IN RE BRUNETTI, Appeal No. 2015-1109 (Fed. Cir. December 15, 2017). Before Moore, Dyk, and Stoll. Appealed from the Trademark Trial and Appeal Board ("Board").

Background:

Mr. Brunetti owns the clothing brand "fuct," which was founded in 1990. Two individuals, in 2011, filed an intent-to-use application for the mark FUCT for various items of apparel. The original applicants assigned the application to Mr. Brunetti, who amended it to allege use of the mark. The examining attorney refused to register the mark FUCT under §2(a) of the Lanham Act because the term "fuct" sounds like the past tense verb for "fuck," a vulgar word.

As a result of the examining attorney's position, Mr. Brunetti appealed to the Board. The Board affirmed, determining that the mark is vulgar and therefore unregisterable under §2(a) of the Lanham Act. Mr. Brunetti appealed.

Issue/Holding:

Did the Board err in finding that the mark FUCT is unregisterable under §2(a) of the Lanham Act? Yes, reversed.

Discussion:

Section 2(a) of the Lanham Act provides that the PTO may refuse to register a trademark that "consists of or comprises immoral, deceptive, or scandalous matter…." Recently, in the case *Matal v. Tam* the Supreme Court held that the disparagement provision of §2(a) is unconstitutional under the First Amendment because it discriminated on the basis of content, message, and viewpoint.

While the Federal Circuit agreed that there was substantial evidence to support the Board's findings and conclusion that the mark comprises immoral or scandalous matter, the Federal Circuit concluded that §2(a)'s bar on registering immoral or scandalous marks is an unconstitutional content-based restriction on free speech.

The government argued that §2(a)'s content-based bar against registering immoral or scandalous marks does not implicate the First Amendment because trademark registration is either a government subsidy program or a limited public forum. Additionally, the government argued that trademarks are considered commercial speech, which are subject to a four-part test that asks whether (1) the speech concerns lawful activity and is not misleading, (2) the asserted government interest is substantial, (3) the regulation directly advances that government interest, and (4) whether the regulation is "not more extensive than necessary to serve that interest."

The Federal Circuit held that trademark registration is not a government subsidy program because the government's involvement in processing and issuing trademarks does not transform trademark registration into a government subsidy. Additionally, the Federal Circuit found that trademark registration is not a limited public forum because trademarks by definition are used in commerce. The Federal Circuit also found that §2(a)'s bar failed to survive the four-part test for commercial speech because the government interest was not substantial, the regulation failed to directly advance the government interest, and the regulation was more extensive than necessary to serve that interest.

 