Noli IP Newsletter

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Scandalous: Watch Out for Those Trademarks that Don't Give a F*ck:

By Mariana Paula Noli, Esq.

Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a), provides in pertinent part that a trademark shall be refused registration if it *"[c]onsists of or comprises immoral * * * or scandalous matter."*

As most of you have probably heard by now, the Clothing Brand FUCT Destroyed Trademark Section 2(a). But things are not over yet. The Supreme Court still has the final word, when deciding on whether or not the USPTO can register those scandalous trademarks. Is Section 2(a) an unconstitutional restriction of the First Amendment Freedom of Speech?

As a background to the case, Mr. Eric Brunetti founded his clothing line FUCT in 1990. In 2011, two individuals filed an intent-to-use application (No. 85/310,960) for the mark FUCT for various items of apparel. The original applicants assigned the application

INTA TMAP 2018

By Diane A. Fisher

In September I had the privilege of attending the International Trademark Association's 2018 Trademark Administrators and Practitioners Meeting (2018 TMAP) held in Orlando, Florida. The three-day event held September 12 to 14, was packed with opportunities to meet trademark administrators from all over the world as well as attend Educational Sessions. Attending for my first time, I decided to try out the "Dine-Around" which proved to be a fun way to meet people from many countries in a relaxed setting. The seminars were well done and covered a large variety of topics: Professional Development, an update on Brexit, Trademark Prosecution tips in the US vs. Asia-Pacific, an overview of Africa, and Copyrights and Designs to name a few.

As a paralegal it was a wonderful opportunity to further my knowledge of the world of Intellectual Property Law. Hopefully this will not be my last time as it was a great experience. Thanks, **Noli IP Solutions** for the opportunity!

to Mr. Brunetti, who amended it to allege use of the mark. The examining attorney refused to register the mark under § 2(a) of the Lanham Act, finding it comprised immoral or scandalous matter.

The trademark examining attorney rejected his application, reasoning that FUCT is the past tense of the verb "f*ck," which is a vulgar term. The examiner relied upon the portion of Lanham Act Section 2(a) that permits refusal if the mark *"[c]onsists of or comprises immoral . . . or scandalous matter."*

In light of such refusal to registration, Mr. Brunetti requested reconsideration and at the same time appealed to the Trademark Trial and Appeal Board (TTAB). The examining attorney denied reconsideration, and the TTAB affirmed. In its decision, the TTAB stated the dictionary definitions in the record uniformly characterize the word "fuck" as offensive, profane, or vulgar. The TTAB noted that the word "fuct" is defined by Urban Dictionary as the past tense of the verb "fuck" and pronounced the same as the word "fucked," and therefore found it is "recognized as a slang and literal equivalent of the word 'fucked,'" with "the same vulgar meaning." Erik Brunetti appealed the decision of the TTAB affirming the examining attorney's refusal to register the mark FUCT because it comprises immoral or scandalous matter under 15 U.S.C. § 1052(a) ("§ 2(a)"). The Court of Appeals for the Federal Circuit ruled that section 2(a) was unconstitutional as an impermissible First Amendment restriction. It held that the restriction on immoral or offensive marks was a content-based restriction that could not pass strict scrutiny. **While substantial evidence was found to support the Board's findings and that it did not err concluding the mark comprises immoral or scandalous matter, the Court of Appeals for the Federal Circuit ("CAFC") concluded, however, that § 2(a)'s bar on registering immoral or scandalous marks is an unconstitutional restriction of free speech. It reversed the TTAB's holding that Mr. Brunetti's mark is unregistrable.**

On September 7, 2018, the USPTO filed at the Supreme Court a Petition for a Writ of Certiorari, seeking the Court's review of the judgment of the U.S. Court of Appeals for the Federal Circuit in *In re Brunetti*, 125 USPQ2d 1072 (Fed. Cir. 2017). The question to be decided is whether Section 1052(a)'s prohibition on the federal registration of "immoral" or "scandalous" marks is facially invalid under the Free Speech Clause of the First Amendment. The USPTO is asking the Supreme Court to review a decision by the Federal Circuit Court of Appeals, that barring the use of the name "FUCT" for athletic apparel infringed on individuals' right to free speech. *In re Brunetti*, 125 USPQ2d 1072 (Fed. Cir. 2017).

The Government contends that Section 2(a)'s ban on registration of scandalous marks does not abridge the right to freedom of speech because it does not restrict the terms or images that may be *used* as trademarks. The CAFC therefore erred in treating the ban as an affirmative restriction on speech. The court also erred, says the Government, in deeming the government-subsidy decisions inapplicable, in failing to recognize that the trademark-registration scheme operates only in the commercial sphere. Registration of a trademark does not signal government endorsement of any particular product, service, mark, name, or registrant. But the government's registration of a scandalous term as a trademark would convey to the public that the United States regards scandalous images and terms as appropriate source identifiers in commerce.

As a result, the USPTO is trying to argue that the "immoral and scandalous clause" is viewpoint-neutral, thus allowing the government to bar marks that it considers to be vulgar. This is especially important because the government *can* limit profanity or other "vulgar" speech if that speech is viewpoint-neutral. This represents a new, ever-changing landscape in trademark law that could affect

the USPTO's ability to bar marks that it considers "immoral" and/or "scandalous" because of its effects on an individual's right to free speech.

A little more than one year ago, the U.S. Supreme Court struck down the Lanham Act's disparagement clause as unconstitutional in *Matal v. Tam*, 137 S. Ct. 1744 (June 19, 2017). The case involved Asian-American dance-rock band The Slants, who sought "to 'reclaim' and 'take ownership' of stereotypes about people of Asian ethnicity." The U.S. Patent and Trademark Office rejected the band's application to register its name under Section 2(a) of the Lanham Act, finding that the mark "[c]onsists of . . . matter which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt." After the case made its way through the court system, the Supreme Court unanimously struck down the disparagement clause as viewpoint discrimination in violation of the First Amendment's free speech clause. The government contends Tam does not resolve the constitutionality of § 2(a)'s bar on registering immoral or scandalous marks because the disparagement provision implicates viewpoint discrimination, whereas the immoral or scandalous provision is viewpoint neutral. While fighting through the appeal process, Brunetti filed an *amicus brief* with the U.S. Supreme Court in the *Tam* case. The Federal Circuit denied panel rehearing and rehearing *en banc* in *Brunetti*, so the next stop is the U.S. Supreme Court.

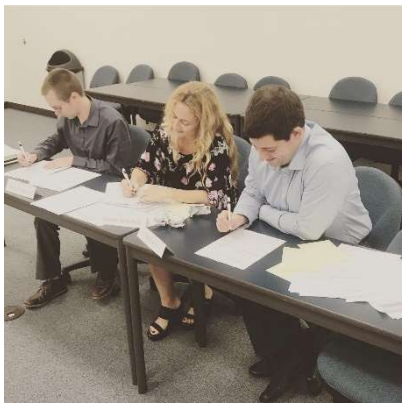
While *Brunetti* remains pending, the USPTO has continued to receive applications to register arguably immoral or scandalous marks. On May 24, 2018, the agency issued guidance to its examiners that "the USPTO will continue to examine applications for compliance with the scandalousness provision while the constitutionality of the provision remains subject to potential U.S. Supreme Court review." Are trademarks considered "commercial speech?" If so, laws relating to trademarks might be subject to relaxed scrutiny for constitutional compliance rather than strict scrutiny?

It is difficult to predict how the Supreme Court might decide the "commercial speech" question in *Brunetti* or future cases. *Brunetti* seems to be a promising avenue for the Supreme Court to address some of the tangential legal issues left open by the *Tam* decision.

2018 USD Alumni Torts Moot Court Competition

A few weeks ago, Ms. Mariana Noli had the opportunity to volunteer as a moot court competition judge at the University of San Diego, School of Law.

This year's problem involved a discussion on negligence and assumption of the risk. Mr. Flenderman's first cause of action was a negligence claim against the District for injuries caused during a hockey class held on November 9, 2016. Mr. Flenderman had broken his wrist and sustained a concussion when another student collided into him after a scrimmage match ended. The Dunder County Superior Court granted summary judgment for the District on this cause of action, holding that the doctrine of primary assumption of risk was applicable in the school sports context and barred Mr. Flenderman's claim. The Fourth Appellate District reversed, instead holding that the prudent person standard of care was appropriate.



Mr. Flenderman's second cause of action was a claim under California Business and Professions Code Section 25602.1. On November 18, 2016, Mr. Flenderman was crossing the street and was hit by Mike Scott, a student on the Mifflin High School varsity hockey team who was driving home from a school fundraiser hosted by Coach Bailey. Mr. Flenderman alleged his injuries were the result of the District's sale of alcohol to Mr. Scott, who was obviously intoxicated at the time of sale.

The Dunder County Superior Court granted summary judgment for the District on this cause of action, holding that the voluntary donations at the event entrance did not constitute a sale, and that Mr. Scott was not obviously intoxicated. The Fourth Appellate District reversed.

The issues under examination related to (1) a Negligence Claim; and (2) the Sale of Alcohol to an Obviously Intoxicated Minor.

The students did an excellent job defending their respective positions on whether Petitioner, Dunder Unified School District, was properly subjected to the Knight/Kahn limited duty standard of care when a student is injured during an ice-hockey class held on-campus and during school hours. Also, the teams argued on whether sufficient issues of material fact existed such that a reasonable jury could find that Coach Ryan Bailey breached this limited duty by increasing the risks inherent in ice-hockey. Last but not least the students presented their positions on whether alcohol was sold to an obviously intoxicated minor within the meaning of Cal. Bus. & Prof. Code Section 25602.1.

Thank you to the University of San Diego, School of Law, 2018 Alumni Torts Moot Court Competition, University of San Diego Appellate Moot Court and particularly to Ms. Brittant M. Wunderlich for the invitation to participate in this interesting event.

INTA LEADERSHIP MEETING 2018

Ms. Mariana Noli will be representing **Noli IP Solutions, PC** at the upcoming International Trademark Association (INTA) Leadership Meeting taking place in New Orleans, Louisiana from November 6th, 2018 to November 9th, 2018.

If you are interested in learning more about our firm and/or to schedule a meeting, contact her by sending an email to mail@noli-ipsolutions.com with a proposed meeting schedule.

MARIANA NOLI