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The United States Patent and Trademark Office can NOT Deny Registration for Trademarks that may be Immoral or Scandalous

The United States Supreme Court ruled on June 24, 2019, that trademarks may no longer be denied registration on the basis of “immoral” or “scandalous” subject matter. The majority opinion, written by Justice Elena Kagan, follows the unanimous 2017 Supreme Court decision in *Matal v. Tam*, 137 S. Ct. 1744 (2017), striking down a provision of the Lanham Act that barred registration of disparaging trademarks. In *Iancu v. Brunetti*, 588 U.S. ____ (2019), the Court held that denying registration for immoral or scandalous trademarks violated the First Amendment by restricting the speech of trademark applicants.

Paving the Way for Free Speech Claims – *Matal v. Tam*

Section 2(a) of the Lanham Act provides that no trademark shall be registered which “consists of or comprises **immoral**, deceptive, or **scandalous** matter; or matter which may **disparage**” another person. In 2010, Simon Tam, founder and bassist for the Asian-American dance-rock band The Slants, applied to register THE SLANTS with the United States Patent and Trademark Office (“USPTO”). The USPTO examiner denied the application on the basis that the mark was “disparaging... to persons of Asian descent” under the Section 2(a) provision.

In the high court ruling, Justice Alito held that Section 2(a)’s “disparagement” clause violated the “bedrock First Amendment principle: Speech may not be banned on the ground that it expresses ideas that offend.” The Court reasoned that trademarks are private speech, as opposed to government speech, and denial on the basis of disparagement amounts to “viewpoint discrimination”. The Court concluded “speech that demeans on the basis of race, ethnicity, gender, religion, age, disability, or any other similar ground is hateful; but the proudest boast of our free speech jurisprudence is that we protect the freedom to express “the thought that we hate.”

After the Court struck down the “disparagement clause,” Court observers correctly predicted it would only be a matter of time before Section 2(a)’s immoral or scandalous clause would be challenged.

Freedom to Express the Thought that We Hate – Registering Immoral or Scandalous Marks

In 2011 Erik Brunetti, founder of the apparel company Fuct, submitted an application with the USPTO to register the word FUCT. The USPTO denied the registration under the immoral or scandalous clause of Section 2(a). Brunetti appealed the denial to the Federal Circuit claiming the denial abridged his First Amendment right to free speech. In 2017, The United States Court of Appeals for the Federal Circuit agreed with Brunetti, reasoning the “First Amendment protects private expression, even private expression which is offensive to a substantial composite of the general public.”

Like *Tam*, the Court held that denial of a trademark registration containing “immoral or scandalous” matter “discriminates on the basis of viewpoint” and thus violates the First Amendment. The result was not unexpected, as the three provisions (disparage, immoral, and scandalous) are parts of the same sentence in the statute. The Court concluded that the Lanham Act, on its face, results in viewpoint-discriminatory application, pointing out the USPTO’s refusal to register marks communicating “immoral” or “scandalous” views about

things such as drug use, religion, and terrorism, while approving registration of marks expressing more accepted views on the very same topics. The Court shot down efforts to salvage the statute by limited its construction narrowly to restricting registration of “marks that are offensive [or] shocking to a substantial segment of the public because of their *mode* of expression, independent of any views that they may express”, reasoning that such a construction would not “interpret the statute Congress enacted, but [would] ... fashion a new one.”

While it is possible that Congress in the future could craft a more limited statute prohibiting registration of marks that are considered offensive or shocking (e.g. vulgar, lewd, sexually explicit or profane), the Court’s decision opens the door to registration of many marks that previously had been considered unregistrable as being “immoral or scandalous”. Until Congress takes action (if ever), it is advisable for owners of questionable marks to take action and register now.

Additional Information

If you would like additional information regarding trademark registration, please contact your Kutak Rock attorney or one of the authors listed below. For more information regarding our practices, please visit us at www.KutakRock.com.

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