the United States Constitution does not directly govern trademark law, the commerce clause of the Constitution grants Congress the power to create federal trademark laws.¹⁷ In 1946, Congress enacted the Lanham Act (codified in

9. *In re Brunetti*, 877 F.3d 1330, 1335 (Fed. Cir. 2017), *cert. granted sub nom. Iancu v. Brunetti*, 139 S. Ct. 782 (2019), *aff'd sub nom. Iancu*, 139 S. Ct. 2294.

10. *Id.*

11. Petition for Writ of Certiorari, *Iancu v. Brunetti* (No. 18-302), 2018 WL 4331883 (Sept. 7, 2018).

12. U.S. CONST. amend. I.

13. *Texas v. Johnson*, 491 U.S. 397, 414 (1989).

14. *See Matal v. Tam*, 137 S. Ct. 1744, 1763 (2017).

15. *See* 15 U.S.C. § 1127 (2012).

16. *See Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 215 (2d Cir. 2012); TMEP § 1201.07(a) (8th ed. Oct. 2018).

17. *See* TMEP Introduction (8th ed. Oct. 2018).

15 U.S.C. § 1051), which is the primary federal statute governing trademarks.¹⁸ Federal registration is not required to use a valid trademark in commerce and the owner of an unregistered trademark may still enforce it against alleged infringers.¹⁹ There are, however, significant benefits of federal registration; for example, federal registration serves as “constructive notice of the registrant’s claim of ownership”²⁰ and constitutes “prima facie evidence of the [mark’s] validity.”²¹

The USPTO is the federal agency that registers trademarks and provides information to trademark registrants.²² As a general matter, the USPTO will register an applicant’s trademark if it is “used in commerce.”²³ However, the Lanham Act limits this general rule and lists several instances in which the USPTO is prohibited from registering an applicant’s trademark.²⁴ For example, the USPTO must refuse registration of “any mark which so resembles” an already-registered mark to the extent that it would cause confusion,²⁵ or any mark that is “merely descriptive” of the goods on which it placed.²⁶

The Lanham Act also prohibits the USPTO from registering any trademark that “[c]onsists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”²⁷ The second portion of the provision that prohibits the registration of any trademark that disparages any person, living or dead, is commonly referred to as the disparagement clause.²⁸

Marks that do not fall within the purview of the disparagement clause may still be denied registration under the provision of the Lanham Act which prohibits the registration of any trademark that “[c]onsists of or comprises immoral, deceptive, or scandalous matter.”²⁹ Without looking

18. See *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015).

19. See *Matal*, 137 S. Ct. at 1752 (explaining that an unregistered trademark “may still be enforceable under § 43(a) of the Lanham Act, which creates a federal cause of action for trademark infringement,” or under “other federal statutes, such as the Anticybersquatting Consumer Protection Act, [codified in] 15 U.S.C. § 1125(d)”).

20. 15 U.S.C. § 1072 (2018).

21. *Id.* § 1115.

22. See *id.* § 1051.

23. See *id.* § 1051(a)(1).

24. See *id.* § 1052.

25. *Id.* § 1052(d).

26. *Id.* § 1052(e).

27. *Id.* § 1052(a).

28. See *Matal v. Tam*, 137 S. Ct. 1744, 1753 (2017).

29. *Id.*

to case law, it appears that “immoral” and “scandalous” are separate standards, because the words have different connotations and the words are separated by “deceptive” in the statute.³⁰ However, the Trademark Manual of Examining Procedure (TMEP) and case law both recognize that “immoral” and “scandalous” matters are treated as one and the same.³¹ The TMEP further notes that “[t]here is little legislative history concerning the intent of Congress with regard to the provision.”³² The Federal Circuit even highlighted that “the Assistant Commissioner of Patents testified during congressional hearings on the Lanham Act that ‘it is always going to be just a matter of the personal opinion of the individual parties as to whether they think [the trademark] is disparaging.’”³³

Nonetheless, to determine if a trademark consists of immoral or scandalous matter, “the [US]PTO asks whether a ‘substantial composite of the general public’ would find the mark scandalous, defined as ‘shocking to the sense of truth, decency, or propriety; disgraceful; offensive; disreputable; . . . giving offense to the conscience or moral feelings; . . . or calling out for condemnation.’”³⁴

In 2017, the Supreme Court invalidated the disparagement clause in *Matal v. Tam*.³⁵ In *Matal*, the lead singer of a band applied for federal registration of his band’s name, “The SLANTS,” but the USPTO denied registration on the grounds that there was a substantial group of people who would find the term offensive.³⁶ The trademark applicant appealed, and the Federal Circuit en banc ultimately determined that the disparagement clause was facially unconstitutional under the First Amendment because the clause discriminated on the basis of viewpoint.³⁷ The Supreme Court granted the U.S. Government’s petition for certiorari and agreed with the Federal Circuit that the disparagement clause was facially invalid under the First Amendment’s Free Speech clause.³⁸ The Supreme Court deductively reasoned that if a restriction on trademark registration is viewpoint-based, then it is unconstitutional; therefore,

30. *See id.*

31. *See* TMEP § 1203.01 (8th ed. Oct. 2018).

32. *Id.*

33. *In re Tam*, 808 F.3d 1327, 1341-42 n.6 (Fed. Cir. 2015) (citing Hearings on H.R. 4744 Before the Subcomm. on Trademarks of the H. Comm. on Patents, 76th Cong., 1st Sess. 18-21 (1939) (statement of Leslie Frazer, Assistant Commissioner of Patents)).

34. *In re Brunetti*, 877 F.3d 1330, 1336 (alterations omitted) (quoting *In re Mavety Media Grp. Ltd.*, 33 F.3d 1367, 1371 (Fed. Cir. 1994)) (citing *In re Fox*, 702 F.3d 633, 635 (Fed. Cir. 2012)).

35. *See Matal v. Tam*, 137 S. Ct. 1744, 1751 (2017).

36. *Id.* at 1754.

37. *Id.*

38. *Id.* at 1755.

because the Lanham Act's disparagement bar is viewpoint-based, it is unconstitutional.³⁹

The concept of "content discrimination" in First Amendment law refers to the principle that "the government may not restrict expression because of its message, ideas, subject matter or content."⁴⁰ While content discrimination generally refers to the restriction of speech based on subject matter, viewpoint discrimination is said to be "an egregious form of content discrimination"⁴¹ because viewpoint discrimination refers to the restriction of speech based on a particular idea.⁴² For instance, a city ordinance that restricts all political speech in public parks is considered content discrimination, but if, instead, the ordinance prohibits Democratic speakers, and only allows Republican speakers, the ordinance discriminates on the basis of viewpoint.⁴³

In contrast, a statute is viewpoint-neutral when the text of the statute is neutral and the government applies it in an even-handed manner.⁴⁴ In *Rosenberger v. Rector & Visitors of University of Virginia*, the Supreme Court emphasized that viewpoint discrimination violates the First Amendment by stating that "[t]he government must abstain from regulating speech when the specific motivating ideology or the opinion or perspective of the speaker is the rationale for the restriction."⁴⁵

Under certain circumstances, when a statute is facially challenged on First Amendment grounds, the Court may invoke its First Amendment Overbreadth doctrine.⁴⁶ This doctrine applies when the statute in question is so broad that a "substantial number of its applications are unconstitutional" relative to "the statute's plainly legitimate sweep."⁴⁷ If the statute is found to be overbroad under this doctrine, then the statute is void on its face.⁴⁸

III. COURT'S DECISION

In the noted case, the Supreme Court found that the provision of the Lanham Act barring the registration of "immoral" or "scandalous"

39. *See id.* at 1762-63.

40. *Chi. Police Dep't v. Mosley*, 408 U.S. 92, 95 (1972).

41. *Rosenberger v. Rector & Visitors of Univ. of Va.*, 515 U.S. 819, 829 (1995).

42. *See* DAVID L. HUDSON, JR., *THE FIRST AMENDMENT: FREEDOM OF SPEECH* § 2:2 (2012).

43. *Id.*

44. *Members of City Council v. Taxpayers for Vincent*, 466 U.S. 789, 804 (1984).

45. *Rosenberger*, 515 U.S. at 829.

46. *United States v. Stevens*, 559 U.S. 460, 473 (2010).

47. *Id.* (quoting *Wash. State Grange v. Wash. State Republican Party*, 552 U.S. 442, 449 (2008)).

48. *See id.* at 472.

trademarks discriminates on the basis of viewpoint and, thus, was invalid for violating the Free Speech Clause of the First Amendment.⁴⁹ First, the Court relied on its reasoning in *Matal* to find that the “immoral” or “scandalous” bar violated the First Amendment Free Speech clause because, like the disparagement bar, it discriminated on the basis of viewpoint.⁵⁰ Second, the Court found that such viewpoint bias cannot be eliminated by applying a limiting construction to the statute because the “immoral” or “scandalous” bar stretched far beyond the proposed limits.⁵¹ Lastly, the Court refused to uphold the statute against facial attack on the grounds that the number of unconstitutional applications was insubstantial compared to the number of constitutionally permissible applications.⁵²

Before *Matal*, the Court had never encountered a First Amendment challenge to a restriction on trademark registration.⁵³ Nonetheless, the Court followed the framework set forth in *Matal* given the similarities between the two cases; namely, both cases involved a provision of the Lanham Act and both provisions were challenged on First Amendment grounds.⁵⁴ In the noted case, the Court emphasized that the Government conceded in its brief that the only way the “immoral” or “scandalous” bar would survive First Amendment scrutiny was if the criteria was viewpoint-neutral, rather than viewpoint-based.⁵⁵

The Court found that the criterion for “immoral” or “scandalous” was viewpoint-based because it allowed the USPTO to register marks that received societal nods of approval but denied registration to those marks that provoked offense and condemnation.⁵⁶ To support this finding, the Court listed several examples where the USPTO rejected certain marks that communicated “immoral” or “scandalous” views about a topic—such as drugs or religion—but approved marks that communicated socially accepted views on the same exact topic.⁵⁷ For instance, on the topic of drugs, the USPTO rejected the mark “YOU CAN’T SPELL HEALTHCARE WITHOUT THC,” which expresses approval of drug

49. *Iancu v. Brunetti*, 139 S. Ct. 2294, 2299-2300 (2019).

50. *Id.*

51. *Id.* at 2301-02.

52. *Id.* at 2302.

53. *Id.* at 2298.

54. *See id.* at 2297.

55. *Id.* at 2299.

56. *Id.* at 2299-2300.

57. *Id.* at 2300.

use, but registered the mark “D.A.R.E. TO RESIST DRUGS AND VIOLENCE,” which conveys a more accepting view on drugs.⁵⁸

The Court then addressed the Government’s argument that the “immoral” or “scandalous” bar could be salvaged if the Court narrowed its application to make it viewpoint-neutral.⁵⁹ The Government proposed the provision should be reconfigured to only refuse marks that are lewd, sexually explicit, or profane.⁶⁰ The Court found that such viewpoint bias cannot be eliminated by applying a limiting construction to the statute because, in essence, the Court would be rewriting the law to conform to constitutional requirements, which the Court is not permitted to do in the absence of ambiguous statutory language.⁶¹ By reconfiguring the provision to only refuse marks that are lewd, sexually explicit, or profane, the Court would not be interpreting the statute Congress enacted, it would be enacting a new one.⁶²

As a last-ditch effort, the Government urged the Court to uphold the statute because the number of unconstitutional applications were insubstantial compared to the number of constitutionally permissible applications.⁶³ However, the Court refused to invoke its First Amendment Overbreadth doctrine because once the Court finds that a law aims at the suppression of views, the discussion is over.⁶⁴ Moreover, the Court asserted that it had never applied such an analysis to a viewpoint discriminatory law.⁶⁵ Hence, once the Court determines that a provision discriminates on the basis of viewpoint, the Court does not consider whether the law may have some constitutionally permissible applications before striking it down.⁶⁶

In a concurring opinion, Justice Alito supported the majority’s ruling but emphasized that such a ruling does not prevent the legislature from enacting “a more carefully focused statute that precludes the registration of marks containing vulgar terms that play no real part in the expression of ideas.”⁶⁷ Justice Alito believed the FUCT trademark would be denied registration under such a refined statute because the term suggested by the

58. *Id.*

59. *Id.* at 2299.

60. *Id.* at 2301.

61. *Id.*

62. *Id.* at 2302.

63. *Id.*

64. *See id.*

65. *Id.*

66. *Id.*

67. *Id.* at 2302 (Alito, J., concurring).

mark signifies nothing more than an emotion and is not necessary to express an idea.⁶⁸

Although each Justice agreed that the restriction on registering “immoral” material is not susceptible to a limiting construction, three of the Justices, most prominently Justice Sotomayor, believed the “scandalous” bar could be salvaged.⁶⁹ Relying on the principle that courts should not read words in a statute to be “superfluous, void, or insignificant,”⁷⁰ Justice Sotomayor argued the Court should treat “immoral” and “scandalous” separately, “with ‘immoral’ covering marks that are offensive because they transgress social norms, and ‘scandalous’ covering marks that are offensive because of the mode in which they are expressed.”⁷¹ Justice Sotomayor contended that if “scandalous” was interpreted to only refer to “obscene, vulgar or profane” modes of expression, the “scandalous” bar would be a viewpoint-neutral restriction that would survive a First Amendment challenge.⁷² Justice Sotomayor believed that such a construction would prevent the likely “rush to register” offensive marks and the Government’s “powerlessness to say no.”⁷³

Chief Justice Roberts and Justice Breyer agreed that the “scandalous” portion of the provision was susceptible to a limiting construction.⁷⁴ Chief Justice Roberts pointed out that a narrowing construction would eliminate the bar on marks that “offend because of the ideas they convey.”⁷⁵ Further, Chief Justice Roberts and Justice Breyer argued that the Government had an interest in dissociating itself from marks that are “obscene, vulgar, or profane” and that refusing registration of such marks does not offend the First Amendment.⁷⁶ In Roberts’s view, the registration of a mark does not affect the owner’s right to use the mark in commerce to identify its goods, and the Free Speech clause of the First Amendment does not require the government to confer the additional benefit associated with federal trademark registration to marks that are “obscene, vulgar, or profane.”⁷⁷

Justice Breyer agreed with Justice Sotomayor that the provision of the Lanham Act at issue is susceptible of a narrowing construction, but his

68. *Id.*

69. *See id.* at 2303-04, 2308 (Sotomayor, J., concurring in part, dissenting in part).

70. *Id.* at 2309 (quoting *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001)).

71. *Id.* at 2311.

72. *See id.*

73. *Id.* at 2308.

74. *See id.* at 2303-08 (Roberts, J., concurring in part, dissenting in part).

75. *Id.* at 2303.

76. *Id.* at 2303, 2307.

77. *Id.* at 2303-04.

reasoning differed from Justice Sotomayor's.⁷⁸ Instead of taking a categorical approach to First Amendment speech issues, Justice Breyer favored an approach that considered "whether the regulation at issue works speech-related harm that is out of proportion to its justifications."⁷⁹ In Justice Breyer's view, the ban on registering "scandalous" marks was not disproportionately harmful to First Amendment interests, in light of the relevant regulatory objectives.⁸⁰ Justice Breyer took a scientific approach and highlighted that highly vulgar words have a different physiological and emotional impact than other words, and swear words are harder for the brain to forget.⁸¹ In light of this, Justice Breyer endorsed the Government's interest in barring the registration of highly vulgar words to protect the sensibilities of children.⁸²

IV. ANALYSIS

The Court's decision in *Iancu* addressed a clash between trademark law and First Amendment rights and has overarching implications for the future of trademark law. Decisions regarding registration of trademarks that contain immoral or scandalous matter will no longer depend on what a particular USPTO official considers to be immoral or scandalous. As a result, both previously denied marks and future marks with immoral or scandalous matter can now be protected.

Although Justice Sotomayor is likely correct that the USPTO will encounter a rush of applicants seeking to register their immoral or scandalous marks, it is unlikely that the remainder of Justice Sotomayor's prediction—that the Government will be powerless to say no—will prove to be true.⁸³ The Government may still deny registration on other grounds, such as lack of use.⁸⁴ Further, there remains an opportunity for the legislature to amend the Lanham Act, in light of the Court's decision.⁸⁵

While it is understandable that some favor the immoral or scandalous bar because it protects children from exposure to vulgar material, it is worth noting that a vulgar or offensive mark that is denied registration is

78. *Id.* at 2304.

79. *Id.* at 2305 (Breyer, J., concurring in part and dissenting in part).

80. *Id.* at 2308.

81. *Id.* at 2307.

82. *Id.*

83. Lora Brzezynski & Renato Perez, *Scandalous Marks? Nothing the Proverbial Bar of Soap Can't Fix*, JD SUPRA (June 28, 2019), <http://www.jdsupra.com/legalnews/scandalous-marks-nothing-the-proverbial-70628/>.

84. *Id.*

85. *See id.*

not precluded from being used in commerce. Further, it is unlikely that a flood of vulgar and offensive trademarks will suddenly enter the market. The owners of such marks must still decide which channels and marketing strategies are most appropriate to reach their target audience and it is in the advertising company's discretion whether to publish or air the mark at hand.⁸⁶ If a trademark is so offensive or vulgar to the general public, consumers will likely boycott goods or services associated with the mark.⁸⁷ Therefore, to some extent, the market will regulate the use of offensive or vulgar trademarks.⁸⁸

As a functional matter, the Court's decision was justified because the ban on immoral or scandalous trademarks was in contention with the underlying purpose of trademark law, which is to prevent unfair competition and to allow for source identification.⁸⁹ By their nature, vulgar or offensive marks do not deceive consumers or harm competitors.⁹⁰ Refusing to register immoral or scandalous marks deprives prospective trademark owners access to a record of active trademarks of this sort.⁹¹ With no record of previously adopted trademarks of this variety, there is nothing to prevent duplicates or multiples of a specific trademark composed of immoral or scandalous matter.⁹² As a result, consumers cannot be sure of the origin of the product or service the trademark is associated with, and this frustrates the underlying purpose of trademark law.⁹³ The federal register should include all marks that are actively in use, whether the mark expresses an idea that receives societal nods of approval or provokes offense and condemnation.

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86. Micah Rappazzo, *Iancu v. Brunetti: Trademark Registration Uncensored*, A.B.A. (June 27, 2019), <http://www.americanbar.org/groups/litigation/committees/intellectual-property/practice/2019/iancu-v-brunetti-trademark-registration/>.

87. See Anne Gilson LaLonde & Jerome Gilson, *Trademarks Laid Bare: Marks That May Be Scandalous or Immoral*, 101 TRADEMARK REP. 1476, 1487 (2011).

88. See *id.*

89. *Id.*

90. *Id.*

91. See *id.*

92. See *id.*

93. See *id.*

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