

No Longer “FUCT” — Scandalous Mark Provision Struck Down by Supreme Court

6th Edition: Trends in Marketing Communications Law

What constitutes a “scandalous” trademark? The United States Patent and Trademark Office (USPTO) has been grappling with this question since the enactment of the 1905 Trademark Act, later codified in the 1946 Lanham Act, which forbids registration of any mark that “[c]onsists of or comprises immoral . . . or scandalous matter.” Since the creation of this provision, the USPTO has regularly rejected marks for being “scandalous.” Now, after the 6-3 Supreme Court opinion issued on June 24, 2019, the USPTO will no longer be the arbiter of what constitutes a “scandalous” mark.

In 2017, when the Supreme Court issued its historical decision allowing the federal registration of “disparaging” trademarks in *Mattel v. Tam*, many thought the holding would also encompass so-called “scandalous” marks. Just months after the Supreme Court’s ruling on “disparaging” marks, the Federal Circuit struck down the “scandalous” trademark ban on similar grounds, and, in doing, so overruled the Trademark Office’s refusal to register the mark FUCT for an apparel company in *In re Brunetti*.

On appeal of the Federal Circuit’s ruling, the USPTO argued that the First Amendment analysis, which the Supreme Court applied to “disparaging” marks, should not apply to “scandalous” marks. Now, the fates of marks such as FUCT have been decided, with the decision holding that, as with “disparaging” marks, the ban on “scandalous” marks is an unconstitutional viewpoint-based restriction.

The inconsistent application of what constitutes a “scandalous” mark made this provision particularly ripe for review. For example, in 2007 the application for POTHEAD 420 was rejected because the Examiner concluded that the mark’s reference to illegal activity was offensive. POTHEAD 420 was rejected despite the fact that several years later, another mark, THE POTHEAD DIARIES EST. 4.20.09, which incorporated both “POTHEAD” and a reference to “420” was ultimately registered.

In the majority opinion, Justice Kagan cited other examples of the inconsistent application of this provision in USPTO decisions, which were clearly based on the perceived underlying viewpoint of the mark. She noted that the USPTO denied registrations to marks that seemingly promoted drug use, such as YOU CAN’T SPELL HEALTHCARE WITHOUT THC for pain-relief medication, and KO KANE for beverages, while registering marks that advocated against drug use, such as “D.A.R.E. TO RESIST DRUGS AND VIOLENCE and SAY NO TO DRUGS — REALITY IS THE BEST TRIP IN LIFE.”

She stated that, as in *Mattel v. Tam*, any provision that disfavors “ideas that offend” discriminates based on viewpoint and is therefore unconstitutional. Justice Alito concurred with the majority opinion, emphatically noting that “viewpoint discrimination is poison to a free society.”

With this decision, the Supreme Court upheld the Federal Court’s ruling that “The statute, on its face, distinguishes between two opposed sets of ideas: those aligned with conventional moral standards and those hostile to them; those inducing societal nods of approval and those provoking offense and condemnation.”

While the USPTO argued that it could, in fact, apply this provision constitutionally, a majority of the Justices were not convinced and held that the provision must be invalidated. As Justice Alito concluded, “At a time

when free speech is under attack, it is especially important for this Court to remain firm on the principle that the First Amendment does not tolerate viewpoint discrimination.” The Court’s decision this term will shape the landscape of trademark registrations, potentially in “scandalous” ways, for years to come.

Key Takeaways

- The Supreme Court has made it clear that viewpoint restrictions, whether based on perceived “disparagement,” “immorality” or “scandal,” are unconstitutional and violate the First Amendment’s prohibition of viewpoint-based restrictions.
 - The USPTO will no longer refuse registration based solely on an Examiner’s determination of what constitutes an “immoral” or “scandalous” mark.
 - The USPTO could see a flurry of applications that may have previously been rejected under this provision.
-

Related People

Brooke Erdos Singer

Partner

212 468 4940

bsinger@dglaw.com

Joy J. Wildes

Counsel

212 468 4974

jwildes@dglaw.com