

So scandalous

THE CASE:

Various cases

US Court of Appeals for the Federal Circuit

15 December 2017

Douglas Sharrott and **Lisa M Mottes** explain that while vulgar trademarks are now registrable in the US, they may still be refused abroad

US courts in 2017 demonstrated trademarks that may be considered morally reprehensible can now be federally registered. Within months, the scandalous, immoral and disparaging trademark registration bars were chipped out of Lanham Act Section 2(a) by both the Supreme Court of the US (SCOTUS) and the US Court of Appeals for the Federal Circuit (CAFC). While this vindicates the First Amendment, trademark applicants should not expect the same treatment in foreign countries with similar registration bars.

For 70 years, Section 2(a) of the Lanham Act prohibited federal registration of trademarks that encompass “immoral... or scandalous matter; or matter which may disparage...”.¹ On 19 June 2017, SCOTUS in *Matal v Tam*,² however, held that “the disparagement clause” is unconstitutional under the First Amendment’s Free Speech Clause and permitted registration of ‘The Slants’ in connection with an Asian-American dance-rock band. Unanimously affirming the CAFC, SCOTUS explained that the disparagement clause “offends a bedrock First Amendment principle: speech may not be banned on the ground that it expresses ideas that offend.” On 15 December 2017, the CAFC in *In re Brunetti*³ held that Section 2(a)’s ban on registering marks comprised of immoral or scandalous matter, such as ‘Fuct’ for apparel, likewise violates the First Amendment. Pursuant to these two decisions, trademarks that are scandalous, immoral or disparaging can now be federally registered in the US.

What about the rest of the world?

As Justice Alito stated in *Tam*, the purpose of trademarks is to “help distinguish a particular artisan’s goods from those of others”.⁴ Trademark rights, however, are territorial, and many trademark owners do not want to be limited to distinguishing their goods and services only in the US. Although a scandalous, immoral or disparaging trademark can now be registered in the US, what will happen

when the trademark owner seeks to register the same mark abroad?

Unlike the US, most countries still have morality-based registration bars. For example, trademark laws in: Canada prohibit “scandalous, obscene or immoral” trademarks;⁵ Australia prohibit “scandalous matter”;⁶ Japan, the EU, France, Germany, UK and Switzerland prohibit trademarks that are contrary to public policy/order or morality;⁷ India prohibits scandalous or obscene matter;⁸ and Argentina prohibit trademarks that are contrary to morals and good customs.⁹ Thus, a trademark applicant who is now able to obtain a US registration for a scandalous, immoral or disparaging mark may likely still be denied registration abroad.

Not all of these countries, however, have freedom of speech rights that can be potentially used to challenge these prohibitions. Australia, for example, does not have explicit freedom of speech rights, and freedom of speech may be restricted in India and China. And even in countries permitting freedom of speech, unless and until freedom of speech-based arguments are raised in international courts, scandalous, immoral or disparaging marks otherwise registrable in the US may likely continue to be refused registration abroad. Consequently, such marks will not receive the benefits of international registration, thereby diminishing their overall value.

Companies involved in international commerce and seeking worldwide registration may thus wish to play it safe and use non-vulgar marks, at least abroad if not also in the US. (That being said, this is no guarantee to foreign registration. For example, the EU Intellectual Property Office refused registration of ‘Curve 300’ – an innocent trademark under US standards – because “curve” translates to “whore” in Romanian.)¹⁰

Summary

Applicants should consider whether a country of interest has morality-based registration bars

and whether the trademark will contravene them. If so, applicants should determine whether that country protects free speech and consider whether there is a basis to challenge these bars as a violation of free speech, as was done here in *Tam* and *Brunetti*.

Footnotes

1. 15 USC Section 1052(a).
2. 137 S Ct 1744 (2017).
3. 877 F.3d 1330 (Fed Cir 2017). The US had until 12 February 2018 to file a petition for rehearing.
4. *Tam*, 137 S Ct at 1751 (citation omitted).
5. Trade-marks Act Section 9(1)(j).
6. Trade Marks Act, 1995, Section 42(a).
7. Article 7(1)(f) EUTMR [EU]; Intellectual Property Code, Article L711-3 [France]; Act on the Protection of Trade Marks and other Signs Section 8(2)(5) [Germany]; Trade Marks Act 1994 Section 3(3)(a) [UK]; Trademark Protection Act, Article 2 [Switzerland].
8. Trade Mark Act, 1999, Section 9(2).
9. Law of Marks and Designations, Article 3(e).
10. Guidelines for examination in the office, <http://bit.ly/2C4pFPf> (last visited 26 Jan 2018).

Authors



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