

Iancu v. Brunetti: Supreme Court Again Fails to Clarify the Intersection of Trademark Law and the First Amendment

By Lynda M. Braun and Arielle B. McTootle

I. Introduction

The Supreme Court's June 2019 decision in *Iancu v. Brunetti* marked the second time in two years that the Court has considered the intersection of federal trademark law and the First Amendment. Prior to 2017, section 2(a) of the Lanham Act prohibited the registration of "immoral or scandalous" trademarks (the "immoral or scandalous clause"), as well as of trademarks that "disparage persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute" (the "disparagement clause").¹ The Court held in *Brunetti* that the immoral or scandalous clause violated the First Amendment because it permitted the government to discriminate against trademarks based on viewpoint.

The plaintiff in the case, Erik Brunetti, is a clothing designer whose application to register his clothing brand name, F.U.C.T.,² was rejected by the United States Patent and Trademark Office (PTO) under the immoral or scandalous clause for being "highly offensive" and "vulgar."³ The Trademark Trial and Appeals Board (TTAB) also refused registration of Brunetti's mark, calling his brand name a "phonetic twin" of the curse word based on Google search results and entries in Urban Dictionary.⁴ Brunetti appealed to the Court of Appeals for the Federal Circuit, arguing that the immoral or scandalous clause violated the First Amendment. The court agreed, and on June 24, 2019, in a 6-3 decision, the Supreme Court affirmed, invalidating the immoral or scandalous clause on First Amendment grounds.⁵

The majority opinion, written by Justice Kagan, noted that the immoral or scandalous clause empowered the government to reject marks that it found to be offensive and to accept marks it considered to be more closely aligned with "society's sense of decency."⁶ When the government regulates in a way that favors speech based on the viewpoint expressed, it commits the most "egregious" violation of the First Amendment.⁷ The immoral or scandalous bar did precisely that, the Court held, distinguishing between ideas that align with conventional moral norms and those that subvert them.⁸ This, the Court held, constituted impermissible viewpoint discrimination. The *Brunetti* ruling came on the heels of (and relied heavily on) the Court's 2017 decision in *Matal v. Tam*, which had invalidated the disparagement clause on the same ground.⁹

Taken together, these rulings struck down two long-standing provisions of the Lanham Act under the First

Amendment. In both *Tam* and *Brunetti*, the Court carefully scrutinized the challenged registration prohibitions and found that they discriminated against speech (in the form of trademarks) based on the ideas conveyed. The legal and practical implications of these decisions, however, are mixed. Both cases were decided on narrow grounds and do not provide insight into how the Court will rule in future First Amendment challenges to provisions of the Lanham Act. For practitioners, while there may be an increase in controversial trademark applications as a result of the decisions, it is not likely that registration of such trademarks will become wholly unregulated. In *Brunetti*, the Court sent Congress a clear signal that a registration restriction limited to obscene or lewd marks would likely survive First Amendment scrutiny.

II. Setting the Stage for *Brunetti*: *Matal v. Tam*

Two terms before *Brunetti*, in *Matal v. Tam*,¹⁰ the Supreme Court considered a First Amendment challenge to the Lanham Act's disparagement clause. Simon Tam, an Asian American rock singer, had filed a trademark application for his band's name, "The Slants." Although Tam had chosen the name to "reclaim" stereotypes of people of Asian descent, the PTO denied the application under the disparagement clause.¹¹ "Slants," according to the PTO, was a "derogatory" term that was "offensive to a substantial percentage of the members of any group."¹² Tam appealed to the Federal Circuit, which held that the disparagement clause was unconstitutional.¹³ The Supreme Court granted *certiorari*, and an eight-Justice Court (with Justice Gorsuch not participating) affirmed.

Under the First Amendment, speech regulations are subject to different levels of scrutiny depending on the type of regulation at issue and the category of speech being regulated.¹⁴ Content-based regulations—those that regulate speech based on the topic discussed or ideas expressed—are presumed unconstitutional and subject to strict scrutiny.¹⁵ An "egregious" form of content-based regulation, viewpoint discrimination, occurs when the government "single[s] out a subset of messages for disfavor based on the views expressed."¹⁶ Viewpoint discriminatory laws are also subject to strict scrutiny. By contrast,

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content-based regulations of truthful commercial speech, which “relates solely to the speaker’s and the audience’s economic interests,” are subject to less demanding intermediate scrutiny.¹⁷

In *Tam* the Court grappled with the application of these principles to the disparagement clause. First, the justices all agreed that the clause constituted viewpoint discrimination. Writing for the Court, Justice Alito, joined by Chief Justice Roberts and Justices Thomas and Breyer, found that the PTO’s determination that *Tam*’s trademark was “offensive” amounted to viewpoint discrimination because defining what “[gives] offense is a viewpoint.”¹⁸ Justice Kennedy, joined by Justices Ginsberg, Sotomayor, and Kagan, concurred. The test for viewpoint discrimination, according to Justice Kennedy, is whether the government “singled out a subset of messages for disfavor based on the views expressed.” The disparagement bar was the “essence of viewpoint discrimination,” Justice Kennedy wrote, because it allowed an applicant to “register a positive or benign mark but not a derogatory [or disparaging] one,” which “reflects[ed] the Government’s disapproval of a subset of messages it [found] offensive.”¹⁹

The Court next addressed the government’s argument that trademarks were commercial speech and therefore only subject to intermediate scrutiny.²⁰ The majority declined to resolve the issue on the ground that the disparagement clause failed even under the more relaxed intermediate scrutiny standard.²¹ Justice Kennedy, in his concurring opinion, stated that even if trademarks were commercial speech, the disparagement clause was viewpoint discriminatory and therefore was subject to—and failed—strict scrutiny. The Court thus reserved judgment on whether trademarks are commercial speech.

III. *Brunetti*

In *Brunetti* the Court heard Erik Brunetti’s facial challenge to the remaining portion of section 1052(a) of the Lanham Act: the “immoral or scandalous” clause. Relying on *Tam*, the Court held that the immoral or scandalous provision also constituted viewpoint discrimination and therefore violated the First Amendment. In her majority opinion, Justice Kagan began by discussing the implications of *Tam*. She explained that the Court in *Tam* had established two propositions: “First, if a trademark registration bar is viewpoint-based, it is unconstitutional. And second, the disparagement bar was viewpoint-based.” The “key question,” therefore, was whether the immoral or scandalous clause also amounted to viewpoint-based discrimination.²² Justice Kagan, guided by the PTO’s interpretation and application of the rule, concluded that it did.

Justice Kagan noted that the PTO generally interpreted the immoral or scandalous clause as a “unitary provision.”²³ Trademark applications were deemed immoral or scandalous when a “substantial composite

of the general public would find the mark shocking to the sense of truth, decency, or propriety; giving offense to the conscience or moral feelings; calling out for condemnation; disgraceful; offensive; disreputable; or vulgar.”²⁴ Accordingly, the immoral or scandalous bar allowed registration of marks “when their messages accord with, but not when their messages defy, society’s sense of decency or propriety.”²⁵ The provision “on its face, distinguish[ed] between two opposed sets of ideas:” favoring those “aligned with conventional moral standards” and disfavoring those hostile to them.²⁶

Justice Kagan observed that the statute’s viewpoint discrimination was evident in the PTO’s arbitrary application of the rule. For instance, it had rejected marks that seemed to approve drug use (such as MARIJUANA COLA, which was rejected because it was “scandalous to inappropriately glamorize[] drug abuse”), while accepting marks condemning drug use (such as SAY NO to DRUGS).²⁷ The Court thus held that the immoral or scandalous bar, on its face and as applied, amounted to viewpoint discrimination under the “clear” rule articulated in *Tam* that “a law disfavoring ‘ideas that offend’ discriminates based on viewpoint, in violation of the First Amendment.”²⁸

The Court rejected the government’s pleas to construe the statute narrowly to bar only “vulgar” marks that are “lewd, sexually explicit or profane.”²⁹ The provision as written was not ambiguous, the Court held; it covered “the universe of immoral or scandalous” trademarks, whether or not they were lewd or profane. Narrowly construing the statute in this way would amount to rewriting the law.

In a brief concurring opinion, Justice Alito agreed that the Court could not give the statute a narrowing construction and, on its own, “substitute a new statute for the one now in force.”³⁰ Yet he emphasized that nothing in the majority’s opinion precluded Congress from adopting “a more carefully focused statute” barring the registration of “vulgar” trademarks, and Justice Kagan emphasized, in a footnote to her majority opinion, that the Court had not ruled on the constitutionality of a registration bar for vulgar marks.

Chief Justice Roberts, Justice Breyer, and Justice Sotomayor each wrote separate opinions, partly concurring and partly dissenting, in which they disagreed with the majority’s refusal to adopt a narrowing construction of the statute. Each of them would have invalidated the “immoral” portion of the clause, but they disagreed with the majority’s refusal to preserve the “scandalous” portion. Rejecting the premise that the clause was a unitary provision, all three would have interpreted “scandalous” to apply only to marks containing obscene, highly vulgar, or profane language. As so interpreted, the provision would not be viewpoint discriminatory, they reasoned, because the regulation would permissibly target marks

based on their mode of expression rather than on the ideas conveyed.³¹

As in *Tam*, the Court provided little insight into how other provisions of the Lanham Act might fare under the First Amendment. Justice Kagan wrote that the Court had not decided “anything about how to evaluate viewpoint-neutral restrictions on trademark registration,”³² while Justice Sotomayor explained that a viewpoint-neutral regulation might be permissible if it is reasonable, “[r]egardless of the finer distinctions between these labels.”³³ Chief Justice Roberts noted that the Court in *Tam* had declined to define a category of speech for trademarks.³⁴

The various opinions in *Brunetti* reveal a Court still

ham Act. For instance, the Act bars registration of generic marks or those likely to cause confusion with an existing mark.³⁶ Although these provisions are viewpoint-neutral, they are content-based. A challenge to these provisions could force the Court to adopt a First Amendment framework for analyzing trademark regulations.

For trademark lawyers, the practical implications of *Brunetti* and *Tam* would appear to be mixed. Without the disparagement or scandalous bar, the field for unseemly, profane, or racist trademarks appears to be wide open. Commentators have noted an increase in applications containing profanity, racial epithets, profanity, and lewd imagery.³⁷ There are now over 200 pending applications for trademarks containing the “phonetic twin” to Erik Brunetti’s mark. In addition, dozens of applications have

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undecided about how to apply the First Amendment to trademarks. The opinions suggest, however, that the Court might uphold a viewpoint-neutral registration ban that targets the mode of expression rather than the message conveyed.

IV. The Future of Trademark Law Under the First Amendment

Although the Court’s opinions in *Tam* and *Brunetti*, which struck down the Lanham Act’s decades-old immoral and scandalous and disparagement bars on trademark registration, at first seem to be sweeping, they are in fact decidedly narrow. The Court’s findings of unconstitutional viewpoint discrimination apply only to the specific provisions at issue.

Tam and *Brunetti*, taken together, do relatively little to elucidate the intersection of trademark law and the First Amendment. The Court sidestepped several issues concerning the relationship between trademark law and the First Amendment.³⁵ In *Tam*, for example, the Court held that the registration restriction at issue was a content-based speech regulation but declined to decide whether trademarks are commercial speech. In *Brunetti*, the Court suggested but did not decide that viewpoint-neutral trademark restrictions focused on the mode of expression rather than the ideas expressed would be constitutional. Neither decision indicates the level of First Amendment scrutiny that would be applied to content-based, viewpoint-neutral trademark laws.

At best, *Tam* and *Brunetti* set the stage for future First Amendment challenges to other provisions of the Lan-

been filed for various racist slurs and symbols, including an application for a swastika and several for a particularly egregious racial slur.

The influx of obscene applications is not surprising. Yet it is not entirely clear that *Tam* and *Brunetti* will significantly alter the trademark landscape. The PTO has other means to deny registration to such marks and will likely use them. For instance, common phrases, slogans, and ornamental marks are not registrable because they do not distinctively identify the source of the good or service.³⁸ The PTO recently denied applications for a swastika trademark and for a variation on Brunetti’s four-letter trademark after finding that they were commonly used terms.³⁹

Some commentators have argued that the market will weed out profane and obscene marks. Certainly, there will be applicants who—like Brunetti, who had twenty years to cultivate his brand—have “built up legitimate goodwill in a scandalous trademark.”⁴⁰ For the most part, though, businesses filing new applications for obscene marks are likely to find that consumers do not respond to their brands. As one commentator put it, the “marketplace, the true creator of substantive trademark rights, is no more receptive to those messages now than it was” before *Tam* and *Brunetti*.⁴¹

Although this is a compelling argument, it is incomplete. No matter how much distaste we have for the profane, some bad marks will survive. In her dissent in *Brunetti*, Justice Sotomayor expressed concern that invalidating the scandalous bar left the PTO with no grounds

to deny registration for applications containing racist or otherwise prejudiced marks.⁴² And her prediction seems to have come true. As Professor Sonia Katyal points out, an increase in offensive marks will have a disparate impact on vulnerable communities because the more slurs and offensive words we register, “the more we become desensitized to their hurtful power.”⁴³ We cannot rely on free market forces to entirely eliminate vile racial and prejudiced epithets.

The Court has not suggested that trademark law should become an unregulated haven for free speech. As noted, in *Brunetti* multiple Justices invited Congress to rewrite the statute: Justice Kagan, writing for the majority, noted that the Court was reserving judgment as to a statute limited to profane or obscene marks, and Justice Alito urged Congress to adopt “a more carefully focused statute” prohibiting registration of vulgar marks.⁴⁴

Justice Sotomayor questioned whether the majority in *Brunetti*, in failing to construe “scandalous” to include profane language, missed an opportunity. As she, and Justice Breyer in his separate opinion, pointed out, some of the worst racial epithets can safely be categorized as obscene or profane.⁴⁵ In Justice Sotomayor’s view, a construction of the scandalous bar to include only obscene marks would cover these epithets.⁴⁶ If Congress does rewrite the statute as several Justices suggested in *Brunetti*, a profanity or obscenity bar would mitigate the problem of lewd, profane, or racially charged trademarks, although it remains to be seen if the Court would find such a provision to be viewpoint-neutral, in whole or in part.

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Endnotes

1. *Matal v. Tam*, 137 S. Ct. 1744, 1753 (2017) (citing 15 U.S.C. § 1052(a)).
2. *Brunetti* registered the mark as an acronym for Friends U Can’t Trust, and it is pronounced as four letters. Brief for Respondent, *Iancu v. Brunetti*, 139 S. Ct. 2294 at 1 (Mar. 18, 2019).
3. *Id.*
4. *In re Brunetti*, 2014 WL 3976439, at *5 (T.T.A.B 2014).
5. *Iancu v. Brunetti*, 139 S. Ct. 2294, 2302 (2019).
6. *Brunetti*, 139 S. Ct. 2300.
7. *Tam*, 137 S. Ct. at 1766 (Kennedy, J. concurring).
8. *Brunetti*, 139 S. Ct. at 2300.
9. *Tam*, 137 S. Ct. at 1763, 1766.
10. *Brunetti*, 139 S. Ct. at 2298.
11. Brief for Respondent, *Matal v. Tam*, at 2 (Dec. 9, 2016).
12. *Tam*, 137 S. Ct. at 1763.
13. *Id.* at 1754.
14. Victoria L. Killion, *The First Amendment: Categories of Speech*, Congressional Research Service, Jan. 16, 2019, <https://fas.org/sgp/crs/misc/IF11072.pdf>, 1.
15. *Id.*
16. *Tam*, 137 S. Ct. at 1766 (Kennedy, J. concurring).
17. Killion, *supra* note 14 at 1.
18. *Tam*, 137 S. Ct. at 1763.
19. *Id.* at 1766.
20. *Id.* at 1763-64.
21. *Id.* at 1764.
22. *Brunetti*, 139 S. Ct. at 2299.
23. *Id.* at 2298.
24. *Id.* (internal quotations omitted).
25. *Id.* at 2300.
26. *Id.*
27. *Id.*
28. *Id.* at 2301.
29. *Id.*
30. *Id.* at 2303 (Alito, J. concurring).
31. *Id.* at 2303-04, 2306-08, 2308 (dissenting opinions of Chief Justice Roberts, Justice Breyer, and Justice Sotomayor, respectively).
32. *Id.* at 2302 n.1.
33. *Id.* at 2316 (Sotomayor, J. dissenting).
34. *Id.* at 2303 (Roberts, C.J. dissenting).
35. Christine Farley, Symposium: Free speech comes to trademark law, SCOTUSBLOG (Jun. 20, 2017, 2:25 PM), <https://www.scotusblog.com/2017/06/symposium-free-speech-comes-trademark-law/>.
36. 15 U.S.C. § 1052(d), (e).
37. Sonia K. Katyal, *Brands Behaving Badly*, 109 *The Trademark Reporter* 819, 829, July-August 2019, https://www.inta.org/TMR/Documents/Volume%20109/Issue%20No.%204/vol109_no4_c1_katyal.pdf; Bill Donahue, *A Rush of Offensive Trademarks? Maybe Not*, *Law 360*, June 25, 2019, <https://www.law360.com/articles/1172907/a-rush-of-offensive-trademarks-maybe-not>; Brian R. Michalek, *A ‘Rush’ of Offensive Trademarks After Brunetti*, *Law 360*, July 24, 2019, <https://www.law.com/nationallawjournal/2019/07/24/can-we-expect-a-coming-rush-of-offensive-trademarks-after-brunetti/>.
38. Donahue, *supra* note 37; Michalek, *supra* note 37.
39. See, e.g., Swastika Design, U.S. Trademark Application Serial No. 87/503,998, http://tsdr.uspto.gov/#caseNumber=87503998&caseType=SERIAL_NO&searchType=statusSearch.
40. Donahue, *supra* note 37.
41. *Id.* See also Duane Morris, *Are Trademarks FUCT? SCOTUS Strikes Down Ban on Registering ‘Immoral’ and ‘Scandalous’ Trademarks*, June 28, 2019, https://www.duanemorris.com/alerts/are-trademarks-fuct-scotus-strikes-down-ban-registering-immoral-trademarks_0619.html.
42. *Brunetti*, 139 S. Ct. at 2311 n.5 (Sotomayor, J. dissenting)
43. Katyal, *supra* note 37 at 830.
44. *Brunetti*, 139 S. Ct. at 2303 (Alito, J. concurring)
45. *Id.* at 2307 (Breyer, J. dissenting); *id.* at 2311 n.5 (Sotomayor, J. dissenting).
46. *Id.* at 2311 n.5 (Sotomayor, J. dissenting).