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ANTISOCIAL TRADEMARKS*

By Teresa Scassa**

I. INTRODUCTION

The trademark system has strong public order and morality dimensions; indeed, one of the primary goals of trademark law is to protect the public from deceptive trade practices. As a result, of all the areas of intellectual property (IP) law, trademark law is the one that most explicitly engages with public order and morality considerations in the granting of rights. At the same time, trademark law also struggles with the integration of moral values in a regime that manages the symbols used in commerce rather than the morality of particular goods or services, or the appropriateness of brand messages.

This article examines morality in trademark law through the lens of antisocial marks. “Antisocial mark” is not a term of art; it is adopted here to describe different types of marks that are associated with antisocial activities or values. “Antisocial” can be defined as: “against the basic principles of society; harmful to the welfare of the people generally.” 1 The Oxford English Dictionary online offers this definition: “[o]pposed to the principles on which society is constituted.” 2 In this article, three broad categories of trademarks that have been the subject of restrictive state action because of inherent or attributed antisocial qualities are considered. The first category includes trademarks that are refused registration because the marks themselves are considered to be offensive to public order or morality. This can be for a range of reasons, which include the mark’s vulgarity or its disparaging nature. The second category consists of trademarks that are limited or restricted because they are associated with antisocial goods or services. The most significant example in this context is that of tobacco trademarks. Although inoffensive on their face,

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these trademarks are subject to increasingly drastic limitations on their use. The third and final category consists of trademarks with antisocial brand messages. The most extreme example is perhaps that of trademarks for criminal organizations.

Although much has already been written regarding the registrability of scandalous or immoral trademarks, these other issues of morality in trademark law remain relatively unexplored. Public order and morality-based restrictions on trademarks have inevitably raised issues of freedom of expression, state interference with property rights, and the basic nature of trademark rights. In exploring public order and morality in trademark law, one goal of this article is to shed light on the nature of trademark rights and on the relationship between their communicative function and the public interest.

This article begins with a discussion of the role of public order and morality in IP law generally. Part II considers how public order and morality considerations are integrated within trademark law. In Part III, the three categories of antisocial marks are discussed. The article concludes with a consideration of how the sometimes surprisingly strong public order and morality dimensions of trademark law stop short at certain antisocial brand messages.

II. IP AND MORALITY GENERALLY

Public order and morality limitations on intellectual property rights have their roots in European law, as the concept of _ordre public_ as a general limiting principle originated within civil law systems.3 _Ordre public_ has been described as referring to “those ethically based rules that reflect the basic values prevailing in society and trade and is meant to include public safety, the physical integrity of the individual, and the protection of the environment.”4 It is not surprising to find considerations of _ordre public_ in contexts where rights arise on registration; the state’s involvement in the registration process creates not only an ideal moment for the assessment of public order and morality, but, in legal systems where the idea of public order and morality is a

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governing principle, the state’s involvement requires this consideration.5

Patent law protects inventions in a broad range of technological fields. As human ingenuity can be turned toward noxious goals as well as noble ones, some patent authorities are explicitly empowered to deny protection to immoral inventions. In European patent law, for example, a patent can be refused on grounds that it is contrary to public order or morality.6 Of course, this can be a difficult assessment to make, particularly where the restriction of potentially life-saving technologies also raise broader moral questions.7 As a result of these competing considerations, even in Europe the scope of this exception is limited.8 Ordre public as a governing principle is less central to common law systems. Thus, although both North American Free Trade Agreement (“NAFTA”)9 and the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”)10 permit states to craft public order and morality exceptions to patentability, neither Canada11 nor the United

5. In this way, public order and morality provisions can be directly linked to the concept of IP rights as “negative” rights. In other words, the state does not grant an absolute right to the IP qua property; rather, the rights of the IP owner are to prevent others from exercising certain (limited) rights to exploit the protected work. There is no right to exploit the work per se. This is particularly important in the patent law system, where substantial regulatory requirements may restrict the exploitation of patented inventions. In trademark law as well, a plethora of laws regarding competition, labelling and advertising may place limits on how and when trademarks may be displayed and used.

6. Under the Convention on the Grant of European Patents (European Patent Convention) of October 5, 1973, as revised by the Act revising Article 63 EPC of December 17, 1991 and the Act revising the EPC of November 29, 2000, patents may be refused on ordre public grounds. The European Community Directive on biotechnology (Directive 98/44/EC of the European Parliament and of the Council of July 6, 1998 on the legal protection of biotechnological invention) goes further, and specifies specific types of inventions that will be considered contrary to public order or morality. These include: human cloning, modifying germ line, commercial use of human embryos, and inventions that cause unnecessary suffering to animals without providing sufficient benefits.

7. For example, in Method for producing transgenic animals/the President and Fellows of Harvard College, T 315/03, Decision of the Board of Appeal of the European Patent Office, July 6, 2004, the Board of appeal ruled that the patenting of the oncomouse was not contrary to ordre public or morality. The case was controversial, and the decision has been criticized. See, e.g., Bonfanti, supra note 4, at 50;

8. A narrow interpretive approach to this provision has been the general rule, although there has been some softening of this rule when it comes to biotechnological inventions. See Ella O’Sullivan, Is Article 53(a) EPC still of narrow interpretation?, 7 JIPLP 680 (2012).


11. In Harvard College v. Canada (Commissioner of Patents), 2002 SCC 76, [2002] 4 S.C.R. 45, para. 90, Justice Binnie noted that although Parliament was a signatory to both North American Free Trade Agreement (NAFTA) and the TRIPS Agreement and had taken
States has done so. The result is that morality is not universally a ground for refusal of a patent; however, international agreements relating to patent law accept that it may be so in some states.

Copyright, which arises automatically, does not contain a mechanism to exclude from protection works that are contrary to public order or morality (for example, works that are obscene, or that incite to violence or hatred). An added complication in the case of copyright is the fact that copyright-protected works are themselves vehicles for the communication and exchange of ideas. Public order and morality restrictions on the availability of copyright protection could all too easily become a means to favor the expression of certain beliefs and opinions over others, and courts have been justifiably reluctant to engage in such assessments. Nevertheless, even absent statutory public order or morality provisions, courts in some countries have been prepared to consider whether they should decline to enforce copyrights in immoral works. Davies refers to “a strong normative intuition

steps to implement both treaties, it had chosen not to add a public order and morality limitation on patentability. In fact, Vaver notes that a bar in Canadian law on patents with an “illicit object” was removed following Canada’s entry into NAFTA (David Vaver, Intellectual Property Law: Copyright, Patents, Trade-marks 289 (2d ed. 2012). The majority of the court in Harvard College noted that nothing in the Patent Act gave the Commissioner the authority to deny patents on public policy grounds (Harvard College, [2002] 4 S.C.R. 45, para. 43). Goudreau argues that notwithstanding the decision in Harvard College, there is still a role in Canadian patent law for principles of public order and morality. See Mistrale Goudreau, Brevetabilité, traitement medical et ordre public social, 67 Revue du Barreau 77 (2007-2008).

12. In Diamond v. Chakrabarty, 447 U.S. 303 (1980), a case that considered the patentability of lower life forms, the majority of the U.S. Supreme Court pushed aside arguments regarding the potential harms that might flow from extending patentable subject matter to include forms of life. The majority was of the view that such concerns should be left to legislators to address. Id. at 317.

13. Note that in patent law, the state still plays a role in regulating, restricting, or outlawing problematic inventions. In Canada and the United States, this role is typically played by regulatory regimes that are outside the patent system. In other words, rather than deny registration to inventions that are dangerous or that may be used for controversial purposes, the invention may be granted a patent, but nonetheless its use or sale may be restricted or barred by other legislation. As observed by Justice Binnie, dissenting in Harvard College v. Canada (Commissioner of Patents), 2002 SCC 76, [2002] 4 S.C.R. 45, para. 64: “A patent does not exempt the owner from any relevant regulation or prohibition.”

14. Vaver, supra note 11, at 60. However, Vaver notes that Canada’s 1868 copyright statute explicitly refused copyright to any “immoral or licentious, treasonable or seditious book.” (Id. at 61, citing § 3 of the Copyright Act, S.C. 1868, c. 54).


16. In the case of copyright this can be complicated by the inherently expressive nature of copyright protected works; decisions to withhold copyright protection because of the message of the work can lead to constitutional challenges based on freedom of expression.

17. In the U.S. case of Belcher v. Tarbox, 486 F.2d 1087, 1088 (9th Cir. 1973), the court expressed an unwillingness to engage in discussions of morality. See also Mitchell Bros. Film Grp. v. Cinema Adult Theatre, 604 F.2d 852 (5th Cir. 1979), cert. denied, 445 U.S. 917,
that a work made in violation of the law should not be entitled to copyright protection.” 18 Phillips argues that some courts, while recognizing that copyright may subsist in an obscene or immoral work, have found that those rights are nonetheless “incapable of legal assertion.” 19 At equity, courts have been receptive to both “clean hands” arguments, and to a theory described by Phillips as “the ‘tainting’ theory,” whereby courts decline to exercise their equitable jurisdiction if it would “bring about a miscarriage of public policy.” 20 Courts may also express their distaste with certain copyright protected works in the remedies they choose to award (or withhold). 21 Nevertheless, there is some considerable reluctance to apply these doctrines in copyright cases. 22 There is thus no overarching principle of morality that is tied to the subsistence of rights in works. Nevertheless, public order or morality considerations may exceptionally be a factor in the enforcement of copyrights.

III. PUBLIC ORDER AND MORALITY IN TRADEMARK LAW

Like the works protected by copyright law, trademarks are inherently expressive, 23 although the nature and scope of that

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100 S. Ct. 1277, 63 L. Ed. 2d 601 (1980) (finding copyright may subsist in obscene works, and rejecting the use of equitable doctrines to avoid enforcing rights). See also Jartech, Inc. v. Clancy, 666 F.2d 403 (9th Cir. 1982). For a contrary approach, see Devils Films, Inc. v. Nectar Video, 29 F. Supp. 2d 174 (S.D.N.Y. 1998), where the court was more receptive to using equitable remedies to deny enforcement of copyright in obscene works; in particular, it applied the unclean hands doctrine. In Villa v. Pearson Education, Inc., 2003 U.S. Dist. LEXIS 24686, 2003 WL 22922178 (N.D. Ill. 2003), the court suggests that an illegal work (in this case, graffiti), might not benefit from copyright protection. Vaver notes that there are some Canadian cases in which the issue of the enforceability of rights in immoral works has been raised, but he suggests that those that declined to enforce rights are not good law (Vaver, supra note 11, at 62.) See also Mistrale Goudreau, Les œuvres “immorales ou licencieuses, séditieuses ou entachées de trahison” et le droit d’auteur canadien in 20 Les Cahiers de Propriété Intellectuelle 459, 469-70 (2008). Goudreau takes the view that while copyright may still subsist in works that are contrary to public order or morality, courts may be justified in refusing to award some remedies. See also Aldrich v. One Stop Video, 17 C.P.R. (3d) 27 (B.C.S.C. 1987) and Pasickniak c. Dojacek, [1928] 2 D.L.R. 545.


20. Id. at 143.

21. See, e.g., Devils Films, 29 F. Supp. 2d at 174; see also supra note 17.

22. See, e.g., Vaver, supra note 11, at 62; Danwill Schwender, Congressional Trademark Delusion: Section 2(A) Expands the Unclean Hands Doctrine Too Far, 48 IDEA 225, 235-236 (2007-2008). See also Mitchell Bros., 604 F.2d 852 (5th Cir. 1979), and Jartech, 666 F.2d 403.

23. See, e.g., Rochelle Cooper Dreyfus, Reconciling trademark rights and expressive values: how to stop worrying and learn to love ambiguity, in Trademark Law and Theory: A
expression is more constrained. 24 Also like copyright, trademark rights can arise automatically; they do so when a mark is used in commerce and begins to acquire reputation and goodwill. These common law rights in marks are afforded some legal protection, although it is usually inferior to that available to registered trademarks. As is the case with patent law, 25 there is a statutory registration system for trademarks, and it is through this registration system that public order and morality considerations are formally introduced and implemented.

Public order and morality considerations are far more prevalent in trademark law than in copyright or patent law. This is at least in part because trademark legislation has a dual character. While on the one hand it provides a system for registering and protecting the property interests of trademark owners in their trademarks, it also explicitly serves a public protection function. 26 A primary goal of trademark law is to protect the public against deception. Thus, trademark law, unlike patent or copyright law, already has at its core a strong public order mission. In the words of the Supreme Court of Canada, “[t]rademark law rests on principles of fair dealing. It is sometimes said to hold the balance between free competition and fair competition.” 27

Beyond trademark law’s primary public order goal of preventing the deception of the public, public order and morality provisions introduce a second level of consideration. In this next part, we consider the manner in which these provisions exclude from registration trademarks that are considered to be, on their face, antisocial in nature.

IV. ANTISOCIAL TRADEMARKS

This part considers the three broad categories of antisocial trademarks identified in this paper. These are described as inherently antisocial marks, marks that are antisocial because of

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Handbook of Contemporary Research 261-293 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008).

24. It is constrained not necessarily in terms of subject matter, but certainly in terms of space, as trademarks convey their sometimes complex messages with a few words or an image, or some other brief sign.

25. Many states also have copyright registration systems in place. However, under Article 5(2) of the Berne Convention, no formalities can be imposed on the enjoyment of copyrights, and registration is voluntary and does not involve examination procedures.

26. See, e.g., Theodore H. Davis Jr., Registration of Scandalous, Immoral, and Disparaging Matter Under Section 2(a) of the Lanham Act: Can One Man’s Vulgarity Be Another’s Registered Trademark?, 83 TMR 801, 802 (1993), (noting the consumer protection role played by trademark legislation); see also Teresa Scassa, Canadian Trademark Law 22-23 (2010).

the goods or services with which they are associated, and marks that have antisocial brand messages.

**A. Inherently Antisocial Marks**

Article 6quinquies of the Paris Convention\(^{28}\) permits states to refuse registration or to invalidate trademarks if they are “contrary to morality or public order and, in particular, of such a nature as to deceive the public.”\(^{29}\) This provision is interesting, as it aligns concerns over morality in trademark law with one of trademark law’s primary purposes: preventing the deception of the public. Article 15(2) of the TRIPS Agreement adds no new language with respect to morality. It simply permits states to deny registration to trademarks on grounds that do not derogate from those in the Paris Convention.\(^{30}\) Neither the Paris Convention nor the TRIPS Agreement is prescriptive in this regard: both permit, but do not require, states to bar from registration marks that are offensive to public order or morality. This is in contrast with NAFTA, under which parties have an obligation to refuse registration to trademarks that “consist of or comprise immoral, deceptive or scandalous matter, or matter that may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs or any Party’s national symbols, or bring them into contempt or disrepute.”\(^{31}\)

Public order and morality provisions—distinct from those regarding deceptive trademarks—have been implemented in the trademark legislation of many jurisdictions, although in different ways. Thus, public order and morality considerations are much more universal when it comes to trademarks than they are in either patent or copyright law. In Canada, for example, a trademark may not be adopted, used or registered if it is “scandalous, obscene or immoral.”\(^{32}\) In the United States, Section

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29. Article 6quinquies goes on to state: “It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.”

30. The TRIPS Agreement, supra note 10, art. 15(2). Article 15(1) states that it “shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).”

31. NAFTA, supra note 9, art. 1708(14). Note that this language is taken directly from Section 2(a) of the U.S. Trademark (Lanham) Act of 1946 (15 U.S.C. § 1052(a)).

32. Trade-marks Act, R.S.C. 1985, c. T-13, § 9(1)(j). Compared with the equivalent U.S. provision, the Canadian provision is rather laconic. Presumably the terms “scandalous” and “immoral” could extend to cover discriminatory and disparaging marks.
2(a) of the Lanham Act provides that a mark is unregistrable if it “[c]onsists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” 33 In the United Kingdom, “a trade mark shall not be registered if it is [. . .] (a) contrary to public policy or to accepted principles of morality.” 34 Under Australian law, a mark can be refused registration if it “contains or consists of scandalous matter.” 35

For the most part, these provisions relate to the registration of trademarks; they confer authority on the registering body to reject an application to register an offending mark. However, this is not generally a ban on the use of the mark in trade. 36 This might be because unregistered marks are too difficult to police, whereas the examination process required for registration provides an ideal moment for a state agency to assess the legitimacy of trademarks. It may also be because unregistered marks are generally considered to be of lesser significance than registered trademarks: they are protected only where they have acquired goodwill, and the lack of registration may mean that the products or services with which they are associated are available only on a regional or local level.

In In Re French Connection, the U.K. appeal board considered it paradoxical that registration of a trademark could be refused on public order grounds, while at the same time nothing prevented the applicant from continuing to use the same unregistered mark in commerce. 37 The Board stated: “If the subject matter is objectionable, I would have thought that the policy of the law would be to adopt measures which reduced the likelihood of it being disseminated.” 38 The Board noted that one reason for this paradoxical situation is that the refusal of registration is really a

33. Section 2(a) of the Lanham Act (15 U.S.C. § 1052(a)).
34. U.K. Trade Marks Act 1994, § 3(3). This has been described as an “absolute ground that goes to the inherent characteristics of a trade mark.” In the Matter of an Application Under No. 81862 by Dennis Woodman for a Declaration of Invalidity in Respect of Trade Mark No. 2184549 in the Name of French Connection Limited, O-330-05, para. 30.
36. Oddly, in Canada, the Trade-marks Act, supra note 32, would prohibit the adoption (§ 9(1)(j)), the use (§ 11), and the registration (§ 12(1)(e)) of marks that are “scandalous, obscene or immoral.” No attempt has ever been made to attack an unregistered mark on these grounds.
37. Phillips & Simon find this situation paradoxical because refusing to register a mark on these grounds leaves it “open to every trader in every commercial sector . . . [to be] used with impunity by any trader for his own profitable purpose.” Jeremy Phillips & Ilanah Simon, No Marks for Hitler: a radical reappraisal of trade mark use and political sensitivity, 26 EIPR 327, 328 (2004).
38. In the Matter of Registered Trade Mark No. 2184549 in the Name of French Connection Ltd, O-137-06, para. 54.
refusal to confer an official seal of approval. However, he noted that registration of a trademark is not a matter of state approval of the mark, rather, it is a decision that the “trade mark complies with the statutory requirements for registration.” Instead, he suggested that the reason for such provisions is “to prevent the conferring of intellectual property rights which a court would refuse to enforce.”

More recently, a European trademark board of appeal rejected the application for registration as a trademark of the emblem of the former Union of Soviet Socialist Republics for use in relation to a variety of personal products such as perfume, jewelry, toiletry items, leather goods, badges, and services related to food, temporary accommodation, catering services, and so on. This emblem was no longer the official sign or symbol of a country, as that country had ceased to exist. Noting the harm that had been suffered by many citizens of the Baltic states at the hands of the Soviet Union, the board found that while the symbol might not carry with it the risk of causing public disorder, it might still be offensive. The Board found that the power of this symbol of the former Soviet Union “lies in the fact that it communicates a political or ideological message.” It found evidence that in some countries of the Community, that message “would be perceived very critically.” Denying the application to register the mark, it concluded that “the organs of government and public administration should not positively assist people who wish to further their business aims by means of trade marks that offend against certain basic values of civilised society.”

At least one court in the United States has ruled that the denial of registration to antisocial marks can be justified on the basis that public funds underwrite the trademark registration systems. According to this court, rather than legislating morality, Section

39. Id. para. 56. See also Schwender, supra note 22, at 239; Stephen R. Baird, Moral Intervention in the Trademark Arena: Banning the Registration of Scandalous and Immoral Trademarks, 83 TMR 661, 788 (1993).

40. French Connection, para. 56.

41. Id. para. 57. The Board’s comment here is odd. Once a mark is registered, it is presumed valid, and it would be difficult to justify a refusal to deny a remedy in a case of infringement. It should be noted as well that a mark that is denied registration may still be used at common law. It is not at all clear that a court would decline to enforce common law rights in a trademark that had previously been refused registration on public order or morality grounds. The court might not share the same views as the examiner on the morality of the mark; the use of the mark over time may have blunted its scandalous nature; or the court may decide that the equities of the particular facts before it requires enforcement of the trademark rights.


43. Id. para. 71.

44. Id. para. 73.
2(a) of the Lanham Act reflects “a judgment by the Congress that such marks not occupy the time, services, and use of funds of the federal government.”\footnote{In re McGinley, 660 F.2d 481, 211 U.S.P.Q. 668, 674 (C.C.P.A. 1981), aff’g 206 U.S.P.Q. 753 (T.T.A.B. 1979). In this case, the offending mark was an image of a nude couple. Schwender, \textit{supra} note 22, at 239, notes that the USPTO is no longer state funded; user fees pay for its operations, thus he questions the validity of such a rationale. See also Davis, \textit{supra} note 26, at 832-33.}

If the rationale for excluding offensive marks from registration is that the state should not commit resources to assisting in the registration of offensive marks, then this would also explain why unregistered marks remain unaffected. In the same way that copyrights arise without state intervention, unregistered marks require no state resources for perfection.\footnote{As with copyright, however, recognition of rights pertaining to unregistered marks and enforcement of such marks would require intervention by the courts. Thus the lofty statement that the state should not expend its resources on scandalous or immoral trademarks seems at odds with the view that the First Amendment is not engaged by the denial of registration of a mark, since the owner is free to use it as an unregistered mark. Either the state will then expend resources for the enforcement of those common law rights (which seems to be a contradiction) or it will decline to enforce them (which would appear to put the First Amendment back on the table.) For a discussion of the use of equitable doctrines such as “unclean hands” in trademark litigation, see Iver P. Cooper, \textit{Unclean Hands” and “Unlawful Use in Commerce”: Trademarks Adrift on the Regulatory Tide}, 71 TMR 38 (1981). Cooper notes that “[t]he courts have toyed gingerly with the use of trademark law to further public policies with regard to gambling, contraception, obscenity and sex discrimination, but no clear consensus has emerged as to the propriety of barring trademark relief to those who outrage the community.” Id. at 42.}

Another rationale for denying protection to offensive trademarks is that the state should not give its stamp of approval to such marks.\footnote{See, e.g., Anne Gilson LaLonde & Jerome Gilson, \textit{Trademarks Laid Bare: Marks That May Be Scandalous or Immoral}, reprinted in 101 TMR 1476, 1484 (2011) (originally published as part of a Matthew Bender/LexisNexis Gilson on Trademarks series); Phillips & Simon, \textit{supra} note 37, at 328.}

The public order and morality provisions governing the registration of trademarks in most jurisdictions are the most obvious mechanism for addressing antisocial marks under trademark law. Marks that are antisocial on their face may consist of words, images, or a combination of the two (and, in some jurisdictions, presumably they may also include sounds or smells) that are vulgar,\footnote{Vulgar marks that have been refused registration include: FOOK (for clothing, footwear and headgear), Scranaqe’s Trade Mark Application (O/182/05); BULLSHIT (for beverages), \textit{In re Red Bull GmbH}, 78 U.S.P.Q. 2d 1375 (T.T.A.B. 2006); a design featuring a defecating dog (for polo shirts and t-shirts), Greyhound Corp. v. Both Worlds, Inc., 6 U.S.P.Q. 2d 1635 (T.T.A.B. 1988).}

sexualized,\footnote{Sexualized marks whose registrability has been challenged include: TINY PENIS (for clothing), \textit{Ghazilian’s Trade Mark Application}, [2002] RPC 33; JACK OFF (for adult-oriented telephone conversation services), \textit{In re Boulevard Entm’t}, Inc., 334 F.3d 1336 (Fed. Cir. 2003); SEX ROD (for clothing), Boston Red Sox Baseball Club Ltd. P’ship v. Sherman, 88 U.S.P.Q. 2d 1581 (T.T.A.B. 2008).}
racist,\footnote{Politically “offensive” marks have included: the emblem of the former Soviet Union, \textit{Couture Tech}, \textit{supra} note 42. In Cold War America, by contrast, a design mark that featured a hammer and sickle with a big X across it was denied registration because it was} politically

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offensive, or insensitive to particular religions, and so on. The relevant registrar of trademarks must make a judgment about the trademark itself. It is (in theory, at least) not a judgment about the wares or services with which the mark is to be associated, nor is it a judgment about the trade source, although the two may be difficult to separate. The trademark owner (or prospective owner) is free to choose a different mark for the same goods or services.

1. Assessing the Scandalous Nature of Marks

Words used in public order or morality provisions, such as “scandalous” or “immoral” are laden with value judgments that may vary not only across different segments of society but also over time. In attempting to give some content to these words, disparaging of the Soviet Union’s national symbol (In re Waughtel, 138 U.S.P.Q. 594 (T.T.A.B. 1963)).


52. Marks that are considered disparaging of a religion or its adherents can also be denied registration. See, e.g., JESUS (for varied goods), Basic Trademark SA’s Trade Mark Application, [2005] RPC 25; HALLELUJAH (for women’s clothing), HALLELUJAH Trade Mark Application, [1976] RPC 605; MADONNA (for wine), In re Riverbank Canning Co., 95 F.2d 327, 37 U.S.P.Q. 268 (C.C.P.A. 1938).

53. See Jasmine Abdel-Khalik, To Live in In-“Fame”-Y: Reconceiving Scandalous Marks as Analogous to Famous Marks, 25 Cardozo Arts & Ent. L.J. 173, 200 (2007), identifies six categories of marks that can be denied registration under Section 2(a) of the Lanham Act. These are: “political imagery, religious terms and icons, race, gender and sexual orientation, sexual matter (vulgar), profanity (vulgar) and illegality.” Baird describes seven categories, which are roughly the same as Abdel-Khalik’s, although he includes marks casting innuendo as a separate category. Baird suggests that the standard applied to each category may vary somewhat. Stephen R. Baird, Moral Intervention in the Trademark Arena: Banning the Registration of Scandalous and Immoral Trademarks, 83 TMR 661, 704 (1993).

54. See discussion of this issue below.

55. See Abdel-Khalik, supra note 53, at 185.
Canada’s *Trade Marks Examination Manual* (“TMEM”)\(^{56}\) suggests that “[a] scandalous word or design is one which is offensive to the public or individual sense of propriety or morality, or is a slur on nationality and is generally regarded as offensive.”\(^{57}\) This explanation draws attention to the rather open-ended and potentially subjective nature of such assessments. The TMEM also offers the unhelpfully circular statement that: “A word or design is immoral when it is in conflict with generally or traditionally held moral principles.”\(^{58}\) Interestingly enough, in Canada there have been no challenges to refusals to register trademarks on the grounds that they are “scandalous, obscene or immoral.” As a result, there is no case law interpreting this provision.\(^{59}\)

The situation is somewhat different in the United States, where there is a significant body of case law that has addressed issues of whether registration should be denied to certain trademarks on the basis that they are offensive to public order. Two general categories of offensive marks have been recognized and two different tests are applied, depending upon the category into which the mark falls. These categories are marks generally offensive to the public, and marks likely to be offensive predominantly to a subgroup of the public that is typically a religious, ethnic, or racial minority. Where a mark is generally offensive to the public (for example, a mark that is vulgar), then the test requires the U.S. Patent and Trademark Office (“USPTO”) to:

... consider the mark in the context of the marketplace as applied to the goods described in the application for registration. In addition, whether the mark consists of or comprises scandalous matter must be determined from the standpoint of a substantial composite of the general public (although not necessarily a majority), and in the context of contemporary attitudes, keeping in mind changes in social mores and sensitivities.\(^{60}\)

By contrast, where the mark is one that is disparaging of a particular racial, ethnic, or religious group, or to those of a particular sexual orientation, then it is not the perception of “a

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57. Id. § IV.8.6.

58. Id.

59. Although there is no law interpreting this provision, the TMEM does make reference to some U.S. case law in offering its interpretation of the scope of the provision. Id.

60. *In re Boulevard Entm’t Inc.*, 334 F.3d 1336, 1339 (Fed. Cir. 2003) [citations removed].
It is important to note that the “public order and morality” provisions in trademark legislation focus on the trademark itself; these provisions do not address the morality of the goods or services with which the mark is associated, nor is there any provision for the regulation of the morality of the manner in which the trademark is used, other than, of course, the general trademark provisions regarding deception and dilution. However, the line between marks and the goods/services with which the mark is associated has been a frail one at times. As noted earlier, the U.S. test does require that the mark be considered “in the context of the marketplace as applied to the goods described in the application for registration.” Thus, for example, the mark MADONNA was explicitly refused registration in association with wine; the Court of Customs and Patent Appeals stated that in assessing whether a mark is scandalous, “consideration ordinarily must be given to the goods upon which the mark is used.” Similarly, the mark KHORAN for wine was also refused, with the U.S. Trademark Trial and Appeal Board (TTAB) noting that the potential association of a homonym for the Koran with an alcoholic beverage could be highly offensive to Muslims. And, outside the context of religion, the mark QUEEN MARY for women’s underwear was denied registration; the TTAB found that creating

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61. Pro-Football, Inc. v. Harjo, 284 F. Supp. 2d 96, 128 (D.C. Cir. 2003), citing with approval the test set out by the Trademark Trial and Appeal Board (TTAB). Note that K.J. Greene has argued that the case law under Section 2(a) of the Lanham Act “lacks any guiding principle” (K.J. Greene, Trademark Law and Racial Subordination: From Marketing of Stereotypes to Norms of Authorship, 58 Syracuse L. Rev. 431, 438 (2007-2008)). Greene argues that the test, rather than focusing on the views of a substantial composite of the relevant population, should consider “whether the use of the mark fosters subordination in society based on historical antecedents.” Id. at 438. This is interesting, given that it would focus on the harm that flows from the mark, rather than on public perceptions. In this sense, perhaps his approach is closer to that used in the U.K. cases involving marks that could be linked to football hooliganism, which are discussed later in this paper in Part III(3). In those cases, the Board’s concern was with the potential harm the marks might cause through inciting fans to violence; no evidence was required as to the portion of the population that might react to the marks in a particular way.

62. See, e.g., NAFTA, supra note 9, art. 1708(5), which provides that the nature of the goods or services is not meant to be an obstacle to registration of a trademark.

63. In re Boulevard Entm’t, 334 F.3d 1336. Bolen et al. argue that “context and usage are critical in determining whether a mark is scandalous.” (M. Christopher Bolen, Richard J. Caira, Jr., & Jason S. Wood, When Scandal Becomes Vogue: The Registrability of Sexual References in Trademarks and Protection of Trademarks from Tarnishment in Sexual Contexts, 39 IDEA 435, 439 (1999). By contrast, Davis (supra note 26, at 843-44) argues that marks should not be assessed in context under Section 2(a) of the Lanham Act, but rather should be assessed at face value.


an association between the royal person and undergarments would be scandalous.\footnote{66}{Ex parte Martha Maid Mfg. Co., 37 U.S.P.Q. 156 (Comm’r Pat. 1938). Of course, social mores shift over time, and such a mark might be considered registrable today.}

In the United Kingdom as well, case law suggests that the “context in which the mark is likely to be encountered”\footnote{67}{Kenneth (t/a Screw You)’s Comm. Trade Mark Application [2007] ETMR 7, para. 21.} is a relevant consideration, which, in turn, requires a consideration of the nature of the goods or services. In considering an application for the mark SCREW YOU for a range of goods including sunglasses, headgear, alcoholic beverages, and sex toys, an appeal board noted:

If the goods are likely to be advertised on prime-time television or worn in the street with the trade mark prominently displayed, a stricter approach may be justified. It is also necessary to bear in mind that, while broad-minded adults may enjoy bawdy humour in a particular context, they might not wish to be exposed to material with explicit sexual content when walking down the street or watching television in the company of their children or elderly parents.\footnote{68}{Id. The mark was rejected for all categories of goods except for those destined to be sold only in sex shops.}

How, and in what circumstances the public might encounter a mark may therefore be a relevant consideration, as well as the relationship of the mark to the particular wares or services.

At the same time, other cases have focussed solely on the mark itself. In one instance, the TTAB found, with respect to the argument that a consideration of the nature of the goods was required, that: “there can be no occasion for this factor to play a role, either expressly or implicitly in the determination of registrability.”\footnote{69}{In re Thomas Labs., Inc., 189 U.S.P.Q. 50, 51 (T.T.A.B. 1975), (considering (and rejecting) the registrability of an image of a nude man looking down toward his genitalia (not seen in the mark) for a device designed to increase penis size.)} Davis suggests that these two approaches are not reconcilable, and that neither one is dominant: essentially, the nature of the goods or services may or may not be taken into account in any given case.\footnote{70}{Davis, infra note 26, at 816. Davis argues that marks of this kind should not be assessed in the context of the wares or services in association with which they will be used. He maintains that to do so imposes “competitive penalties on particularly industries” (at 845) by limiting the range of trademarks available to them by virtue of the nature of their goods.}

Because trademarks are unregistrable if they are considered contrary to public order or morality the issue of their validity may
also be raised after registration. Thus, it is conceivable—in some jurisdictions, at least—that a registered trademark that has been used in commerce for a period of time may later be invalidated because it is contrary to public order. In such cases, the trademark will be assessed in light of the mores of the society at the date of registration. In theory at least, a once-shocking trademark that has slipped through the registration process could be invalidated decades later when society’s values are more relaxed, if its opponent nonetheless succeeds in arguing that at the time of registration it was sufficiently offensive to public order or morality. Similarly, a mark that was not challenged at the time of registration because it did not offend public opinion might later be recognized to be profoundly offensive and yet be unassailable.

In any event, because the mark’s character must be assessed from the date of registration, the passage of time may make it impossible to establish what the views of the relevant segment of the public were at the time of registration. There may also be equitable defenses available to the owner of an established trademark who questions why a challenge was not brought in a timely manner. The difficulties in such cases are well illustrated by Pro-Football Inc. v. Harjo, where protracted litigation over the

71. Section 14(3) of the Lanham Act (15 U.S.C. § 1064(3)) provides that where a mark is registered in violation of the public order or morality provision (Section 2 of the Lanham Act (§ 1052(a)) “any person who believes that he is or will be damaged by the registration” can file a petition for cancellation at any time. This open-ended standing with no limitation period indicates the weight given to public order considerations in U.S. law. However, U.S. courts will take into account any delays brought in launching such a challenge. See Pro-Football Inc. v. Harjo, 415 F.3d 44 (D.C. Cir. 2005).


73. Indeed, arguments of this nature are at the core of legal challenges to the validity of the Washington Redskins’ trademarks; see id. While in that case, the courts used the date of registration as the key date for evaluating the offensiveness of the trademarks, the challenge was ultimately dismissed because of laches on the part of the plaintiffs in bringing their action. A new challenge to the same trademarks is currently being brought forth by new applicants who have only recently come of age, in order to avoid the laches arguments. Nevertheless, although the key date for assessing the offensiveness of the marks is the date of registration, it seems clear that the courts who ruled on the Harjo case considered any offensiveness of the marks at issue to be ongoing. While in principle, the law seems focussed on the date of registration, it remains an open question whether a different mark, proven to be offensive decades ago, were struck from the register notwithstanding the fact that it was no longer considered to be offensive to the general population.

74. For example, this could be the case with ethnic slurs that are grimly tolerated by the targeted group at a time when that group is relatively disempowered but that are later resisted.

75. Ernst & Lum, supra note 52, at 200-01.

76. Id. at 207.

validity of a group of Washington Redskins trademarks ultimately ended in the conclusion that a combination of evidentiary issues and laches meant that the trademarks, considered by the applicants to be disparaging of Native Americans, were allowed to stand. What is interesting in these circumstances is the fact that a trademark that has been registered and used for some period of time has a much more concrete existence as a property right, and it is increasingly difficult to terminate the right, notwithstanding the unsavory nature of the mark. In this sense, the public order and morality provisions function best as a filter. Once through the filter, the mark becomes increasingly difficult to displace on those grounds.

The way in which public order and morality is assessed in trademark law in the U.S. context has been criticized by those who would construe the public order and morality imperative as not just a filter to keep out marks that can be shown to offend the sensibilities of a sufficient number of people, but rather a means by which society can “[eliminate] the use of negative race-based imagery by taking away the commercial gain secured through federal registration of racist marks.” The same could be said with regard to negative stereotypes and slurs on grounds other than race. The argument is that the test for the legitimacy of a mark should not focus on measuring the degree of offense given by a mark within any given community, as this might legitimately be difficult to assess for any number of reasons, some of which may relate to the effects of subordination and discrimination on the population, or the extent to which certain marks have contributed to an ongoing situation of subordination and discrimination through negative stereotypes or other slurs. Thus, for example, a mark that is not considered disparaging at the time of registration by a sufficient portion of the affected group but that is later


78. Id.

79. Ernst & Lum, supra note 52, at 200-01, note that “[g]iven the higher evidentiary burden for cancelling a registered mark as opposed to refusing to register a mark, a mark which was registered numerous years ago could survive a cancellation proceeding, but if the same mark or a derivative mark were to be applied for today, it could easily be refused registration.” This may mean that the owner of an offensive trademark might find their ability to build a family of related marks is curtailed.

80. Id. at 202. Ernst & Lum are making reference to the argument developed by Greene, supra note 61.
understood to perpetuate negative stereotypes could still be challenged.81

Yet such arguments are likely to have little traction. If one were to take the same argument and substitute sexism as that which is contrary to public order and morality, for example, it becomes clear how such an approach might send a wrecking ball through the trademark register. The register is replete with marks that can be argued to be either outright misogynistic or at the very least perpetuating sexist stereotypes.82 At the same time, any attempt to expunge these trademarks would likely lead to divisive arguments about political correctness and perhaps even a more problematic message that some stereotypes and misogyny are not contrary to public order or morality. It is far easier to respond only to words that can be shown to offend a sufficient portion of society. Unfortunately, where a society is largely complacent or complicit with certain derogatory views, it will be impossible to challenge such offensive marks as contrary to public order or morality.

Gibbons argues that taking goods or services into account may be particularly problematic where the wares or services are oriented towards the lesbian/gay/bisexual (LGB) community and examiners are of the view that homosexuality is inherently immoral or is scandalous to a composite of the public at large.83 He also raises concerns about the impact of the subjective nature of any public order and morality consideration. Thus he argues that the mark DYKES ON BIKES should not have been rejected by an examiner on the basis that the word “dykes” was disparaging of lesbians. Gibbons maintains that the word “dyke” was used as “a term of empowerment, endearment, and pride in the Queer community.”84 In such cases, then, the refusal of the mark is more than just a rejection of an offensive trademark; the implication may be that the associated goods or services are immoral, or in more complex circumstances, the rejection may be a misunderstanding of how identity is constructed and expressed within a particular community.85

81. Greene, supra note 61, gives the example of the Uncle Ben trademark as one that was originally based on racial stereotypes.

82. To provide just a small sampling, there are 718 registrations in the U.S. Trademark register for trademarks that incorporate the word “bitch.” One hundred and twenty three registrations contain the word “slut” (37 live); 112 contain “whore” (30 live).


84. Id. at 222.

85. Echoing the language of Article 7 of the Paris Convention, the TRIPS Agreement (supra note 10) provides in Article 15(4) that “The nature of the goods or services to which a
Some commentators have suggested that rather than use the subjective measure of the extent to which marks scandalize the public,\textsuperscript{86} truly offensive trademarks can be denied registration on more basic trademark grounds. Thus, for example, one could argue that truly offensive words have no capacity to distinguish goods or services, because their offensive connotations make them incapable of being associated in the public mind with a particular trade source. These commentators have argued that offensive words or phrases could thus be refused for a complete lack of distinctive capacity, thus removing the need for consideration of issues of morality.\textsuperscript{87} For example, a word associated with a major religion, such as JESUS,\textsuperscript{88} arguably cannot function as a trademark because the dominant religious association is such that it cannot be indicative of a trade source. Abdel-Khalik argues that scandalous marks are the reverse image of famous marks. Their public notoriety as words with a specific connotation makes them ineligible to function as trademarks.\textsuperscript{89} This might be a more difficult argument to apply in the unbounded realm of designs and logos, where there might be any number of non-verbal ways to convey scandalous messages. Further, it might also be argued that a truly shocking mark might actually be quite distinctive.\textsuperscript{90} Others have suggested that market forces should be allowed to govern this area: a trademark that is truly offensive to the public might give rise to formal or informal boycotts of the wares or services associated with the mark.\textsuperscript{91} Such an approach removes the moral judgment from trademark law; consumers will make their own judgments. Vaver points out that when the U.K. registration of the mark FCUK\textsuperscript{92} for clothing was challenged, the adjudicator relied upon evidence that sales of the clothing were good as proof that the mark could not be that offensive. As Vaver puts it: “Since FCUK clothing had sold well, how could the mark seriously offend traditionally trademark is to be applied shall in no case form an obstacle to registration of the trademark.” Clearly this is breached in spirit where the refusal to register a mark is framed in terms of the offensiveness of the mark when it is really the mark in association with the wares or services that causes the greatest offense to the decision-maker.

86. The subjectivity and variability of decisions in this area has been observed and criticized by many. See, e.g., Vaver, \textit{supra} note 11, at 484.

87. \textit{See, e.g.}, Abdel-Khalik, \textit{supra} note 53.

88. \textit{This mark was denied registration in Basic Trademark SA’s Trade Mark Application, supra note 52.}

89. Abdel-Khalik, \textit{supra} note 53, at 215-16.

90. Phillips & Simon, \textit{supra} note 37, at 327, note that banning “Hitler” as a mark for wine in Germany resulted in an uptick in sales as the result of the publicity.

91. For example, Gibbons, \textit{supra} note 83, at 216, advocates for market-based solutions rather than moral judgments at the point of registration.

92. FCUK was the abbreviation for the applicant’s name (French Connection) coupled with the abbreviation for the United Kingdom. The company already used other marks composed of “FC” and the name of the country in which a particular division operated.
anyone, bar the occasional crank or prude."93 Thus where an unregistered trademark has acquired sufficient goodwill over time to warrant registration, one might argue that there can be no significant offense to public order or morality. Of course, such an approach does little to protect minority communities from disparagement or ridicule.94

2. Freedom of Expression and Inherently Antisocial Marks

In spite of the potential scope of the public order and morality provisions and the arbitrary nature of their application, it is rather interesting to note that they (and their application) are largely immune to successful challenge for violation of rights to freedom of expression. In the United States, restrictions on registration on public order and morality grounds are seen as avoiding First Amendment scrutiny because the mark can still be used without registration. As a result, there is no restriction on speech.95 Academics have questioned whether this is a legitimate distinction,96 yet it has held thus far. Even if the First Amendment were implicated, the trademark owner’s speech would be characterized as “commercial speech,” giving rise to a lower level of scrutiny by the courts.97 In the European Union, the issue is seen

93. Vaver, supra note 11, at 484.
94. See, e.g., Greene, supra note 61.
95. In In re McGinley, the unsuccessful applicant for trademark registration argued that the refusal to register violated his First Amendment rights. The Court disagreed, finding that even without registration, the applicant was free to use his mark in commerce. The court noted: “No conduct is proscribed, and no tangible form of expression is suppressed. Consequently, appellant’s First Amendment rights would not be abridged by the refusal to register his mark.” 660 F.2d 481, 211 U.S.P.Q. 668 (C.C.P.A. 1981). For a detailed analysis and critique of this approach to the First Amendment, see Baird, supra note 39.
96. For example, Gibbons, supra note 83, at 193, argues that the enhanced communicative function now played by trademarks makes restrictions on trademarks much more problematic in terms of freedom of speech. He writes: “the government’s imprimatur of approval (or at least lack of objection) by registration or condemnation, in declining to register a mark upon a finding of immoral or scandalous, burdens speech and labels citizens, or at least their speech, worthy or unworthy based on some arbitrary value system.” Tait argues that the combination of federal restrictions on scandalous, obscene, and immoral trademarks and state withholding of approval for the use of such marks means that a denial of registration is effectively a denial of the right to use, and thus implicates the First Amendment (John V. Tait, Trademark Regulations and the Commercial Speech Doctrine: Focusing on the Regulatory Objective to Classify Speech for First Amendment Analysis, 67 Fordham L. Rev. 897, 908-09 (1998)).
97. Tait, supra note 96, at 923. Tait notes that several cases involving attempts by governments to ban the use of offensive trademarks outside the context of trademark legislation were struck down as violating the trademark owners’ First Amendment rights. See, e.g., Sambo’s Rests., Inc. v. City of Ann Arbor, 663 F.2d 686 (6th Cir. 1981), Sambo’s of Ohio, Inc. v. City Council of Toledo, 466 F. Supp. 177 (N.D. Ohio 1979), Bad Frog Brewery, Inc. v. N.Y. State Liquor Auth., 134 F.3d 87 (2d Cir. 1998), Hornell Brewing Co. v. Brady, 819 F. Supp. 1227 (E.D.N.Y. 1993). Davis, supra note 26, at 834-35, is of the view that the
to have clear freedom of expression implications, but because of the European approach to civil liberties, and the drafting of the European Convention on Human Rights (“ECHR”), expression “may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society.” In both the European Union and the United Kingdom, the freedom of expression is a relevant consideration in the application of the public order provision, but in most cases where the issue is raised, trademark boards express the view that the balance is struck by only refusing the registration of marks where there are clear public order grounds. For example, in *French Connection*, the Board noted that “registration should be refused only where this is justified by a pressing social need and is proportionate to the legitimate aim pursued.”

The reference in Article 10(2) of the ECHR to the protection of “morals” certainly gives latitude to reject the registration of offensive trademarks. Thus, in Europe, the denial of registration to trademarks on public order grounds is seen as an acceptable limitation so long as trademarks are not refused registration on an arbitrary basis. In Canada, the same freedom of expression issues might be predicted to arise, perhaps even more so, since it is the adoption, use, and registration of offensive marks that are prohibited under Canada’s Trade-marks Act.

Lanham Act Section 2(a) restrictions would be difficult to justify even under the commercial speech test.

98. Freedom of expression issues have been considered by United Kingdom and European boards deciding on the registrability of allegedly scandalous marks. Essentially, they have found that so long as registration is denied where “an accepted principle of morality is being offended against” (*Ghazilian’s Trade Mark Application*, supra note 49, para. 20), then any limit on freedom of expression is justifiable. See also *Basic Trademark SA’s Trade Mark Application*, supra note 52, para. 6; *French Connection*, supra note 38, para. 60.

99. European Convention on Human Rights, art. 10(2). These limits may be “in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or the rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.”

100. *French Connection*, supra note 38, para. 60. The Board went on to note that in cases of doubt, the objection to the trademark “should be resolved by upholding the right to freedom of expression and thus by permitting the registration.”

101. In *Basic Trademark SA’s Trade Mark Application*, supra note 52, para. 23, the Board stated: “The fact that the determination which has to be made under section 3(3)(a) calls for the exercise of judgment in an area where there may well be room for more than one view does not, of itself, render the decision taking process arbitrary, nor does the fact that the determination depends on the decision taker’s assessment of the effect that use of the trade mark in question is liable to have upon other people.”

102. Vaver, *supra* note 11, at 483, argues that “[a] strict application of such vague tests would unreasonably restrict commercial expression.”

103. The Paris Convention refers to no mark being denied registration or being invalidated on these grounds. The TRIPS Agreement speaks only to the denial of registration. Canada’s approach seems to extend beyond its treaty obligations. Even if it is
Like the ECHR, Canada’s Charter of Rights and Freedoms also permits reasonable limits to be placed on rights so long as they are demonstrably justified in a free and democratic society.104

What emerges from the case law in this area is the rationalization that because trademark registration requires an expenditure of state resources, the state is justified in refusing to grant registration of offensive marks.105 This is also sometimes framed as a refusal by the state to endorse or sanction antisocial marks. This approach is buttressed by the general tendency not to restrict the use of offensive marks at common law—it is only the privilege of registration that is withheld. This distinction between use and registration is used, in the United States, to support the argument that there are no free speech implications because expression via the trademark is not outright prohibited. In Europe, the restriction on freedom of expression rights is recognized but is seen to be justifiable on public order grounds. Thus morality finds its place in trademark legislation. Nevertheless, the scope of this moral mission is relatively limited: the focus is on the sign that is sought to be registered, not on the goods or services, nor on the nature or character of the applicant.

B. Marks That Are Considered AntiSocial Because of the Goods/Services with which They Are Associated

In the discussion of scandalous, obscene, or immoral marks in Part IV.A, it is clear that the nature of the goods/services does sometimes factor into the analysis of the acceptability of the mark. This is almost inevitable in circumstances where what makes a mark offensive is the juxtaposition of a particular word or symbol with certain kinds of goods or services. Yet it is not ultimately a judgment on the goods/services, since a different mark for the same goods or services could well be registrable. In any event, the effect of denial of registration is never to bar the sale or delivery of goods or services—it is simply a rejection of the registration of the

accepted that the denial of registration does not compromise the freedom of expression, the denial of the right to adopt and use a trademark more generally seems draconian. This perhaps leaves the Canadian provision open to a challenge under the Canadian Charter of Rights and Freedoms, Part I of the Constitution Act, 1982, being Schedule B to the Canada Act 1982 (U.K.), 1982, c. 11 (“Canadian Charter”), although there has never been any legal process brought to challenge a decision of the Registrar to deny registration of a trademark on this basis. There is no case law in Canada involving an attempt to invalidate a trademark on the grounds that it was scandalous, obscene, or immoral at the time of registration.

104. Canadian Charter, supra note 103, § 1.

105. The distinction is less tenable when one considers that state resources may be called upon in the enforcement of common law rights in trademarks that are denied registration.
particular mark. In this part we are dealing with a context where no mark will serve: the problem is the goods or services.

The second category of antisocial marks consists of marks adopted and used in relation to products or services that are considered antisocial in some way. Thus, the mark on its face is not offensive; what is problematic is the product with which it is associated. This is a rather unusual category, since in most cases truly antisocial goods or services are themselves illegal. Here, instead of banning the product itself, the law targets the trademarks—and, by extension, the brand messages—that are used to attract consumers to these products and to build consumer loyalty. It is not the source identification function of trademarks that is considered problematic, but rather the ability of trademarks to convey powerful brand and lifestyle messages that draw consumers toward harmful products.

Trademark law itself does not pass judgment on the goods or services in association with which trademarks are used. This is left to other laws that may impose limitations on the sale of particular types of goods/services, or on their advertisement. Article 7 of the Paris Convention provides: “The nature of the goods to which a trademark is to be applied shall in no case form an obstacle to the registration of the mark.” This same principle is also found in Article 1708(5) of NAFTA. Yet in the cases discussed here, while the nature of the goods was not a barrier to registration of the marks; it has posed a barrier to the marks’ use.

The most obvious examples of laws that target trademarks for antisocial goods or services are those relating to tobacco products. I consider the examples of Australia and Canada, where laws have been enacted that specifically affect the rights of tobacco trademark owners to use their trademarks in certain contexts. In both cases, these restrictions have been challenged on (different) constitutional grounds. This category of antisocial

106. The offending mark can still be used as an unregistered trademark in relation to those goods or services.

107. Note that this has not always been the case. For example, Abdel-Khalik, supra note 53, at 190, notes that both the U.S. trademark laws of 1870 and 1881 prohibited the enforcement of trademarks used in an “unlawful business” or “upon any injurious article.” See also Schwender, supra note 22, at 228-29.

108. There are certainly many instances of laws or regulations that restrict the advertising of categories of goods or services to those above a certain age, or to certain times of day, or to certain locations, but these regulations tend not to be aimed specifically at trademarks (although they may indirectly affect the display of the trademark).

109. Paris Convention, supra note 28, art. 7.

110. Alberto Alemanno & Enrico Bonadio (Do You Mind My Smoking? Plain Packaging of Cigarettes Under the TRIPS Agreement, 10 J. Marshall Rev. Intell. Prop. L. 450, 454 (2011)) suggest that the fate of plain packaging laws may have implications for other industries that produce products that are hazardous to human health. Among the examples they provide are the alcohol, food, and confectionary industries.
marks is interesting, therefore, for what it reveals about the extent to which states can interfere with the use of existing, registered trademarks. It also highlights state interest in controlling the communicative function of trademarks. Rather than a superficial exclusion of words or images that may give offense, the restrictions discussed in this section tackle the function of trademarks in communicating brand and lifestyle messages. These are messages that have been carefully nurtured by their trademark holders. It is the power of trademarks to draw in customers that subjects them to regulation.111 Alemanno and Bonadio note that “plain packaging may jeopardize the function of trade marks as “conveyor of messages.””112

Tobacco trademarks are an interesting case study. It is now well-established that smoking tobacco puts smokers at severely increased risks of heart disease, cancer, and other ailments, and that smoking-related illnesses place a significant burden on publicly funded health care systems.113 It is not surprising, then, that various national governments, while falling short of actually banning the noxious and addictive product, have sought to place significant restrictions on how tobacco products are marketed with a view to reducing the overall consumption of tobacco. In fact, obligations on states to take such action flow from the World Health Organization’s Framework Convention on Tobacco Control (“FCTC”).114

Article 11 of the FCTC requires states to enact laws governing the packaging and labelling of tobacco products. Some states have also legislated to restrict the manner of marketing of tobacco products. Plain packaging laws, the enactment of which is recommended by the WHO’s Guidelines for Implementation of Article 11,115 aim to reduce the attractiveness of tobacco products in order to reduce consumption and deter the adoption of smoking behavior. These goals are to be achieved, in part, by dramatically reducing the presence of trademarks of all kinds on tobacco packaging, including names, logos, designs, and package configuration. Alemanno and Bonadio argue that such legislation reduces both the ability of trademarks to perform their source-identification function and their capacity to convey brand

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111. Id. at 457, note that the goal of plain packaging legislation is to make cigarettes unappealing. They write: “the brand image is often more important to today’s image-conscious public than the underlying product.”

112. Id. at 457.


114. Id. This convention has 176 signatories.

messages.\textsuperscript{116} Where such laws are enacted, trademark owners have fought back with legal challenges.

The discussion below first considers relatively mild restrictions on tobacco trademarks enacted in Canadian legislation, and the challenge to these restrictions on freedom of expression grounds. Next is examined the considerably more restrictive plain packaging legislation in Australia, which was unsuccessfully challenged on the basis that the law was an unconstitutional appropriation of the trademark owners’ property. The constitutional arguments are different in each case: Canada’s constitution does not guarantee property rights and Australia’s does not guarantee the freedom of expression. In each country the trademark owners used the tools available to them to challenge the laws. The result is that in each case the courts focused on very different characteristics of trademarks and trademark law.

\section*{1. Trademarks and Canada’s Tobacco Control Legislation}

In 1988, Canada’s federal government enacted legislation designed to limit the harm caused by consumption of tobacco through legislation which placed a number of restrictions on how tobacco products could be marketed. The Tobacco Products Control Act\textsuperscript{117} was challenged by tobacco companies, and the case ultimately made its way to the Supreme Court of Canada.\textsuperscript{118} Although the constitutional challenge was to the Act more broadly, one of the challenged provisions banned the use of tobacco trademarks on goods other than tobacco products (for example, on lighters, t-shirts, mugs or any other such items). In \textit{RJR-MacDonald Inc. v. Canada (Attorney General)},\textsuperscript{119} the government conceded that this provision violated the tobacco companies’ rights to freedom of expression; the central issue was whether the limits on free expression could be justified. The Supreme Court of Canada found that they could not be justified as a reasonable limit demonstrably justified in a free and democratic society,\textsuperscript{120} because no rational connection\textsuperscript{121} had been demonstrated between banning the use of tobacco trademarks on such goods and the goal of the

\textsuperscript{116} Alemanno & Bonadio, \textit{supra} note 110, at 456-457.

\textsuperscript{117} S.C. 1988, c. 20.

\textsuperscript{118} Bana and Olmedo argue that the result of this litigation ultimately derailed an action brought by the tobacco companies under the NAFTA accord. \textit{See} Anurag Bana & Javier Garcia Olmedo, \textit{Smoke in Signs: A trendsetting tussle between tobacco trademarks, treaties and public health policy}, Convergence 1 (2010).


\textsuperscript{120} Canadian Charter, \textit{supra} note 103, § 1.

legislation to reduce tobacco consumption. Other provisions of the law that restricted tobacco advertising and imposed mandatory unattributed health warnings on cigarette packages were also found to violate the freedom of expression and were not considered reasonable limits demonstrably justified in a free and democratic society.

Following the striking down of its tobacco legislation in *RJR MacDonald*, the Canadian government enacted a reworked statute in 1997 titled the *Tobacco Act*, and associated regulations, in an attempt to pursue the same public health goals while addressing the flaws in the previous legislation. The new statute was again challenged by the tobacco companies, and the matter once again went to the Supreme Court of Canada in *Canada (Attorney General) v. JTI-Macdonald Corp.* In the *Tobacco Act*, the government had abandoned its ban on the use of tobacco trademarks on non-tobacco related products. However, Section 25 of the new law prohibited the display of tobacco-related brand elements or corporate names in sponsorship activities, or on permanent facilities. In the words of the Supreme Court of Canada, “these sections mean that tobacco manufacturers are not permitted to use their brand elements or names to sponsor events, nor to put those brand elements or names on sports or cultural facilities.” Although this was found, once again, to amount to a violation of the freedom of expression of the tobacco trademark owners, the court found that this time the limitations were justifiable. It found that Section 25 was rationally connected to the legislative goal of harm reduction, and was minimally impairing. The court noted that the ban was not on sponsorship per se, rather, it was on “using the fact of their sponsorship to gain


123. Once again, this was because there was insufficient evidence supplied by the government as to why a total ban on advertising was necessary, and similarly it was not clear why the warning messages could not be attributed to the government.


127. Section 2 of the Tobacco Act, *supra* note 124, provides: “brand element’ includes a brand name, trade-mark, trade-name, distinguishing guise, logo, graphic arrangement, design or slogan that is reasonably associated with, or that evokes, a product, a service or a brand of product or service, but does not include a colour.”


129. Section 1 of the Canadian Charter, *supra* note 103, provides that the guaranteed rights and freedoms are “subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.” Shiner observes that for this litigation, the federal government amassed “huge stockpiles of reports and data” to support the link between the legislation and harm reduction. (Roger A. Shiner, Freedom of Commercial Expression 92-93 (2007)).
The court found that the ban on using corporate names (instead of banning just trademarks associated with tobacco products) was also justified, noting that “as restrictions on tobacco advertising tightened, manufacturers increasingly turned to sports and cultural sponsorship as a substitute form of lifestyle promotion.”

The court concluded: “The prohibition on sponsorship by means of names on facilities in Section 25 applies only to facilities used for sports or cultural activities, not for all facilities. The aim of curbing such promotion justifies imposing limits on free expression.”

2. Trademarks and Australian Anti-Tobacco Legislation

Canada’s Tobacco Act does not go nearly so far in restricting trademark use as does the next generation of tobacco control legislation: plain packaging legislation. Plain packaging legislation dramatically restricts the use of trademarks on the packaging of actual goods. Not only is the use of trademarks on packaging important for communicating trademark messages to consumers, but it is a cornerstone of the “use” of trademarks that is essential to their existence in law. Plain packaging legislation dictates the appearance of tobacco packaging; it governs the dimensions of such packages, their color and finish, and how trademarks are to appear on the packages. As a result, the use of trademarks, whether registered or unregistered, relating to the color, configuration, and finish of tobacco packaging is suppressed. Additional restrictions are placed on the use of company names and word trademarks on the packages.

Australia is among the first countries to have adopted plain packaging legislation. The Tobacco Plain Packaging Act (“TPP Act”) was enacted in 2011, and went much further than either of

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130. *JTI Macdonald*, 2007 SCC 30, [2007] 2 S.C.R. 610, para. 12. Presumably, then, the companies were free to sponsor events out of the goodness of their hearts; they were simply barred from publicizing their sponsorship.

131. *Id.* para. 126.

132. *Id.* para 126.

133. Tobacco Plain Packaging Regulations, Reg 2.1.1, Div. 2.2, and Div. 2.3.

134. For example, trademarks used on the packages are not permitted to obscure content required to be included on the packages (such as health warnings) and they may not appear more than once on any of the package surfaces (Tobacco Plain Packaging Act, 2011 (Cth), art. 21(2) (TPP Act)). There are tightly prescribed conditions regarding the placement and appearance of any such marks.

135. Bana & Olmedo, *supra* note 118, discuss similar legislation introduced in Uruguay. The Uruguayan legislation led to a dispute under a Bilateral Investment Treaty, where it was argued that the legislation effectively expropriated the intellectual property rights of the tobacco companies.

the statutes that were challenged in Canada. Recognizing the dramatic impact it might have on trademark rights, the TPP Act specifically addresses its relationship with trademarks legislation. In Section 28, for example, it provides that nothing in the TPP Act has “the effect that the use of a trade mark in relation to tobacco products would be contrary to law.” The law also provides that tobacco trademark owners will not lose their trademark rights for non-use of marks where that non-use was attributable to the legislation. The law further states that a mark is not unregistrable simply because it is a tobacco trademark.

Perhaps because Australia does not have a constitutional bill of rights, no freedom of expression arguments were made to challenge the TPP Act. Instead, the Act was challenged by tobacco companies on the basis that the ban on the use of tobacco trademarks amounted to “an acquisition of property otherwise than on just terms” contrary to Section 51(xxxi) of the Australian Constitution. The property at issue included registered and unregistered trademarks, as well as copyright and design rights and two patents.

According to the Australian High Court, to violate Section 51(xxxi) of the Australian Constitution, the challenged legislation would have to result in both the taking of property from the plaintiffs and the acquisition of that property by the government. On the issue of property, the court was unanimous: both registered and unregistered trademarks were a form of property. However, this was not a conventional form of property: the majority of the judges emphasized not only that the trademark rights depended on the owner meeting and maintaining the necessary conditions for existence of the right, but also that the rights were created to serve public policy goals that went beyond merely protecting the interests of trademark owners. The Chief Justice described trademark rights as “instrumental in character.” Thus, while trademark rights are still “property” rights for the purposes of Section 51(xxxi) of the Australian Constitution, it is not every limit

137. Id. § 28(3).
138. Id. § 28(3)(c).
139. An Act to constitute the Commonwealth of Australia [9th July 1900], (63 & 64 Victoria - Chapter 12), § 51(xxxi) confers on the Australian parliament jurisdiction over “[t]he acquisition of property on just terms from any State or person for any purpose in respect of which the Parliament has power to make laws.”
141. “Their existence is conditioned upon satisfaction of requirements for registration. They can cease to exist by operation of statutory mechanisms such as rectification, removal from the register, or failure to renew.” Id., per Chief Justice French, para. 31.
142. See, e.g., Chief Justice French, id., para. 35.
143. Id. para. 30.
on those property rights that would constitute an acquisition within the meaning of that section. According to Justice Gummow, trademark legislation

\[\ldots\text{does not confer a “statutory monopoly” in any crude sense. Rather, the legislation represents an accommodation between the interests of traders in the use of trade marks in developing the goodwill of their businesses and turning this to account by licensing arrangements, and the interests of consumers, in recognizing trade marks as a badge of origin of goods or services and avoiding deception or confusion as to that origin.}\]  

This dual purpose that informs trademark law means, according to Justice Gummow, that trademark registration does not “confer a liberty to use the trade mark, free from what may be restraints found in other statutes or in the general law.”\(^{145}\) The majority of judges characterized trademark rights as “negative rights.”\(^{146}\) The exclusive right to use a registered trademark conferred by trademark legislation is thus not a positive right to use this intangible property; rather, it is a negative right that allows the trademark owner simply to prevent others from using the property.\(^{147}\)

Although qualified, the court nevertheless accepted that there was a property right for the purposes of Section 51(xxxi) of the Australian Constitution. The judges then turned their attention to whether the two other requirements of that provision had been met. There must be both a “taking” of property from rights holders, and an acquisition of that property by the state.\(^{148}\) In this case, a majority of judges seemed to be of the view that there likely had been a taking. For example, according to Justice Gummow, the TPP Act essentially stripped the tobacco trademarks of much of

\[^{144}\text{Id. para. 68.}\]
\[^{145}\text{Id. para. 78.}\]
\[^{146}\text{Per Justice Crennan: “the exclusive right to use the mark is a negative right to exclude others from using it. A positive right to obtain registration on the satisfaction of certain conditions is “essentially ancillary” to the negative right,” id. para. 248. U.S. courts have also ruled that trademark rights are negative rights. See Anheuser-Busch Inc. v. Balducci Publ’ns, 28 F.3d 769, 777 (8th Cir. 1994). Article 16 of the TRIPS Agreement, which provides that “[t]he owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade” also seems to reinforce the negative rights status of trademarks.}\]
\[^{147}\text{The rights of a trademark owner “are the exclusive rights to use the trade mark and to authorise other persons to use the trade mark in relation to the goods and/or services in respect of which the trade mark is registered.” BAT v. Australia, [2012] HCA 43, para. 31.}\]
\[^{148}\text{Justice Gummow notes that in Australia, there must not just be a taking by the state, but also an acquisition: “[I]t is not enough that legislation adversely affects or terminates a pre-existing right than an owner enjoys in relation to his property; there must be an acquisition whereby the Commonwealth or another acquires an interest in property, however slight or insubstantial it may be.” Id. para. 118, citing from Tasmanian Dam case, 158 C.L.R. 1, 145 (1983).}\]
Nevertheless, the majority found no need to conclusively decide that there was a taking, as they found that there was no acquisition of property by the state.

The idea that there was no acquisition was expressed in a number of ways. Chief Justice French noted that there was no acquisition because the state had not “acquired any benefit of a proprietary character by reason of the operation of the TPP Act.” According to Justice Gummow, there was a difference between extinguishing property rights and acquiring them. He found that the TPP Act “does not yield a benefit or advantage to the Commonwealth which is proprietary in nature.” Justices Hayne and Bell were of the view that the ability to control through regulatory powers was not the same as the acquisition by the state of a property interest. Justice Crennan found that there was no acquisition because although the TPP Act prevented tobacco companies from using their marks on the packages, customers still asked for their cigarettes by brand name, and thus the trademarks not only still existed, they also retained goodwill. Further, the companies could still pursue anyone else who used their trademarks for trademark infringement. In his view, “the mere restriction on a right of property or even its extinction does not necessarily mean that a proprietary right has been acquired by another. The loss of trade or business does not spell acquisition.”

Alone in dissent, Justice Heydon found both a taking and an acquisition of the property of the trademark owners. On the issue of taking, he noted that while the trademark owners notionally retained their trademark registrations, the legislation “deprived

149. Rights “in substance, if not in form, [are] denuded of their value and thus of their utility by the imposition of the regime under the Packaging Act.” (Id. para. 138.) Thus, while the trademarks would continue to exist, “their value and utility for assignment and licensing is very substantially impaired.” (Id. para. 139).

150. Id. para. 42. Justice Gummow stated: “While the imposition of those controls may be said to constitute a taking in the sense that the plaintiffs’ enjoyment of their intellectual property rights and related rights is restricted, the corresponding imposition of controls on the packaging and presentation of tobacco products does not involve the accrual of a benefit of a proprietary character to the Commonwealth which would constitute an acquisition.” Id. para. 44.

151. Id. para. 100. He specifically rejected arguments that by restricting tobacco trademarks the state was realizing a benefit in terms of savings on health care spending. He noted that any such conclusion “would depend upon a complex interaction of regulatory, social and market forces.” Id. para. 147.

152. Id. para. 147.

153. Id. para. 183.

154. Of course, faced with the imposed restrictions, the goodwill that remained would likely be substantially diminished and in decline. He noted that the trademarks were still “capable of discharging the core function of a trademark—distinguishing the registered owner’s goods from those of another, thereby attracting and maintaining goodwill.” Id. para. 293.

155. Id. para. 356.
them of control of their property, and of the benefits of control. The TPP Act gave that control and the benefits of that control to the Commonwealth.

The state deprived the trademark owners of the “most valuable use” of their marks; namely to connect with customers at the point of purchase. He found that “[f]or all practical purposes, the proprietors had lost the right to assign or licence any trade marks, registered designs, patents, copyright and get-up protectable at common law that they owned.”

Justice Heydon also found that there had been an acquisition of property by the state. In his view, the space on the packaging of tobacco products was acquired by the Commonwealth for its own purposes. The legislation “gives new, related rights to the Commonwealth. One is the right to command how what survived of the intellectual property (“the brand, business or company name”) should be used. Another is the right to command how the surfaces of the proprietors’ chattels should be employed.” These rights of control acquired by the state are closely connected to IP rights; indeed, in Justice Heydon’s view, the space acquired by the Commonwealth on tobacco packaging on which it could place its own messages could not have been acquired without suppressing the intellectual property rights of the tobacco companies. In his view, if property is “a legally endorsed concentration of power over things and resources,” key elements in that concentration have been moved from the proprietors to the Commonwealth. Those elements are identifiable benefits or advantages relating to the ownership or use of property.

For Justice Heydon it was significant that the state had not outlawed tobacco—the product remained legal, but its manufacturers had lost the full use of their intellectual property. In his view, “the furtherance of the public interest is not a reason to deny just compensation to the property owner.”

Although Australia remains, for the time being, the only jurisdiction to have enacted plain packaging legislation, legislation of this kind is being considered in some European countries.

156. Id. para. 212.

157. Id. para. 214. Justice Heydon notes that: “prohibiting the use of the intellectual property on the cigarette packets, denies to the proprietors the use of the last valuable place on which their intellectual property could lawfully be used.” Id. para. 216.

158. Id. para. 216.

159. Id. para. 217.

160. Id. para. 218.


162. Id. para. 236.

163. Alemanno & Bonadio, supra note 110.
There also it has been suggested that the status of trademark rights as negative rights leaves them open to restrictions in the public interest.\textsuperscript{164} Bonadio suggests that as a result, the property rights guaranteed by the Charter of Fundamental Rights of the European Union\textsuperscript{165} and the European Convention on Human Rights (ECHR) would not help trademark owners because of the status of trademarks as negative rights.\textsuperscript{166} Interestingly, he does not consider whether the guarantee of freedom of expression in the ECHR would prevent plain packaging restrictions on tobacco trademarks. However, the Canadian experience may be instructive here, as, similar to the Canadian constitution, the ECHR permits limits to be placed on rights so long as they can be justified. Article 10(2) of the ECHR provides that the right to freedom of expression “may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals . . . .” As is seen in the discussion of scandalous marks, courts in Europe are prepared to accept limitations of trademark rights where there is a clear public interest. The reference to limitations for the goal of protecting health suggests that significant leeway may be given to legislatures in enacting plain packaging legislation.

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\textsuperscript{164} Enrico Bonadio, \textit{Plain packaging of tobacco products under EU intellectual property law}, 34 EIPR 599 (2012).
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\textsuperscript{165} 2000/C 364/01. The EU Charter provides for a right of property in Article 17, and paragraph 17(2) clarifies that this right includes intellectual property. However, the right carries with it its own limitations. It reads: “Everyone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions. No one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss. The use of property may be regulated by law in so far as is necessary for the general interest.”
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\textsuperscript{166} The First Protocol of the European Convention on Human Rights provides for a right to the peaceful enjoyment of one’s property. However, it states that “No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.” Further, the second paragraph states that this right to enjoyment of property “shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest . . . .” For a discussion of how trademark rights are considered property under this provision, see Burkhart Goebel, \textit{Trademarks as Fundamental Rights—Europe}, 99 TMR 931 (2009). The nature of IP rights as negative rights combined with public interest arguments in favor of strict regulation would suffice to save plain packaging legislations’ restrictions on trademark use. This is the view of Bonadio, supra note 164. For a contrary view, see Goebel, at 951. Note that the European Court of Justice has considered property rights arguments in an earlier case dealing with tobacco packaging and in both cases found the restrictions to not amount to an unjustifiable expropriation of the trademark owners’ property rights. \textit{See} The Queen and Secretary of State for Health, \textit{ex parte}: British Am. Tobacco (investments) Ltd. & Imperial Tobacco Ltd., Case C-491/01 (ECJ, Dec. 10, 2002), (regarding the requirement to print large warnings on packages thus limiting the space available to trademarks).
International treaties are diffident when it comes to restrictions on trademark use. For example, Article 17 of the TRIPS Agreement allows member states to “provide limited exceptions to the rights conferred by a trademark . . . provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.” Article 20 of the TRIPS Agreement states that “[t]he use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings . . . .” Yet at the same time, Article 19 of the TRIPS Agreement appears to recognize that government regulation may affect—sometimes dramatically—the ability of trademark owners to use the marks. In considering the impact of “use” requirements for the validity of trademarks, Article 19 provides that: “Circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other government requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use.” The implications of these provisions for plain packaging legislation are unclear.

3. Goods-Based Restrictions on Trademark Use

Anti-tobacco legislation remains an interesting case study on how trademarks associated with harmful—but not illegal—goods may fare. While the first category of antisocial marks discussed above addressed the superficial morality of trademarks (i.e., the offensiveness of the mark itself), this second category addresses the antisocial nature or effect of the brand messages conveyed by the trademarks when they persuade the public to consume products that are harmful to their health, the health of others, and the public purse. Thus, this form of regulation is aimed at the power of trademarks to induce consumers to consume. In these cases, legislation targets trademarks with the goal of restricting their ability to communicate their brand messages. With the rise of awareness of the danger to public health of other legal but noxious products—such as junk food, for example—it may be a model for future legislative restrictions on the use of trademarks and their powerful brand messages to attract and retain customers. As the Canadian and Australian experiences indicate, in spite of the

167. These terms are clearly open to interpretation, and the issues considered in this section may be ones that ultimately provoke challenges that will lead to interpretation. The scope of these articles in the face of plain packaging legislation for tobacco products is considered in: Alemanno & Bonadio, supra note 110.
legislative assault on the trademarks, the state’s recognized power to regulate trademarks in the public interest creates a powerful defense to claims that such measures violate constitutional guarantees of freedom of expression or property rights.

In the next part, the role of trademarks as conveyors of brand messages is considered in a somewhat different context where, in spite of the antisocial nature of the brand message, the state has chosen not to intervene. This next part also raises freedom of expression issues in relation to the willing embrace by individuals of these messages.

C. Trademarks with Antisocial Brand Messages

The final category of marks is small, but not less interesting as a consequence of its size. In this category fall trademarks whose brand message is itself antisocial, even if the words or symbols used are not inherently scandalous or immoral, and even if the goods or services for which they are registered are relatively innocuous. As will be seen, marks of this kind are often not caught at the point of registration, unless the antisocial brand message is evident from the mark itself. Further, once registered, there is no trademark law mechanism to expunge such marks. The marks and their messages are chiefly addressed in the criminal law context where, as it will be seen, the focus is elsewhere than on trademark law principles.

1. Public Order and Moral and Antisocial Brand Messages at the Point of Registration

The first category of trademarks considered above were ones composed of offensive words or images. Such trademarks can be refused registration on public order and morality grounds. However, it is also possible that words or images are on their face innocuous: only an understanding of the social or cultural context in which they are used would reveal that these marks are meant to convey a deliberately antisocial message. This raises the question of whether it is possible to deny registration to superficially innocuous marks that convey antisocial messages.

Arguably, the European concept of “public order and morality” has more depth to it than the Canadian or American threshold question for registrability that focuses on whether the mark is scandalous, immoral, or disparaging. In fact, the U.K. Registry Work Manual has been interpreted as suggesting “that marks which encourage or promote drugs, counterfeiting, pornography, criminal activity, and the like would be refused under the provisions of Section 3(3) as being contrary to public policy.”

168. Ghazilian’s Trade Mark Application, supra note 49, para. 24. It is not clear how far such an approach would be carried.
while addressing offensive words or images may be fairly straightforward, controlling antisocial brand messages is more challenging.

In some cases, the antisocial message can be distilled from the mark itself. For example, in *CDW Graphic Design Ltd’s Trade Mark Application*, the U.K. Trade Marks Registry (“Registry”) allowed an opposition to an application to register the mark www.standupifyouhatemanu.com for mugs, t-shirts, scarves, and other souvenir-type items. The “manu” referred to in the URL is the short form for the Manchester United football club. The U.K. Board accepted arguments that the use of the trademark would be “contrary to public policy or to accepted principles of morality.” In particular, the argument was that in the “social and cultural context of the United Kingdom, use of the applicant’s mark is liable to lead to, inter alia, criminal or other offensive behaviour.” The Board found that it was not necessary to find that the use of the mark itself would violate the law; rather, it was enough if the “use of the applicant’s mark in relation to the goods at issue would amount to a criminal act of incitement to violence.” The Board noted the connection in the United Kingdom between football and violent fan behavior, and observed that the goods for which the mark was to be registered “are of a sort typically used to carry images or messages.” Ultimately, he accepted arguments that the use of the mark would serve as a “badge of antagonism,” and that its use would be “liable to increase the incidence of football violence or of other offensive behaviour.” The mark was, as a result, denied registration on the basis that it was contrary to public policy.

In another case, the U.K. Trade Marks Registry also rejected an application for the marks INTER CITY FIRM and its acronym ICF as well as a symbol that had been historically used in the British railroad system. The Board accepted that although the marks were superficially innocuous, their use would incite violence in the form of football hooliganism. He noted that the name Inter City Firm had previously been used by a highly organized and notorious group of football hooligans. The Board referred to this type of trademark as “anti-social branding,” and found that such practices could be addressed by Section 3(3)(a) of the Trade Marks Act 1994, which allowed for the denial of registration to marks

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170. *Id.* para. 27.
171. *Id.* para. 28.
172. *Id.* para. 33.
173. *Id.* para. 39.
174. *Id.* para. 39.
that were contrary to public policy. In this case, the Board ruled that the display of the marks for which registration had been sought would be “potentially threatening to others and likely to cause alarm or distress.”176 It noted in particular that the use of the mark might provoke football violence, notwithstanding the fact that the actual ICF gang no longer existed. The Board wrote: “Football fans of today would be well aware of the violent connotations associated by the mark. The record of the gang is too current for the mark to be seen as a purely “retro” or nostalgic sign.”177

In both these examples in which marks were denied registration on public order grounds, their potential to incite others to violence could be distilled from the very words that made up the trademark, understood in their social and historical context.178 The situation is less clear when either the social and historical context is not evident to the examiner, or where the jurisprudence relating to a country’s “public order and morality” provisions does not seem to permit a deeper inquiry into brand messages. Nothing in the trademark examination procedure manuals of either Canada or the United States, for example, suggests that an inquiry would go beyond the scandalous or offensive nature of the words or images chosen, as understood by the general public.179

2. Post-Registration: Communication and the Antisocial Brand Message

In Canada and the United States, it is clear that the use of offensive words or designs can lead to denial of the registration of a trademark. However, the language of “immoral, deceptive or scandalous” or, in Canada, “scandalous, obscene or immoral” may not capture brand messages, as opposed to the trademark itself. Even if it did, it may be that the link to an antisocial brand message would have to be more directly a part of the mark. For example, an opposition to the mark ACAPULCO GOLD for suntan lotion on the ground that the words also referred to a type of marijuana produced in Mexico was ultimately unsuccessful because the goods for which registration of the mark was sought

176. Id. para. 12.
177. Id. para. 16.
178. Arguably the same could be said with respect to the attempt to register to the emblem of the former Soviet Union, discussed in Couture Tech, supra note 42.
179. See also Tracy Reilly, Marks of Mayhem & Murder: When a Few Bad “Mongols” Spoil the Bunch, Should the Government Seize a Motorcycle Association’s Registered Trademark?, 7 Buff. Intell. Prop. L.J. 1, 6 (2009-2010). Reilly suggests that marks that advocated illegal activity on their face would be unregistrable under Section 2(a) of the Lanham Act, but that where the issues relating to illegal activity are not evident on the face of the mark, Section 2(a) is unhelpful (id. at 24).
were innocuous.\footnote{In re Hepperle, 175 U.S.P.Q. 512 (T.T.A.B. 1972).} This reasoning suggests that the mark might have been refused for more borderline goods or services. In other words, where words used in the trademark are capable of multiple meanings—one of which may be antisocial—then the ambiguity may be resolved by considering the particular goods or services for which registration is sought.

The issue of trademarks with antisocial brand messages arises squarely in both Canada and the United States, where some outlaw motorcycle gangs have embraced trademark law as a vehicle for protecting their names and logos (patches).\footnote{Trademarks for outlaw motorcycle clubs are also registered in Australia.} As Reilly notes, protection of trademarks of outlaw motorcycle gangs “provides many benefits to these gangs and their members who use the marks in connection with illegal acts.”\footnote{Reilly, \textit{supra} note 179, at 6.} The Hells Angels Motorcycle Club (“HAMC”) for example, has a sophisticated trademark regime. Its distinctive marks are registered in a number of countries by a California-based company that itself does nothing more than licence the trademarks for use by its different chapters worldwide.\footnote{R. v. Hells Angels Motorcycle Club (HAMC), [2009] O.J. No. 3503, 246 CCC (3d) 559 (O.S.C.), paras. 3 & 11.} The insignia can only be worn or used by members of the HAMC.\footnote{R. v. Myles, 2012 ONSC 6772, para. 30.} The license agreements with the different chapters of the organization specifically provide that the marks are not to be used in association with criminal activity.\footnote{Id. para. 26. The court found that “there was a rule that members were not permitted to wear HAMC insignia when committing offences.”} Further, license agreements are also signed by individual members who specifically acknowledge that any chattels bearing the trademarks are the property of the trademark owner.\footnote{R. v. HAMC, [2009] O.J. No. 3503, 246 CCC (3d) 559 (O.S.C.), para. 11. \textit{See also} R. v. Ward, [2008], CarswellOnt 9690 (O.S.C.J.), para. 70.} While in Australia, Europe, and Canada the marks are registered for use in association with a variety of innocuous goods (such as clothing, mugs, badges, etc.), in the United States there is also a “collective membership” mark registration.\footnote{Reilly, \textit{supra} note 179, at 21. \textit{See also} Rivera v. Carter, 2009 U.S. Dist. LEXIS 131958, at 31-32 (C.D. Cal. 2009).}

Other motorcycle clubs also hold trademark registrations for their logos.\footnote{For a detailed discussion of these, see Reilly, \textit{supra} note 179. Some examples include MONGOLS and BANDIDOS in the United States and ROCK MACHINE in Canada.} In both the United States and Canada, issues involving these trademarks have arisen in criminal prosecutions, particularly in cases of racketeering, or gang-related offenses. This is in large part because, as Reilly notes, “Law enforcement officials...
and courts looking to strip owners of trademark rights based on illegal acts committed in conjunction with those rights cannot currently find recourse in any specific provision in the Lanham Act.”

The cachet that motorcycle clubs may still have in the public imagination has placed some clubs in the position of protecting their marks from infringing uses by others. For example, the HAMC has launched a number of claims against different defendants to protect its marks from use by others in the marketplace. At the same time, however, the brand messages communicated by these trademarks may be profoundly antisocial. Criminal courts in Canada have found this to be the case. For example, in *R. v. Hells Angels Motorcycle Club*, a judge ruled:

"The patch that is guarded so ferociously by the HAMC is not only used to intimidate, threaten and extort, it also acts as a brand name guaranteeing that when doing a drug deal with someone wearing the colours of the HAMC, you will not be cheated. Equally, the colours allow members to be confident that if someone is wearing the colours of the organization, they are not police." 

The same court also finds that rights in the name and logo—registered trademarks—may be enforced through violence: “[T]he Club has demonstrated that it is prepared to use violence to protect its deaths head logo and discourage anyone from holding..." 

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189. Reilly, *supra* note 179, at 24. The situation is not the same as it might be in the case of corporations that have engaged in illegal conduct. For example, a once-reputable financial company that is later found to have bilked its customers of their investments has engaged in criminal conduct, yet stripping it of its trademark registrations is unnecessary because the publicity surrounding the criminal activity will likely destroy any goodwill associated with the mark. This is different from a case in which the trademark has a brand message that is antisocial; the association of the mark with criminal activity does not harm—and may enhance—the brand.


193. *Id.* para. 20, citing para. 72 of the findings of the trial judge.
themselves out as a Hell’s Angel.” In another case, a judge stated:

Only a full member is entitled to use the name “Hells Angels” and to wear the logo (winged death head) and patch saying “Hells Angels” on the back of the vest. The HAMC have a copyright and trademark for their name and logo. The HAMC goes to great lengths to defend the logo and the name. If someone uses the logo or name without consent, they may receive a stern warning or a beating. These remedies are not among those typically available to trademark owners under trademark legislation. Reilly suggests that members of outlaw motorcycle gangs “proudly fly their colors for the specific purpose of publicly announcing their sexual and criminal exploits.”

In criminal prosecutions, trademark issues are sometimes raised, particularly where issues relate to the seizure and forfeiture of items bearing the organization’s trademarks. The Controlled Drugs and Substances Act in Canada provides for the forfeiture of offense-related property. There are several Canadian court cases, therefore, that address whether seized items bearing HAMC trademarks should be forfeited or should be returned to the licensor, the U.S.-based corporation. The licensor typically seeks return of the chattels on the basis that individual members sign licenses that confirm that it is the licensor that is the “owner of any article bearing the trademarked symbols.” In these cases one can see how the courts struggle with the nature and role of trademarks. For example, in R. v. Myles, the Court stated: “While membership in the Club was clearly ‘used’ to commit the offences, membership cannot be equated with the symbols of membership.” The court found that no single item of branded property was used “as an assurance of trustworthiness” and that those involved in the drug transactions knew each other “and had no need of such property as a sign of membership.” Of course, in Myles, the court had not found that the crimes committed were in association with a criminal organization. By contrast, in R. v. Hells Angels...
Angels Motorcycle Corporation,202 the judge ordered the forfeiture of seized property bearing HAMC trademarks because the convictions in that case were for criminal organization offenses and the court had found that the HAMC was a criminal organization.

Criminal courts do not easily connect the communicative functions of trademarks with criminal acts. Thus, in R. v. Sansalone, the judge found that “just because it can be said that the property is emblematic of the organization, it does not follow, in my respectful view, that in the words of s. 16 of the CDSA, the offence was committed ‘in relation to that property.’”203 In Myles, the court agreed, stating that “the reputation of the HAMC cannot be equated with the items of property bearing the insignia of the HAMC.”204 The forfeiture of branded chattels may be ordered where the charges are in relation to a criminal organization, and the items have been seized from the premises of the organization. However, where individuals are charged with crimes unrelated to criminal organizations, the link between branded chattels and the crime itself is not made.

What is interesting in the Canadian cases is that even when it is decided that chattels bearing the HAMC trademarks must be forfeited, there has yet to be a discussion of the status of the trademark registration itself. In other words, although Canadian courts have ruled that “Hells Angels chapters in Canada constitute a criminal organization,”205 and although these courts have found that violence and intimidation are used in the informal enforcement of trademark rights, and although they have found that the brand message communicated by the marks is antisocial, the validity of the trademark itself has never been called into question.

In the United States, the Racketeering in Corrupt Organizations (“RICO”) Act206 has been used to address crime carried out by outlaw motorcycle gangs. The RICO Act provides for the forfeiture of assets by offending organizations, and these assets specifically include both tangible and intangible property. Yet in Rivera v. Carter, the court overturned a decision that the Mongols Motorcycle Club’s trademark was forfeited on the ground that it was only individual members of the organization who were charged with crimes, and not the organization itself.207 The

structuring of the ownership of the mark being separate from the individual members of the organization has the result, in both Canada and the United States, of insulating the trademark itself from forfeiture in criminal and racketeering proceedings. Further, in *Rivera*, the court found that collective membership marks, such as the mark at issue, are used by group members to express identity, and therefore implicate First Amendment values. The court noted, “If speech is noncommercial in nature, it is entitled to full First Amendment protection, which prohibits the prior restraint and seizure of speech-related materials without a judicial determination that the speech is harmful, unprotected, or otherwise illegal.”\(^{208}\) As a result, the court ruled that the seizure of personal property bearing the targeted logos from individual members of the organization would violate their First Amendment rights. The court stated that “the collective membership mark acts as a symbol that communicates a person’s association with the Mongol Nation, and his or her support for their views.”\(^{209}\) It went on to observe, “Though the symbol may at times function as a mouthpiece for unlawful or violent behaviour, this is not sufficient to strip speech of its First Amendment protection.”\(^{210}\) In a similar vein, in one Canadian case, a member of the HAMC who wore his gang colors into a bar and who was arrested for having done so under the provincial Safer Communities and Neighbourhoods Act\(^{211}\) was able to argue successfully that the law violated his right to freedom of expression.\(^{212}\)

In the case of trademarks with antisocial brand messages, we see three separate issues emerge. The first relates to whether criminal organizations should be able to benefit from registered trademarks (even though typically these marks are registered in a way that keeps the owners at arm’s length from the outlaw organizations). Given that marks can be denied registration simply because they are vulgar or overly sexualized, it seems ironic that marks that carry the kinds of brand messages discussed above are somehow less offensive to public order and morality. Yet although trademark legislation contains mechanisms to bar the registration of superficially offensive marks, it does not—in Canada or the United States at least—address the brand messages communicated by the mark. The second issue arises when the

\(^{208}\) Id. at 33.

\(^{209}\) Id. at 34.

\(^{210}\) Id.

\(^{211}\) SS 204, C.S-01. This act made it an offense to wear gang colors in establishments licensed under the province’s Alcohol and Gaming Regulation Act, 1997, SS 1997, C.A-18.01.

\(^{212}\) R. v. Bitz, 2009 SKPC 138, [2010] 3 WWR 322. Gibbons, *supra* note 83, at 196 emphasizes that “Modern marks are the constituent building blocks of individual and group social identity and contribute to intra-group cohesiveness.” See also Tait, *supra* note 96 at 932, regarding trademarks and group identity.
offending trademarks are used by individuals in the commission of crime. In such cases, courts seem willing to order the forfeiture of any crime-related branded chattel; however, this is because the chattel itself can be linked to the crime. Even if the presence of the trademark on the chattel is important to this link between the chattel and the crime, the registration of the mark itself is not implicated. The third issue arises when the state attacks the wearing of gang-related insignia. Yet, as we see in both *Bitz* and *Rivera*, these restrictions can be construed as a limit on the right of individuals to express themselves, using whatever signs or symbols they choose. These limits are different in character from the limits imposed in the tobacco cases, as the expressive rights are noncommercial and individual rather than predominantly commercial in nature.

V. CONCLUSION

It is clear that registered trademarks are composed of negative rights that are conferred by the state. Trademarks are, without controversy, regularly denied registration if they are deceptive or if their use will lead to consumer confusion. A state may also decline to grant trademark registration on broader public order and morality grounds. Such refusals are often justified as the state declining to give its imprimatur to, or to expend its resources on, obviously offensive marks. While the denial of trademark registration on grounds of public order or morality may appear to limit the freedom of expression, in many countries this will be seen as a justifiable and proportional limit. In the United States, courts have found that the denial of registration does not limit expression because there is still the possibility of using the offensive word or image as an unregistered mark. Yet in spite of this fairly settled jurisprudence, there nonetheless appears to be some discomfort with the potentially arbitrary nature of refusals to register on public order or morality grounds.

It is clear as well from the tobacco trademark cases that the state has substantial leeway to restrict the communicative function of trademarks, where the marks are used to entice consumers to engage in harmful behaviors. It is not just the source identification function of these trademarks that may be targeted; such laws may also restrict the communication of brand messages relating to lifestyle or social status. In such cases, freedom of expression arguments by trademark owners—or arguments based on the taking of property rights—may be futile in the face of both the contingent nature of the rights and the overriding public protection vocation of trademark law. While with the first category of trademarks the marks are rejected because of their offensiveness on their face, in the second category, the marks are restrained because of the noxious nature of the products with
which they are associated. Yet in both cases significant limits are imposed with a substantial deference given to the public interest objectives of the state.

In the third category of trademarks, neither the marks themselves nor the goods or services in association with which they are used are offensive on the surface. What is problematic is the extent to which the marks have come to communicate a brand message that embraces violence and criminality. In this context, the public order or morality provisions in trademark law seem to have little or no application, and the more abstract link between the brand message and the antisocial behavior (as opposed to the mark and the goods) apparently makes it difficult for courts to address these antisocial messages as trademark issues. In the criminal law context, it is the tangible property bearing the marks that is seized, and the marks themselves seem immune to attack. In addition, the expressive and communicative functions of trademarks simmer beneath the surface, belonging not just to the owner of the trademark, but also to the broader public. In the case of some trademarks that express profoundly antisocial messages, freedom of expression arguments can be forcefully asserted by members of the public who seek to embrace the brand message by associating themselves with the antisocial trademarks and who resist any limit on this self-expression.

The result is somewhat paradoxical. While a trademark can be denied registration because it contains a naughty word, a mark that communicates a brand message about trustworthy dealing in illegal drugs is not denied registration, nor is the owner hindered in its ability to bring an action to enforce its trademark rights against others. The control over trademarks that is exercised by the state in other contexts is noticeably absent when it comes to addressing illegal or antisocial brand messages.

The paradox suggests that either the state should cease to engage in an assessment of the superficial morality of trademarks at the point of registration, or it should develop some mechanism whereby the validity of trademarks used to communicate profoundly antisocial brand messages can be challenged. If public order or morality are to be measures for entitlement to trademark rights, and if the public interest can justify substantial restrictions in other contexts, it would seem fitting that there be some mechanism to reach behind superficially neutral marks registered for innocuous items such as t-shirts, emblems, mugs, or posters, where the trademark is found to communicate an antisocial brand message. The current lack of consistency is as much a problem in the public order and morality assessments as it is in those contexts where antisocial marks are allowed to flourish.