2015-1109

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

In re ERIK BRUNETTI

APPEAL FROM THE TRADEMARK TRIAL AND APPEAL BOARD

Serial Number 85310960

Bucher, Administrative Law Judge

RESPONSE TO PETITION FOR REHEARING EN BANC

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The Government has had sufficient opportunity to present its arguments when this case was re-argued in August 2017. The three-judge panel correctly decided *Brunetti* in view of *Matal v. Tam*, 137 S. Ct. 1744 (2017) (hereinafter referred to as *Matal*) and *In re Tam,* 808 F.3d 1321 (Fed. Cir. 2015) (*en banc*) (hereinafter referred to as *Tam*). Rehearing would be futile because the Government's arguments lack merit.

ARGUMENT

I. THE GOVERNMENT HAS NOT SHOWN THAT RE-HEARING IS APPROPRIATE UNDER RULE 35(A). IT IS UNLIKELY RE-HEARING WOULD RESULT IN A DIFFERENT OUTCOME.

It would be extremely rewarding professionally for counsel to argue a case *en banc* before this Court. However, there is no good cause for rehearing. *Brunetti* was correctly decided. It is extremely unlikely that a rehearing would result in different outcome.

Rehearing *en banc* may be appropriate when it is "(1) . . . necessary to secure or maintain uniformity of the court's decisions; or (2) the proceeding involves a question of exceptional importance." Fed. R. App. P. 35(a).

The Government has not met this standard. While this case does involve a question of exceptional importance, the outcome is clear from the reasoning of this

Court's *en banc* decision in *Tam*, which was affirmed by the Supreme Court. Rule 35(a)(2) does not require rehearing when the issue, while important, can clearly be decided based upon recent *en banc* Federal Circuit and Supreme Court precedents.

Looking at this from a practical viewpoint, rehearing is unlikely to change the outcome. While every case is given careful consideration, the issues in *Tam* and *Brunetti*, have received extra attention from this Court, and therefore it is unlikely that many judges will change their minds if this case is reheard. Judge Moore has now authored three opinions on this subject and Judge Dyk has written two. The entire Federal Circuit bench recognized *Tam* as an important case when it was accepted for reargument *en banc*. It can be concluded that each judge has already considered the issues with the utmost care and come to a definite decision. The *Tam en banc* was decided 9 to 3 (or 10 to 2 if the concurrence is included), so the Government would have to convince four or five judges to change their minds - an unlikely outcome. It is even more unlikely given that the Government does not have much new to say that was not already rejected in *Tam*.

Rehearing is also inappropriate because the Government has already had a rehearing (albeit not *en banc*). After *Matal* was decided, the Government was given an opportunity to brief and argue this case a second time. The Government was allowed about 40 minutes of oral argument. Despite being given a full opportunity, the Government was unable to convincingly develop a logical defense

of the Scandalous Clause. Its petition for rehearing adds nothing of substance to the arguments previously advanced when the case was re-argued. So it is unlikely another rehearing will result any material revision to the Court's opinion.

II. THE COURT MUST DECIDE THE VALIDITY OF THE SCANDALOUS CLAUSE AS ENACTED, NOT THE VALIDITY OF A HYPOTHETICAL STATUTE LIMITED TO PROFANITY.

The Government argues that the Scandalous Clause is content neutral. Before addressing the "content-neutral" issue, the Government's assumption needs to be addressed. The Government asserts that, despite its plain language, the Scandalous Clause does not apply to scandalous marks. Instead, the Government asserts the Clause only prohibits registration of marks that contain "profanity, excretory or sexual" matter.

If there are multiple *reasonable interpretations* of a statute, a court should prefer interpretations that do not raise serious constitutional questions. *Stern v. Marshall*, 564 U.S. 462, 467 (2011). However, this principle does not authorize a court to select an unreasonable interpretation of a statute. The Government has not explained how "scandalous" can be reasonably interpreted as being limited to only "profanity, excretory and sexual" matter. Until and unless the Government can do so, there is no point in having a rehearing because the Government's argument is based upon a hypothetical statute, not the statute as currently enacted.

The Scandalous Clause has never been limited to just profanity, excretory

and sexual matter. The legislative history of the Scandalous Clause is clear on this point. "[W]e would not want to have Abraham Lincoln gin"), quoted, *In re Tam*, 808 F.3d 1321, 1336 (Fed. Cir. 2015); *see, e.g., In re Riverbank Canning Co*., 95 F.2d 327, 328, 37 USPQ 268, 269 (C.C.P.A. 1938) (held MADONNA for wine was scandalous). Section 1203.01 of the TMEP is explicit that the Scandalous Clause covers much more than profanity, excretory or sexual matter. So the Government's proposed limitation is absolutely contrary to the plain language of the Scandalous Clause and is contrary to how it has been interpreted for the last 70 years (and its predecessor statute before that).

And if the Government's argument were correct, then Scandalous Clause would be invalid due to vagueness. If no examining attorney, judge or legal scholar ever suggested such construction, such Clause does not give reasonable notice about what speech is affected by such provision.

Even if the Scandalous Clause could be amended by judicial decision to prohibit only profanity, excretory and sexual matter, it would be invalid due to the PTO's inconsistent application of Section 2(a). *See*, *e.g.*, Appendix A to Brunetti's letter brief, August 9, 2017 (Docket 70).

In summary, the Government's proposed narrow construction of the Scandalous Clause is patently incorrect. In that case, rehearing is not required because the premise of the Government's argument is without any basis.

III. PROFANITY EXPRESSES A VIEWPOINT; THE SCANDALOUS CLAUSE IS NOT CONTENT-NEUTRAL.

The Government continues to argue that profanity does not express viewpoint. However, the Government chooses to ignore the Supreme Court's decision that profanity is viewpoint. Justice Harlan wrote in *Cohen v. California*:

> "[M]uch linguistic expression serves a dual communicative function: it conveys not only ideas capable of relatively precise, detached explication, but otherwise inexpressible emotions as well. In fact, words are often chosen as much for their emotive as their cognitive force. We cannot sanction the view that the Constitution, while solicitous of the cognitive content of individual speech, has little or no regard for that emotive function which, practically speaking, may often be the more important element of the overall message sought to be communicated." *Cohen v. California*, 403 U.S. 15, 26 (1971).

Furthermore, no one who hears George Carlin's *Seven Dirty Words* (the subject of *FCC v. Pacifica Foundation,* 438 U.S. 726 (1978)) can doubt that profanity does express viewpoint.

It is obvious that many marks refused as scandalous (examples are listed in Appendix A to Docket 70) are expressing viewpoint. Specifically in this case, the Trademark Trial and Appeal Board (the "Board") affirmed the refusal of Brunetti's mark because of his viewpoint. The Board asserted that Brunetti "objectifies

women and offers degrading examples of extreme misogyny," "anti-social imagery," is "lacking in taste," and contains a theme "of extreme nihilism—displaying an unending succession of anti-social imagery of executions, despair, violent and bloody scenes including dismemberment, hellacious or apocalyptic events, and dozens of examples of other imagery lacking in taste." Appendix 8–9. While the Board incorrectly characterized Brunetti's views, it is clear that his views were intertwined with the Board' decision as to whether his mark is scandalous.

So the Government's assertion that profanity does not express a viewpoint is patently incorrect. Not only can profanity express a viewpoint, but it can express core First Amendment speech.

IV. STANDARD OF SCRUTINY; STRICT SCRUTINY IS LAW OF THE CIRCUIT.

The Government's argument about the meaning of the Supreme Court's decision in *Matal* ignores the Supreme Court's judgment and rationale. The Supreme Court affirmed *Tam* by 8-0. The key rationale was registration could not be refused because a mark offends. The Government fails to explain how that rationale can be squared with the positions it now advances. In short, it cannot.

The Government asserts that Kennedy's opinion is controlling, rather than Alito's. However, *Brunetti* was correctly decided under either opinion. Nothing in

any opinion in *Matal* suggests the *Tam en banc*'s reasoning was incorrect, and therefore that decision remains the binding law of this Circuit.

No justice criticized the *en banc*'s application of strict scrutiny. Rather, the justices found the Disparagement Clause invalid under intermediate scrutiny (*Central Hudson*) (Alito's opinion) or heightened scrutiny (Kennedy's opinion). It was unnecessary for the Supreme Court to determine whether strict scrutiny was required.

Moreover, *Matal* should be read to mean that at least heightened scrutiny (*i.e.*, more than intermediate scrutiny) is required. Kennedy (4 justices) required "heightened scrutiny" and Thomas always requires strict scrutiny. In other words, five justices would require something more than intermediate scrutiny.

V. OTHER ARGUMENTS RAISED BY THE GOVERNMENT.

Obscenity Cannot be Registered. Judge Dyk was troubled by offensive marks. If marks are obscene (as that term is defined by the Supreme Court), they cannot be legally used in commerce. It follows that such marks cannot be registered. However, few, if any, of the marks previously refused under Section 2(a) are obscene. Judge Dyk correctly concluded that Brunetti's FUCT was not obscene.

Registration Does Not Require Use. Registration of a trademark does not require that the public use such mark. Goods bearing Brunetti's mark will not be

on sale at Walmart or Target regardless of whether it is registered. The First Amendment leaves it to non-government actors to decide what marks to use, where and when.

Time and Place Regulation. Nothing in *Brunetti* casts doubt on time and place regulation of sexual or vulgar speech. Such cases remain good law.

Limited Public Forum and Government Subsidy. The Government seeks to re-argue defenses that were rejected in *Tam* and *Matal*, *e.g.*, limited public forum and government subsidy. Those arguments are so insubstantial nothing further need be said here.

Refusal of Registration is *De Facto* Prohibition of Speech. The *en banc* *Tam* decision and *Brunetti* both found the effect of denial of registration was sufficient to be of constitutional significance. Brunetti argues that, if anything, the Federal Circuit has underrated the importance of denial of registration. Many of the applications refused as scandalous are "intent-to-use" under Section 1(b). It appears that virtually no mark refused under the Scandalous Clause can be found to be in use. Brunetti's mark may be one of the few exceptions where such mark is actually being used. So the actual effect of a Section 2(a) refusal is a *de facto* prohibition of speech. This is especially probable when the applicant is not represented by trademark counsel and is unlikely to understand the distinction between refusal to register and a prohibition on use.

Broader Implications. The Government refers to the broader implications if the Scandalous Clause is held to be unconstitutional. Those implications have properly been dismissed.

What is really frightening is what state and local governments could do if the Scandalous Clause were constitutional. For example, a city could deny a license if it did not like the name of the restaurant (*Sambo's Restaurants, Inc. v. City of Ann Arbor*, 663 F. 2d 686 (6th Cir. 1981)), the name of the corporation (*Kalman v. Cortes*, 723 F.Supp.2d 766 (ED. Pa. 2010) (involving "I Choose Hell Productions LLC"), or a label (*Bad Frog Brewery v. New York State Liquor Authority*, 134 F.3d 87 (2d Cir. 1998)).

If the Scandalous Clause were constitutional then a city or state could effectively prevent disfavored organizations from doing business by denying business licenses, sales tax permits, etc., on the grounds that such organizations or their names are scandalous. Both the NRA and Planned Parenthood could be effectively prevented from operating in different parts of this country depending on the political views of the locality. Fortunately, this Court in *In re Tam*, 808 F.3d at

1348 and the Supreme Court in *Matal*, 137 S. Ct. at 1761, have recognized the broader implications of name regulation on Free Speech.

CONCLUSION

For the foregoing reasons, re-hearing *en banc* is unnecessary.

Dated: March 12, 2018
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Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that I served a copy of this brief on counsel of record on March 12, 2018, by CM/ECF, with courtesy copies by email and paper copies by FedEx.

Dated: March12, 2018
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This brief complies with the type-volume limitation of FRAP 32(a) (7)(B) because it contains 1194 words/uses a monospaced typeface and contains 188 lines of text, excluding the parts of the brief exempt by FRAP 32(a)(7)(B)(iii).

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