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# **Supreme Court Preview: FUCT**

## By Roberta L. Horton & Jesse M. Feitel

On April 15, 2019, the Supreme Court will hear oral argument in <u>In re Brunetti</u>. The case presents a question at the crossroads between trademark registration and free speech. Section 2 (a) of the Lanham Act bans the registration of a trademark that consists of or compromises "immoral" or "scandalous" matter—does this ban violate the First Amendment. A three-judge panel of the Federal Circuit provided an emphatic "yes" to that question in December 2017, when it concluded that the ban on registering immoral/scandalous trademarks impermissibly discriminates based on content in violation of the First Amendment. *See In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017).

For those who may have déjà vu on the brain, don't be alarmed. Just short of two years ago, in *Matal v. Tam*, 137 S. Ct. 1744 (2017), the Supreme Court found that a *sister* provision of Section 2(a)—which bans the registration of trademarks that might disparage any persons, living or dead—was facially unconstitutional under the First Amendment, in a case involving

the mark "Slants" for a musical rock band, which the U.S. Patent and Trademark Office (the "PTO") had refused to register on the basis that it disparaged Asian-Americans. The disparagement and scandalous/ immoral bans are two grounds listed in the Lanham Act that the PTO previously could rely on to refuse the registration of a mark. Whether the PTO can continue to rely on the latter is now an open question to be decided by the Justices.

The Supreme Court's decision to hear *Brunetti* raises some important questions. Namely, why has the Court agreed to take another close look at Section 2(a) after reviewing a similar provision twentytwo months earlier? One hint may be to look to the current make-up of the Court. *Tam* featured a splintered plurality opinion, where the eight participating Justices only subscribed to the basic principle that the disparagement ban violated the First Amendment. The many On April 15, the Supreme Court will hear oral argument in *In re Brunetti*. The case presents a question at the crossroads between trademark registration and free speech.

concurring opinions demonstrate that the Justices could not find much more in the way of common ground, including, for example, whether the ban constituted a restriction on speech subject to strict scrutiny or a lower level of constitutional scrutiny.

Might the justices have taken up *Brunetti* to issue a more definitive pronouncement on this issue? And, of course, what about the addition of Justices Gorsuch and Kavanaugh, who did not hear *Tam*? Below, we provide an overview of the Federal Circuit's decision in *Brunetti*, along with thoughts on what steps the Court might take next.

#### Federal Circuit: Section 2(a)'s Scandalous/Immoral Ban Unconstitutional

The trademark at issue in *Brunetti* is FUCT, which Respondent Erik Brunetti, a graffiti artist, seeks to register for a clothing brand. The PTO attorney reviewing Mr. Brunetti's application (examining attorney) refused to register the mark, relying on Section 2(a)'s scandalous/immoral ban to conclude that the proposed mark was the past tense of the "F-word" (feel free to Google

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Erik Brunetti, a graffiti artist, seeks to register FUCT for his clothing brand.

this if there is any confusion!). The appellate tribunal of the PTO, the Trademark Trial and Appeal Board (the "TTAB" or the "Board") agreed that the mark was vulgar and was barred from registration by Section 2(a).

For example, the Board observed that the Urban Dictionary defined the word "fuct" as a "slang and literal equivalent" of the past tense of the "F-word". Brunetti argued that "fuct" is ambiguous and that, if anything, the term refers to the term "Friends yoU Can't Trust." The Board disagreed. It certainly did not help Brunetti's cause when the examining attorney and the Board emphasized that Brunetti had previously used the mark on clothing "in the context of

"strong, and often explicit, sexual imagery that objectifies women and offers degrading examples of extreme misogyny. *Brunetti*, 877 F.3d at 1337 (quotation marks omitted).

Judge Kimberley Moore, writing for the Federal Circuit, embraced the Board's finding below that the mark was vulgar and thus technically would have violated the scandalous/immoral ban. But, she found that the scandalous/immoral band could no longer stand as a basis to deny the issuance of a registration under the Lanham Act. Accordingly, the court reversed the Board's decision denying the registration under Section 2(a).

The Federal Circuit's opinion centered on its conclusion that the scandalous/immoral ban constituted impermissible content-based discrimination, namely, the "government restricts speech based on content when 'a law applies to particular speech because of the topic discussed or the idea or message expressed.' *Brunetti*, 877 F.3d at 1341-42 (quoting *Reed v. Town of Gilbert*, 135 S. Ct. 2218, 2227 (2015)).

The Supreme Court's decision to hear *Brunetti* raises some important questions. Namely, why has the Court agreed to take another close look at Section 2(a) after reviewing a similar provision twenty-two months earlier?

The government made matters relatively straightforward for the Federal Circuit. It agreed that Section 2(a)'s scandalous/immoral ban is a content-based restriction on speech, and also conceded that the ban would not survive strict scrutiny. Instead, the government asserted that the ban was subject to a *lower* level of constitutional inquiry—intermediate scrutiny—as purely commercial speech under the framework established by *Cent. Hudson Gas & Elec. Corp. v.* 

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*Pub. Serv. Comm'n of New York*, 447 U.S. 557 (1980). Purely commercial speech consists of "expression related solely to the economic interests of the speaker and its audience," *Cent. Hudson*, 447 U.S. at 561, and a regulation that restricts commercial speech is subject to a four-part analysis, which focuses on whether the asserted government interest in regulating the speech "directly advances" that interest and is "not more extensive than necessary to serve that interest." *Brunetti*, 877 F.3d at 1350.

The Federal Circuit found that the scandalous/immoral ban would not even survive this lower level of scrutiny. Namely, the ban had been unevenly applied because it forced the PTO to engage in a "vague and subjective" inquiry about each mark. This resulted in the registration of marks like "FCUK", while other marks such as "F\*\*K PROJECT" and "MUTHA EFFIN BINGO", were *refused* registration as vulgar. *Brunetti*, 877 F.3d at 1354. The court also found that the government could not articulate a substantial interest here; merely promoting certain trademarks over others, including shielding the public from "off-putting" marks, is not enough. *Id.* at 1351.

Finally, the government argued that the scandalous/immoral ban did not even implicate the First Amendment because it should be considered a government subsidy. The Supreme Court's government subsidy doctrine recognizes that Congress may attach conditions when it funds programs through its Spending Clause powers, even if those conditions infringe on the First Amendment. The Federal Circuit rejected the government's argument out of hand, concluding that the trademark application regime does not implicate Congress' power to spend funds because the relevant flow of funds comes from the applicant to the PTO. Because the applicant never receives federal funds from the PTO, even if a registration is accepted, the Spending Clause is not implicated.

#### What to Expect:

#### Application of Intermediate (Not Strict?) Scrutiny to Challenges to the Lanham Act

The Supreme Court in *Tam* found that the disparagement ban could not stand as a restriction of purely commercial speech. But, the Supreme Court explicitly declined to consider whether that framework should be applied to the *other* provisions of Section 2(a) which include, of course, the scandalous/immoral ban at issue in *Brunetti*. *See Tam*, 137 S. Ct. at 1764 n.17 ("we leave open the question whether [the Supreme Court's doctrine addressing restrictions on purely commercial speech in] *Central Hudson* provides the appropriate test for deciding free speech challenges to provisions of the Lanham Act."). By contrast, in *Brunetti*, the Federal Circuit did address whether the scandalous/immoral ban could survive as a restriction of purely commercial speech and held that it could not.

*Brunetti* presents the Court with an opportunity to expand its ruling in *Tam*. Will the Court conclude that any First Amendment challenge to the Lanham Act would be subject to intermediate scrutiny, rather than strict scrutiny?

## Addition of Justices Gorsuch and Kavanaugh

The makeup of the Court has changed dramatically since the Tam decision was issued in

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June 2017. Justices Gorsuch and Kavanaugh are expected to participate in the case; recall that *Tam* was issued by eight justices, because Justice Gorsuch did not participate in the decision (he had been confirmed after oral argument was already held) -- and, of course, Justice Kavanaugh was not yet on the Supreme Court.

Might the new Justices' views on the First Amendment affect how the Court interprets the immoral/disparaging provision? Prior to each Justice's confirmation, observers generally concluded that Justices Gorsuch and Kavanaugh had been solidly pro-First Amendment votes on the Tenth and D.C. Circuits, respectively. See Tejinder Singh, "Judge Gorsuch's First Amendment jurisprudence," SCOTUSBlog (Mar. 7, 2017) ("With few exceptions, Gorsuch has been willing to find in favor of First Amendment plaintiffs and against defendants attempting to assert immunity against a First Amendment claim."); Ken White, "You'll Hate This Post On Brett Kavanaugh And Free Speech," Popehat Blog (July 10, 2018) ("Kavanaugh has been an appellate judge for 12 years and has written many opinions on free speech issues. They trend very protective of free speech, both in substance and in rhetoric.").

And, when sitting on the D.C. Circuit, Judge Kavanaugh specifically addressed government restrictions on commercial speech in *Am. Meat Inst. v. U.S. Dep't of Agric.*, 760 F.3d 18 (D.C. Cir. 2014) (en banc), which held that a federal regulation requiring manufactures to include the country of origin on meat packaging did not violate the First Amendment.

Then-Judge Kavanaugh concurred, articulating his own views on the commercial speech doctrine. Justice Kavanaugh was highly critical of the government's stated interest in enacting the regulation, and rejected the government's argument that the label requirement satisfied a governmental interest in "providing consumers with information." *Id.* at 31. That interest was too "broad" for Justice Kavanaugh to accept. *Id.* Instead, he found that the relevant government interest was more nuanced and specific than what the government had originally asserted. *See id.* (upholding the regulation because of the United States' "historically rooted interest in supporting American Brunetti presents the Court with an opportunity to expand its ruling in Tam. Will the Court conclude that any First Amendment challenge to the Lanham Act would be subject to intermediate scrutiny, rather than strict scrutiny.

manufacturers, farmers, and ranchers as they compete with foreign manufacturers, farmers, and ranchers").

While Justice Kavanaugh ultimately found that the government's regulation could withstand a First Amendment challenge, the decision presents an insight into his views on this issue. If the Supreme Court does apply the commercial speech doctrine to this case, we imagine that Justice Kavanaugh might similarly press the government on its interest in regulating speech through the scandalous/immoral ban.

In short, Justice Kavanaugh may be willing to apply his view of commercial speech in the context of the Lanham Act—an issue that the Court plainly declined to do two years ago. It is not clear whether Kavanaugh's views, along with those of Justice Gorsuch, will transform an eight-Justice plurality decision in *Tam* into a more definitive opinion concerning the Lanham Act.

Roberta L. Horton is a partner and Jesse M. Feitel an associate at Arnold & Porter.