

# The Trademark Reporter®



## The Law Journal of the International Trademark Association

Inconsistency and Confusion in the Judicial Treatment of Counterfeiting Claims  
*Jessica Bromall Sparkman and Rod S. Berman*

Public Policy and Morality in Trademark Examination in the European Union  
*Yann Basire and Stefan Martin*

*Book Review: Brand Protection and the Global Risk of Product Counterfeits:  
A Total Business Solution Approach.* Jeremy W. Wilson, ed.  
*Lesley McCall Grossberg*

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# The Trademark Reporter®

## INCONSISTENCY AND CONFUSION IN THE JUDICIAL TREATMENT OF COUNTERFEITING CLAIMS

*By Jessica Bromall Sparkman\* and Rod S. Berman\*\* \*\*\**

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## I. INTRODUCTION

Recovering meaningful monetary awards in Lanham Act cases is notoriously difficult, even where a likelihood of confusion is proven. Prior to 1984, it made little difference whether an accused mark was a “counterfeit” or merely some other “colorable imitation” of the infringed mark; the analysis of the claim of infringement, and the available (limited) remedies, were the same. In 1984, Congress enacted the Trademark Counterfeiting Act of 1984<sup>1</sup> (the “TCA”). It revised the Lanham Act to create special remedies for counterfeiting, among other things, imposing virtually mandatory awards of treble damages or profits and attorney’s fees in cases of infringement “involving” the intentional and knowing use of a “counterfeit mark.”<sup>2</sup> In 1996, Congress further revised the Lanham Act and provided for statutory damages in any case of infringement “involving” the use of a counterfeit mark.<sup>3</sup> Now, successful litigants in any case of infringement involving the use of a counterfeit mark can recover statutory damages of up to \$200,000 and can recover enhanced statutory damages of up to \$2,000,000 upon a showing that the use of the counterfeit mark was willful.<sup>4</sup> As a result of these amendments, a trademark owner’s prospects for obtaining monetary recovery would improve significantly if it could meet the statutory requirements for accessing these special remedies. So too would a trademark owner’s prospects for obtaining a favorable settlement.

But while the statutory language defining the requirements for accessing these remedies appears straightforward, the case law is confusing. The Lanham Act defines a “counterfeit” as “a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.”<sup>5</sup> It defines a “counterfeit mark” as a “counterfeit of a mark that is registered on the principal register . . . for such goods or services sold, offered for sale, or distributed [by the alleged infringer], and that is in use [by the trademark owner] . . . .”<sup>6</sup>

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<sup>1</sup> Pub. L. 98-473, title II, ch. XV (Sec. 1501 et seq.), 98 Stat. 2178.

<sup>2</sup> *Id.*, classified at 15 U.S.C. §§ 1116(d), 1117(b) (Supp. IV 1982).

<sup>3</sup> Anticounterfeiting Consumer Protection Act of 1996, Pub. L. 104-153, § 7, 110 Stat. 1388, classified at 15 U.S.C. § 1117(c) (Supp. 1997).

<sup>4</sup> Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. 110-403, 122 Stat. 4259 (increasing statutory damage amounts from \$100,000 and \$1,000,000 to current amounts).

<sup>5</sup> 15 U.S.C. § 1127 (2018).

<sup>6</sup> 15 U.S.C. §§ 1116(d)(1)(B)(i), 1117(b), (c).

We also note that 15 U.S.C. § 1116(d)(1)(B) also includes within the definition of “counterfeit mark” “a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this chapter are made available by reason of section 220506 of Title 36.” *Id.* Section 220506 of Title 36 of the U.S. Code provides the United States Olympic and Paralympic Committee the exclusive right to use certain words, names, and symbols relating to the Olympic Games. Indeed,

The special remedies for counterfeiting are available in cases “involving the use of a counterfeit mark.”<sup>7</sup>

There is no U.S. Supreme Court authority and little appellate authority interpreting the meaning of this statutory language or analyzing when the special remedies for counterfeiting are available.<sup>8</sup> District courts have taken various and inconsistent approaches, differing on numerous points, including the following questions. What should be compared in the analysis—the registered mark as it appears in the registration or the registered mark as it is used in the marketplace? Should (or must) the answer to that question differ depending on whether the registered mark is a standard character mark, a design mark, or a registered product design? Should (or must) the analysis be limited to the parties’ marks, or should it also consider the appearance of the parties’ respective products? Must the products themselves be identical for counterfeiting to have occurred?<sup>9</sup>

Despite the important role that claims of “counterfeiting” play in trademark enforcement, nearly forty years after passage of the TCA, no clear test has emerged for determining when the special remedies for counterfeiting are available. Courts—and, as a result,

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many of the relevant portions of the Lanham Act reference this section. For brevity and ease of reading, and because none of the relevant case law involves designations protected under this section, we have omitted such references.

- <sup>7</sup> See 15 U.S.C. § 1117(b) & (c). The mandatory trebling of damages and award of attorney fees is available in cases “involving use of a counterfeit mark” where the infringer intentionally used a mark knowing it was a counterfeit mark. The provision allowing for statutory damages does not require that the use be “intentional” or “knowing,” but does provide for enhanced awards of statutory damages where the use of the counterfeit mark was “willful.” *Id.*
- <sup>8</sup> *E.g.*, *Arcona, Inc. v. Pharmacy Beauty, LLC*, 976 F.3d 1074, 1079 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021) (recognizing that case law on claims involving counterfeit marks is thin); *Lontex Corp. v. Nike, Inc.*, 384 F. Supp. 3d 546, 555 (E.D. Pa. 2019) (“Neither party cites, nor is this Court aware of, any precedential judicial authority articulating the standard to determine whether a mark is a ‘counterfeit’ in violation of the Lanham Act.”); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 471 (S.D.N.Y. 2011), *aff’d sub nom. GMA Accessories, Inc. v. Elec. Wonderland, Inc.*, 558 F. App’x 116 (2d Cir. 2014) (recognizing that “there is a dearth of case law” exploring exactly what constitutes substantially indistinguishable.”).
- <sup>9</sup> While the TCA was pending in Congress, the topic of “counterfeiting” and the proposed legislation were the subjects of commentary in the trademark field. Before the legislation passed, one author had already noted areas of uncertainty, including the degree of similarity required to find “counterfeiting” and the degree of similarity required in the goods. See Guy M. Blynn, *The Proposed Trademark Counterfeiting Act of 1983: Not So Fast, Mister*, 73 TMR 547, 547-48 (1983). For example, in the case of a registered word mark, “is it enough that the ‘counterfeiter’ use the same word mark, or need the typestyle, design elements and coloration be taken as well?” *Id.* And, noting that goods can be described with “a broad range of specificity,” what does it mean for goods to be the “same”? *Id.* Must they be identical in appearance? Or is it enough that they perform the same function? Or simply that they be of the same types, e.g., both goods are women’s blouses? *Id.* These questions remain outstanding.

practitioners and litigants—are divided and confused as to what constitutes “counterfeiting.”

Consider the packaging below:<sup>10</sup>



Party A's Product



Party B's Product

Party A owns a standard character registration for the word mark STOMP ROCKET for “toys, namely, flying winged tubes and structural parts therefor.”<sup>11</sup> Party B is using the identical words—STOMP ROCKET—on its packaging for the same type of product (namely, a toy consisting of a flying winged tube).<sup>12</sup> Party B is using a mark that is identical to Party A’s registered mark, for the goods that appear in Party A’s registration, and for which Party A is using its registered mark. Party B’s conduct appears to satisfy all the statutory requirements for “counterfeiting”; but a court found otherwise.<sup>13</sup>

In the case involving the above products, the court entered summary judgment of infringement, finding that the parties’ marks were “identical” and that their packaging was “strikingly similar.”<sup>14</sup> Yet, the court denied summary judgment on the issue of counterfeiting, finding that a “reasonable factfinder could find that the marks, color patterns, and designs” on the parties’ respective packaging were “not identical or indistinguishable for purposes of

<sup>10</sup> See *JFJ Toys, Inc. v. Sears Holdings Corp.*, 237 F. Supp. 3d 311, 320 (D. Md. 2017).

<sup>11</sup> *Id.* at 319-20.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 340-41 (While acknowledging that the parties’ marks were “identical,” the district court nonetheless declined to find defendant’s mark a counterfeit mark at the summary judgment stage).

<sup>14</sup> *Id.* at 336.



proving” counterfeiting.<sup>15</sup> Other courts have reached similar conclusions, evaluating not only the similarity of the parties’ marks, but also the similarity in the appearance of the parties’ products and/or their packaging.<sup>16</sup>

This article reviews the special remedies for counterfeiting added to the Lanham Act in 1984 and 1996 and the current state of the case law relating to the availability of these remedies. A review of the existing case law indicates that a number of district courts are imposing requirements for accessing the special remedies for counterfeiting that, we argue, go beyond those clearly stated in the statute, for example, that the Lanham Act’s remedies for counterfeiting are available only in cases involving “stitch-for-stitch” copies of a trademark owner’s products.<sup>17</sup> In our view, interpreting the Lanham Act to include these additional requirements results in a narrower universe of “counterfeiting” cases than is dictated by the statute and, in turn, impermissibly limits the remedies available to trademark owners.

A similar phenomenon in statutory interpretation occurred regarding the question of when a defendant’s profits could be recovered as a remedy for trademark infringement. Circuits were split, with some holding that the Lanham Act permitted the recovery of a defendant’s profits only in cases of willful infringement. This interpretation also limited the remedies available to trademark owners. In a recent decision, the Supreme Court resolved this circuit split, rejecting an interpretation of the Lanham Act that required willfulness as a pre-requisite to the recovery of profits in Lanham Act cases and finding that the language of the Lanham Act provided no support for such a requirement.<sup>18</sup>

In this article, we begin by providing some background regarding the meaning of “counterfeiting,” including the relevant statutory language and characterizations applied by different courts. We then discuss the well-established analysis used in evaluating trademark infringement, as well as the nature of different types of trademark registrations. Based on that foundation, we evaluate various “counterfeiting” cases and consider the extent to which they are consistent with the statutory language.

We argue that the language of the Lanham Act does not support the imposition of additional requirements for accessing special remedies for counterfeiting, such as those additional requirements

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<sup>15</sup> *Id.* at 340-41.

<sup>16</sup> *See, e.g.*, Sections IV.C.2.b and c, *infra*, and cases cited therein.

<sup>17</sup> *E.g.*, *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 253 (S.D.N.Y. 2012).

<sup>18</sup> *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1494, 206 L. Ed. 2d 672 (2020) (the language of the Lanham Act “has *never* required a showing of willfulness to win a defendant’s profits.”).

reflected in the current case law, and that courts should be guided by the Supreme Court's recent decision in *Romag Fasteners* and should decline to impose such requirements. In particular, we argue that the statutory language does not support a requirement that the parties' products or their packaging be identical in appearance, only that the infringing mark be identical or indistinguishable from a registered mark and that the infringing mark must be used for goods or services that appear in the registration. We argue that in analyzing claims of counterfeiting, a court should first determine whether infringement has occurred; if it has, the court should then determine whether the infringing mark is a "counterfeit mark" by comparing the infringing mark to the mark depicted in the registration and evaluating whether the infringing mark is being used for goods or services that appear in the registration.<sup>19</sup> We argue that, while a court should be permitted to review evidence of the manner in which the registered mark is used, in cases where the registered mark is not registered product design or product packaging trade dress, courts should limit their analysis to a consideration of the parties' marks, rather than the appearance of the parties' respective goods or their packaging. And, finally, we argue that where the registered mark is a standard character mark, the court should not require that the alleged counterfeit mark share the same font, color, or style, or other design elements utilized by the registrant in the marketplace.

## II. WHAT IS "COUNTERFEITING"?

One fundamental issue in analyzing the Lanham Act's special remedies for counterfeiting is terminology.<sup>20</sup> The Lanham Act defines both "counterfeit" and "counterfeit mark," but it does not define "counterfeiting" or "counterfeit goods."<sup>21</sup> Yet courts and

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<sup>19</sup> See Section IV.C, *infra*.

<sup>20</sup> Even before passage of the TCA, commentators in the field noted "uncertainty as to definitional matters," including the distinction between counterfeit *marks* and counterfeit *goods*. See Guy M. Blynn, *The Proposed Trademark Counterfeiting Act of 1983: Not So Fast, Mister*, 73 TMR 547, 547-48 (1983).

<sup>21</sup> Query whether "counterfeiting" is a separate cause of action or merely a finding required to access specific categories of damages. See, e.g., *Lontex Corp. v. Nike, Inc.*, 384 F. Supp. 3d 546, 553 (E.D. Pa. 2019) (stating it is "not aware of any precedential judicial authority addressing whether counterfeiting is a separate claim from trademark infringement"). In the authors' view, the language and organization of the statute—which provides that in proven cases of infringement that involve the use of counterfeit marks certain additional remedies are available—suggests that it is the latter. See 15 U.S.C. §§ 1114(1)(a), 1116(d), 1117(b), (c), 1127. Moreover, as discussed below, courts have a propensity to state that knowledge, intent, or willfulness are elements of a "counterfeiting claim." Pleading "counterfeiting" as a finding required to access specific categories of damages rather than a separate claim may guide courts away from doing so.

commentators often use these terms; there is also a tendency to use the term “counterfeit” to refer to a product—sometimes an infringing product, sometimes a product bearing a counterfeit mark, and sometimes a knockoff or copy.<sup>22</sup> And, “counterfeit” is a common word with numerous definitions—fake, knockoff, copy, forgery, and so on. But, in the context of the Lanham Act, these other definitions must be set aside in favor of the definitions provided by the act.<sup>23</sup>

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Nonetheless, several cases purport to state the elements of a claim for “counterfeiting.” Many such cases identify the elements for such a claim as those required for recovery of treble damages and attorney fees under 15 U.S.C. § 1117(b), without acknowledging that different (and less stringent) requirements are imposed by 1117(c). Specifically, 15 U.S.C. § 1117(b) remedies are available only if it is shown that the defendant (1) intentionally uses a counterfeit mark, (2) knowing such mark to be counterfeit, (3) in connection with the sale, offering for sale, or distribution of goods or services.” However, 15 U.S.C. § 1117(c) provides for awards of statutory damages in *any* case “involving the use of a counterfeit mark . . . in connection with the sale, offering for sale, of distribution of goods or services.” 15 U.S.C. § 1117(c). The statute imposes no requirement that the use of the counterfeit mark be either willful or intentional to access the statutory damages provided for in 1117(c) but does allow for enhanced statutory damages in cases where the use of the counterfeit mark is proven to be “willful.” *Id.* Confusingly, in stating the elements of a “claim” for counterfeiting, many courts include willfulness or intent as an element of such a claim, without regard to the statutory section under which the plaintiff seeks relief. *See, e.g.,* State of Idaho Potato Comm’n v. G & T Terminal Packaging, Inc., 425 F.3d 708, 721 (9th Cir. 2005); Louis Vuitton Malletier & Oakley, Inc. v. Veit, 211 F. Supp. 2d 567, 580 (E.D. Pa. 2002), *amended* (June 28, 2002); Too, Inc. v. TJX Cos., Inc., 229 F. Supp. 2d 825, 837 (S.D. Ohio 2002); Cohen & Co., Ltd. v. Cohen & Co. Inc., No. CV 21-04442, 2022 WL 5250271, at \*2 (E.D. Pa. Oct. 6, 2022); Playboy Enters., Inc. v. Universal Tel-A-Talk, Inc., No. CIV. A. 96-6961, 1998 WL 767440, at \*7 (E.D. Pa. Nov. 3, 1998); JFJ Toys, Inc. v. Sears Holdings Corp., 237 F. Supp. 3d 311, 340 (D. Md. 2017).

<sup>22</sup> *See, e.g.,* Polo Fashions, Inc. v. Craftex, Inc., 816 F.2d 145, 148 (4th Cir. 1987) (referring to the defendant’s products as “counterfeit goods” although the case did not involve an allegation of counterfeiting); Gucci Am., Inc. v. Duty Free Apparel, Ltd., 286 F. Supp. 2d 284, 287 (S.D.N.Y. 2003) (“Thus, the Court need only determine the more fundamental question of whether there are items to be confused in the first place—that is, whether the items at issue here are, in fact, counterfeit and whether Defendants sold those items.”); Gucci Am., Inc. v. Guess?, Inc., 868 F. Supp. 2d 207, 253 (S.D.N.Y. 2012) (“courts have uniformly restricted trademark counterfeiting claims to those situations where entire products have been copied stitch-for-stitch”); Chloe SAS v. Sawabeh Info. Servs. Co., No. CV 11-04147 GAF MANX, 2014 WL 4402218, at \*4 (C.D. Cal. Sept. 5, 2014) (“Plaintiffs indicate that some offers to sell counterfeit goods, infringing 28 of the 75 alleged marks, were initially made prior to May 2008.”); Ent. One UK Ltd. v. 2012Shiliang, 384 F. Supp. 3d 941, 949 (N.D. Ill. 2019) (“[A] court presumes likelihood of confusion when a defendant has produced counterfeit goods in an attempt to capitalize on the popularity of another’s product.”).

<sup>23</sup> Other jurisdictions have also established their own statutory definitions for “counterfeit,” which differ both from the definition in the Lanham Act and from the common meaning of the term. It recently made headlines in the United States when Belgium customs officials destroyed more than 2,300 cans of Miller High Life beer that bore the beer’s tagline “The Champagne of Beers,” finding them to be counterfeit CHAMPAGNE sparkling wine. The event made headlines in the United States. *See* Emma Bubula, *Miller High Life Crushed by Fist of Champagne Police*, N.Y. Times, Apr. 24, 2023, <https://www.nytimes.com/2023/04/24/world/europe/belgium-miller-high-life-champagne.html>; Teresa Nowakowski, *European Officials Trash Thousands of Brews in Dispute Over “Champagne of Beers” Slogan*, Smithsonian Mag., Apr. 27, 2023,

Imprecise use of this terminology may account for some of the confusion in the existing case law. For clarity, for purposes of this article, we use the term “counterfeiting” to refer to the use of a counterfeit mark in a course of infringing conduct.

The Congressional sponsors of the TCA were sensitive to this issue of terminology. The sponsors submitted a Joint Statement on Trademark Counterfeiting Legislation to the Senate Judiciary Committee (the “Joint Statement”) for the purpose of confirming their “understanding . . . about the legislative history of” the TCA.<sup>24</sup> In the Joint Statement, the sponsors of the TCA noted that the “Senate bill was drafted to prohibit ‘trafficking in counterfeit goods or services,’ while the House bill barred ‘use of a counterfeit mark’ in connection with goods or services.”<sup>25</sup> The sponsors of the TCA noted that “the conduct regulated by the Lanham Act relates to ‘marks’ rather than ‘goods or services’” and stated that they “feared that it might create confusion to adopt the terminology of ‘counterfeit goods or service’ [as opposed to counterfeit marks] in a piecemeal fashion.”<sup>26</sup> The reconciled bill adopted the House’s language, referring to counterfeit *marks*, instead of the Senate’s language referring to counterfeit goods or services.<sup>27</sup>

Clearly not every case of trademark infringement is “counterfeiting”; somewhere there is a line delineating ordinary infringement from infringement that warrants special remedies. Finding that line is another fundamental issue with which courts struggle. The Congressional sponsors of the TCA stated their understanding that the TCA was “intended to reach only the most egregious forms of trademark infringement.”<sup>28</sup> Perhaps taking a cue from this language, *McCarthy on Trademarks and Unfair Competition* (“*McCarthy*”), the leading treatise on trademark law, states that “counterfeiting is ‘hard core’ or ‘first degree’ trademark infringement and is the most blatant and egregious form of ‘passing

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<https://www.smithsonianmag.com/smart-news/miller-high-life-champagne-of-beers-slogan-180982066/>.

CHAMPAGNE is a registered protected designation of origin in the European Union. Customs officials considered the Miller beer to be “counterfeit” CHAMPAGNE sparkling wine due to the presence of the tagline. *Id.* Miller beer bearing the tagline would not meet the Lanham Act’s definition of “counterfeit,” and it probably would not meet the commonly understood meaning of “counterfeit” either.

<sup>24</sup> 130 Cong. Rec. 31673, 31680 (1984).

<sup>25</sup> *Id.* This discussion appears in connection with discussion of the portion of the TCA that established 18 U.S.C. § 2320, providing for criminal liability for use of counterfeit mark but is equally applicable to the other portions of the TCA wherein Congress opted to refer to “counterfeit marks” instead of “counterfeit goods.”

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *E.g., id.* at 31676.

off.’”<sup>29</sup> But *McCarthy* cites neither the statute nor legislative history nor decisional authority in support of this characterization; instead, it relies on articles commenting on early drafts of what eventually became the TCA.<sup>30</sup> Given the dearth of decisional authority, and given *McCarthy*’s stature in the area of trademarks, it is not surprising that numerous courts have quoted *McCarthy* on this point, often for purposes of underscoring the severity of “counterfeiting.”<sup>31</sup>

In one such decision, *Gucci Am., Inc. v. Guess?, Inc.* (“*Gucci*”), the court, citing only *McCarthy*, stated that counterfeiting “is an aggravated form of trademark infringement ‘that seeks to trick the consumer into believing he or she is getting the genuine article . . .’”<sup>32</sup> The *Gucci* court went on to state, citing no authority at all, that “courts have uniformly restricted trademark counterfeiting claims to those situations where entire products have been copied stitch-for-stitch.”<sup>33</sup> Subsequently, at least two *McCarthy* sections on counterfeiting were revised to incorporate quotations from the *Gucci* court’s decision.<sup>34</sup>

This circular citation is problematic. It suggests that this approach to counterfeiting cases is well established, either in the statute or in the case law, which is not the case. Nonetheless, this characterization of counterfeiting, and both *McCarthy* and the *Gucci* decision, are widely cited.<sup>35</sup> Few decisions, however, note their lack

<sup>29</sup> J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 25:10 (5th ed. 2022) [hereinafter *McCarthy*].

<sup>30</sup> *Id.* (citing “analysis and background in Rakoff & Wolff, *Commercial Counterfeiting and the Proposed Trademark Counterfeiting Act*, 20 Am. Crim. L. Rev. 145 (1982) and in articles in counterfeiting symposium in 73 *Trademark Rep.* 459–60 (1983).”).

<sup>31</sup> *See, e.g., Gucci Am., Inc.*, 868 F. Supp. 2d at 242 (quoting McCarthy, *supra* note 29, § 25:10). *See also, e.g., Adams v. Grand Slam Club/Ovis*, No. 12-CV-2938-WJM-BNB, 2013 WL 1444335, at \*6 (D. Colo. Apr. 9, 2013); *Brainstorm Interactive, Inc. v. Sch. Specialty, Inc.*, No. 14-CV-50-WMC, 2014 WL 6893881, at \*16 (W.D. Wis. Dec. 5, 2014); *OTR Wheel Eng’g, Inc. v. W. Worldwide Servs., Inc.*, No. CV-14-085-LRS, 2015 WL 12911326, at \*3 (E.D. Wash. Nov. 30, 2015); *UL LLC v. Space Chariot Inc.*, 250 F. Supp. 3d 596, 607-08 (C.D. Cal. 2017).

<sup>32</sup> *Gucci Am., Inc.*, 868 F. Supp. 2d at 242 (quoting McCarthy, *supra* note 29, § 25:10).

<sup>33</sup> *Id.* And of course, this statement is not accurate; courts have found counterfeiting in cases involving something other than a “stitch-for-stitch” copy of a competitor’s product. *See, e.g., Ent. One UK Ltd.*, 384 F. Supp. 3d at 949 (use of PEPPA PIG in product name and listing was counterfeit of plaintiff’s registered PEPPA PIG word mark); *Chloe SAS*, No. CV 11-04147 GAF MANX, 2014 WL 4402218, at \*7 (using registered word mark in title of sale listing constitutes “counterfeiting”; no discussion of font, style, etc.); *see also* note 84, *infra*, and cases cited therein.

<sup>34</sup> *See McCarthy*, *supra* note 29, §§ 25:10, 25:15:50 (quoting *Gucci Am., Inc.*, 868 F. Supp. 2d at 242).

<sup>35</sup> *E.g., Arcona, Inc. v. Farmacy Beauty, LLC*, No. 217CV07058ODWJPR, 2019 WL 1260625, at \*2 (C.D. Cal. Mar. 19, 2019), *aff’d*, 976 F.3d 1074 (9th Cir. 2020); *Adams*, No. 12-CV-2938-WJM-BNB, 2013 WL 1444335, at \*6 (dismissing allegations of “counterfeiting,” where the plaintiff alleged that the accused mark consisted of the identical word as the registered mark, characterizing the allegations that the marks

of citation of either statutory language or decisional authority.<sup>36</sup> Indeed, *McCarthy* itself does not note the *Gucci* court's failure to cite any authority in support of its restrictive view.<sup>37</sup>

The Lanham Act defines infringement as use of a mark that is “likely to cause confusion, to cause mistake, or to deceive.”<sup>38</sup> A body of case law exists interpreting this language and defining what it means for a likelihood of confusion to exist. The Lanham Act allows recovery of attorney fees only in “exceptional cases.”<sup>39</sup> A body of case law exists interpreting this language and defining what it means for a case to be “exceptional.” Congress could have said that the special remedies for counterfeiting are available in “egregious cases.” And, if it had, it would be entirely appropriate for courts to interpret that language and define what it means for a case of infringement to be “egregious.” But that is not what the statute says.

Instead, Congress provided more precise criteria. First, a “counterfeit mark” is a mark that is (1) identical with or substantially indistinguishable from a registered mark that is in use and (2) used in connection with the same goods or services that

were identical as “conclusory” and noting that the plaintiff failed to plausibly plead that the two marks were “stitch-for-stitch copies”); *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, 469 F. Supp. 3d 4, 11 (D. Conn. 2020); *Bragg Live Food Prod., LLC v. Nat'l Fruit Prod. Co. et al.*, No. 2:22-CV-00584-SB-SK, 2022 WL 3574423, at \*3 (C.D. Cal. July 22, 2022); *Y.Y.G.M. SA v. Redbubble, Inc.*, No. 219-CV-04618 RGK JPR, 2021 WL 4816618, at \*2 (C.D. Cal. July 27, 2021) (granting judgment as a matter of law of no counterfeiting, following jury verdict of counterfeiting, because the defendant's products were not “stitch-for-stitch” copies; decision currently on appeal to the Ninth Circuit); *JFJ Toys, Inc. v. Sears Holdings Corp.*, 237 F. Supp. 3d 311, 340-41 (D. Md. 2017); *Cohen & Co., Ltd. v. Cohen & Co. Inc.*, No. CV 21-04442, 2022 WL 5250271, at \*2 (E.D. Pa. Oct. 6, 2022).

<sup>36</sup> *Atari Interactive, Inc. v. Teespring, Inc.*, No. 19-CV-00111-JST, 2022 WL 1601420, at \*2 (N.D. Cal. Mar. 9, 2022) (“[T]he *Gucci* court did not cite any authority to support that conclusion, nor has *Teespring* pointed to any. In addition, the previous paragraph in the *Gucci* court's decision focused on identity of the mark, not the product.”); *Louis Vuitton Malletier S.A. v. Sunny Merch. Corp.*, 97 F. Supp. 3d 485, 499 (S.D.N.Y. 2015) (“[E]ven assuming that the *Guess?* Court intended to hold that entire products must be counterfeit (which is far from clear), the Court provided no citation for that proposition, which runs counter to the plain text of the Lanham Act.”).

<sup>37</sup> See *McCarthy*, *supra* note 29, § 25:15:50 (quoting *Gucci Am., Inc.*, 868 F. Supp. 2d at 242). *McCarthy* also reiterates other district court holdings regarding counterfeit marks. For example, *McCarthy* states “[i]f an accused use is found to be a ‘counterfeit,’ . . . it automatically satisfies the confusing similarity test of traditional infringement analysis. If the accused use is so closely similar as to be counterfeit, then the traditional likelihood of confusion analysis is not necessary.” See *McCarthy*, *supra* note 29, § 25:15:50. While numerous district courts have stated the likelihood of confusion may be presumed if a counterfeit mark is used, there does not appear to be any explicit appellate support for imposing a blanket presumption. See notes 60–61, *infra*, and accompanying text. And, as discussed below, conflating the questions of infringement, on the one hand, and whether an otherwise infringing mark satisfies the statutory definition of a counterfeit, on the other hand, may lead courts to improperly broaden their counterfeit analysis. See notes 60–69, *infra*, and accompanying text.

<sup>38</sup> 15 U.S.C. § 1114.

<sup>39</sup> 15 U.S.C. § 1117(a).

are in the registration.<sup>40</sup> Second, special remedies are available in certain cases of infringement “involving the use of a counterfeit mark,” specifically: (1) absent extenuating circumstances courts must award treble damages and attorney fees in cases “involving use of a counterfeit mark” where the infringer intentionally used a mark knowing it to be a counterfeit mark; (2) statutory damages are available in any case of infringement involving a counterfeit mark; and (3) an enhanced award of statutory damages is available where the use of the counterfeit mark was “willful.”<sup>41</sup>

The narrow universe of cases in which some courts would allow these special remedies is not consistent with this statutory framework.<sup>42</sup> Nor is it supported by the Joint Statement, which plainly does not contemplate limiting the remedies to cases involving “stitch-for-stitch” copies. In finding the line delineating cases of counterfeiting from ordinary infringement, courts should focus on language of the statute and not the “egregiousness” of the infringement.

### III. THE TRADEMARK INFRINGEMENT ANALYSIS IS WELL DEVELOPED

The special remedies for counterfeiting provided in the Lanham Act apply in cases of violations of 15 U.S.C. § 1114(1)(a) “involving the use of a counterfeit mark.”<sup>43</sup> This provision of the Lanham Act prohibits the use of any “reproduction, counterfeit, copy, or colorable imitation of a registered mark” in a manner “likely to cause confusion . . .”;<sup>44</sup> such violations are generally referred to simply as “trademark infringement.”

Thus, infringement is a prerequisite for access to the special remedies for counterfeiting. For this reason, we believe a court’s first inquiry in an alleged counterfeiting case should be whether trademark infringement has occurred. Only if infringement has occurred is it relevant whether the infringing mark is a counterfeit mark or merely some other “colorable imitation.”<sup>45</sup>

The critical question in determining trademark infringement is whether the alleged infringer’s conduct has created a likelihood of confusion. There is a large and well-developed body of case law addressing this issue. Indeed, every federal circuit (save the D.C. Circuit) has developed its own multifactor test for evaluating

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<sup>40</sup> 15 U.S.C. § 1116(b)(1).

<sup>41</sup> 16 U.S.C. § 1117(b) & (c).

<sup>42</sup> 15 U.S.C. §§ 1116(d)(1)(B).

<sup>43</sup> 15 U.S.C. §§ 1116(d), 1117(b), (c).

<sup>44</sup> 15 U.S.C. § 1114(1)(1).

<sup>45</sup> A “colorable imitation” is “any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.” 15 U.S.C. § 1127.

likelihood of confusion and, as explained in the cases decided in those circuits, the degree of similarity of the parties' respective marks is a significant factor in each circuit's test.<sup>46</sup> Other important factors include the similarity of the parties' goods and channels of trade and the strength of the allegedly infringed mark.<sup>47</sup>

It is also helpful to consider the various types of trademarks that can be registered with the U.S. Patent and Trademark Office.<sup>48</sup> Trade dress, or the "total image and overall appearance" of a product, can be registered with the Trademark Office.<sup>49</sup> One example is the iconic Hermès BIRKIN bag:



U.S. Reg. No. 3936105

A registered mark may also be a stylized mark (i.e., a word or combination of letters and/or numbers that is displayed in a particular font size, style, and/or color), a design mark (i.e., a graphic or design element), or some combination of the two:

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<sup>46</sup> See *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 487 (1st Cir. 1981); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961), *cert. denied*, 368 U.S. 820, 82 S. Ct. 36 (1961); *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984); *Roto-Rooter Corp. v. O'Neal*, 513 F.2d 44, 45 (5th Cir. 1975); *Frisch's Rests. v. Elby's Big Boy*, 670 F.2d 642, 648 (6th Cir. 1982), *cert. denied*, 459 U.S. 916, 103 S. Ct. 231 (1982); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977), *cert. denied*, 434 U.S. 1070, 98 S. Ct. 1252 (1978); *SquirtCo. v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1089-90 (10th Cir. 1999); *Frehling Enters., Inc. v. Int'l Select Grp., Inc.*, 192 F.3d 1330, 1335 (11th Cir. 1999); *In re E. I. Du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973).

<sup>47</sup> See cases cited in note 46, *supra*.

<sup>48</sup> Hereinafter referred to simply as the "Trademark Office."

<sup>49</sup> See Trademark Manual of Examining Procedure § 1202.02 [hereinafter TMEP]; *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992).






(Stylized)

(Design)

(Combination)

U.S. Reg. No.  
4446100

U.S. Reg. No.  
5503124

U.S. Reg. No.  
6783025

Registrations for each type of mark shown above extend only to the marks as depicted in the registrations.<sup>50</sup> It is also possible, however, to register a “standard character” or “word” mark, the registration for which extends to the words (or combinations of letters and numbers) themselves without regard to any particular font style, size, color, or inclusion of graphic or design elements.<sup>51</sup>

Regardless of the type of mark, it is well settled that, for purposes of evaluating likelihood of confusion, the appropriate inquiry is whether a reasonable consumer would be confused by the defendant’s use. This question should be analyzed with reference to the way consumers encounter the parties’ respective marks in the marketplace.<sup>52</sup> This axiom is often understood as requiring the court to consider the appearance of the marks as they are actually used on products.<sup>53</sup> Thus, in an infringement action, the plaintiff must put forth evidence showing the manner in which its mark is actually used. This same principle is also a directive that, in considering such evidence, a court should not engage in a detailed side-by-side or point-by-point comparison of the parties’ marks.<sup>54</sup> The underlying

<sup>50</sup> 37 C.F.R. § 2.52(a) (2022); TMEP § 807 (“The drawing shows the mark sought to be registered.”).

<sup>51</sup> 37 C.F.R. § 2.52(a); TMEP § 807.03(i).

<sup>52</sup> See, e.g., Manual of Model Civil Jury Instructions for the District Courts of the Ninth Circuit, 15.18(3) (instructing the jury to consider whether the “overall impression created by the plaintiff’s trademark in the marketplace is similar to that created by the defendant’s trademark . . .”).

<sup>53</sup> See, e.g., *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1245 (9th Cir. 1984) (noting that although marks appeared “identical” in isolation, the manner of use removed potential for confusion).

<sup>54</sup> See, e.g., *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1187 (6th Cir. 1988) (court should not compare marks side-by-side, but “must determine, in the light of what occurs in the marketplace, whether” the accused mark, viewed alone, would cause confusion); *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 822 (9th Cir. 1980) (noting potential for

rationale is that, typically, products do not appear side-by-side in the marketplace and consumers in the marketplace will not have an opportunity to conduct that type of comparison.<sup>55</sup> Instead, consumers often retain only a “general impression” of a trademark, rather than a comprehensive recall of the mark’s various details.<sup>56</sup>

#### IV. THE “COUNTERFEITING” ANALYSIS IS NOT SIMILARLY WELL DEVELOPED

##### *A. What Comes First? The Counterfeit Analysis? Or the Likelihood of Confusion Analysis?*

As noted above, there is not a well-developed body of authority addressing the appropriate counterfeit analysis.<sup>57</sup> In fact, only a handful of appellate decisions address the methodology that should be used in evaluating whether an infringing mark is a “counterfeit” at all.<sup>58</sup> One preliminary issue involves the order in which the issue of likelihood of confusion and the question of whether a mark is counterfeit should be resolved.

We believe that a court should first analyze whether trademark infringement has occurred. If infringement is found, and if the plaintiff alleges that the case “involves” the use of a counterfeit mark, the court should *then* determine whether the infringing mark is a counterfeit.<sup>59</sup> After all, if there is no infringement, i.e., if there is no likelihood of confusion, then it is irrelevant if the accused mark is a counterfeit.

In many cases, however, courts consider *first* whether an accused mark is a counterfeit mark and then, having determined

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confusion among those “who carry even an imperfect recollection of [the plaintiff’s] mark and who observe [the defendant’s mark] after the point of sale” and stating that it “is axiomatic in trademark law that ‘side-by-side’ comparison is not the test”); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 941 (10th Cir. 1983) (quoting numerous cases and stating it “is axiomatic in trademark law that ‘side-by-side’ comparison is not the test” and instead that the “marks must be compared in the light of what occurs in the marketplace, not in the courtroom” because consumers do rely on their “mental picture” of trademarks); *Ty, Inc. v. Jones Grp., Inc.*, 237 F.3d 891, 898 (7th Cir. 2001) (quoting *Meridian Mut. Ins. Co. v. Meridian Ins. Grp., Inc.*, 128 F.3d 1111, 1115 (7th Cir. 1997)) (“When attempting to determine if two marks are similar, the comparison should be made ‘in light of what happens in the marketplace, [and] not merely by looking at the two marks side-by-side.’”).

<sup>55</sup> See, e.g., cases cited in note 54, *supra*.

<sup>56</sup> See, e.g., cases cited in note 54, *supra*.

<sup>57</sup> See note 8, *supra*.

<sup>58</sup> E.g., *Montres Rolex, S.A. v. Snyder*, 718 F.2d 532-33 (2d Cir. 1983); *United States v. Guerra*, 293 F.3d 1279, 1288 (11th Cir. 2002); *State of Idaho Potato Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 721 (9th Cir. 2005); *Kelly-Brown v. Winfrey*, 717 F.3d at 314-15 (2d Cir. 2013); *Sturgis Motorcycle Rally, Inc.*, 908 F.3d at 339-40 (8th Cir. 2018).

<sup>59</sup> 15 U.S.C. §§ 1116(d)(1)(B), 1117(b), (c), 1127 (2018).

that the mark is counterfeit, state that a likelihood of confusion is presumed in cases where the accused mark is counterfeit.<sup>60</sup> We first note that the appellate cases most often cited in support of such a presumption do not involve allegations of counterfeiting.<sup>61</sup> We

<sup>60</sup> See, e.g., *Gucci Am., Inc. v. Duty Free Apparel, Ltd.*, 286 F. Supp. 2d 284, 287 (S.D.N.Y. 2003) (“the Court need not undertake a factor-by-factor analysis under *Polaroid* because counterfeits, by their very nature, cause confusion”); *Phillip Morris USA Inc. v. Shalabi*, 352 F. Supp. 2d 1067, 1073 (C.D. Cal. 2004) (“in cases involving counterfeit marks, it is unnecessary to perform the step-by-step examination . . . because counterfeit marks are inherently confusing”); *Yurman Studio, Inc. v. Castaneda*, 591 F. Supp. 2d 471, 498 (S.D.N.Y. 2008) (“plaintiffs argue that defendants have used counterfeit marks, making a traditional likelihood of confusion analysis unnecessary. Courts agree that use of a counterfeit mark . . . will ‘by [its] very nature, cause confusion.’ ”); *Microsoft Corp. v. AGA Sols., Inc.*, 589 F. Supp. 2d 195, 202 (E.D.N.Y. 2008), *on reconsideration in part*, No. 05 CV 5796 (DRH) (MLO), 2009 WL 1033784 (E.D.N.Y. Apr. 17, 2009) (“Said use was likely to cause confusion because ‘counterfeits, by their very nature cause confusion.’ ”); *Chanel, Inc. v. Veronique Idea Corp.*, 795 F. Supp. 2d 262, 267 (S.D.N.Y. 2011) (“[T]he Court need not undertake a step-by-step analysis . . . because counterfeits, by their very nature, cause confusion.”); *Ford Motor Co. v. Heritage Mgmt. Grp., Inc.*, 911 F. Supp. 2d 616, 622 (E.D. Tenn. 2012) (“likelihood of confusion is presumed” because defendants admitted making counterfeits); *Coach, Inc. v. Zhen Weng*, No. 13 CIV. 445, 2014 WL 2604032, at \*13 (S.D.N.Y. June 9, 2014) (“[T]he Court need not perform the factual analysis required by *Polaroid* when counterfeit marks are involved since counterfeit marks are inherently confusing.”); *Bulgari, S.P.A. v. Zou Xiaohong*, No. 15-CV-05148, 2015 WL 6083202, at \*2 (N.D. Ill. Oct. 15, 2015) (“counterfeit goods . . . are presumed to create a likelihood of confusion”); *BMW of N. Am., LLC v. Arion Euthenia, LLC*, No. CV174969FMOJEMX, 2018 WL 1407036, at \*2 (C.D. Cal. Jan. 23, 2018) (same); *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp. 3d 1000, 1032 (E.D. Wis. 2018) (“Counterfeiting creates a presumption of a likelihood of confusion.”); *Daimler AG v. A-Z Wheels LLC*, 334 F. Supp. 3d 1087, 1096 (S.D. Cal. 2018) (“the counterfeiting of another’s trademark establishes a presumption of a likelihood of confusion”); *Juul Labs, Inc. v. Unincorporated Associations Identified in Schedule a*, No. 1:18-CV-1063, 2018 WL 4473586, at \*1 (E.D. Va. Sept. 18, 2018) (“there is a presumption of likelihood of confusion where a party sells counterfeit goods”); *Ent. One UK Ltd. v. 2012Shiliang*, 384 F. Supp. 3d 941, 949 (N.D. Ill. 2019) (“ a court presumes likelihood of confusion when a defendant has produced counterfeit goods in an attempt to capitalize on the popularity of another’s product”); *Volvo Car Corp. v. Unincorporated Associations Identified in Schedule A*, No. 1:19-CV-974, 2019 WL 7817081, at \*1 (E.D. Va. Sept. 3, 2019) (“there is a presumption of likelihood of confusion where a party sells counterfeit goods”); *Cisco Sys., Inc. v. Shenzhen Usource Tech. Co.*, No. 5:20-CV-04773-EJD, 2020 WL 5199434, at \*7 (N.D. Cal. Aug. 17, 2020) (“courts in this district and around the Ninth Circuit hold that in cases involving counterfeiting, ‘it is unnecessary to perform the eight-factor evaluation because counterfeit marks are inherently confusing’”).

<sup>61</sup> See *Polo Fashions, Inc. v. Craftex, Inc.*, 816 F.2d 145, 148 (4th Cir. 1987) (in a case in which the question of whether a counterfeit mark was used was not before the court, stating that where “one produces counterfeit goods in an apparent attempt to capitalize upon the popularity of, and demand for, another’s product, there is a presumption of a likelihood of confusion”); *Brookfield Commc’ns, Inc. v. W. Coast Enter. Corp.*, 174 F.3d 1036, 1056 (9th Cir. 1999) (noting, in infringement case where counterfeiting was not at issue, that “likelihood of confusion would follow as a matter of course” if identical marks were used with identical products or services). See also *Microsoft Corp. v. Rechanik*, 249 F. App’x 476, 479 (7th Cir. 2007) (in a case in which the question of whether a counterfeit mark was used was not before the court, citing *Polo Fashions, Inc.* for the proposition that: “Where . . . one produces counterfeit goods in an apparent attempt to capitalize upon the popularity of, and demand for, another’s product, there is a presumption of a likelihood of confusion.”); *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936, 945-46 (9th Cir. 2011) (approving jury instruction that likelihood of confusion

understand why it might be tempting to avoid the multifactorial and often lengthy likelihood of confusion analysis. And we will concede that, in cases where the infringer has created a “stitch-for-stitch” copy of a trademark owner’s products, an abbreviated likelihood of confusion analysis, or perhaps even a presumption of confusion, may be appropriate. The issue with a blanket presumption of confusion in all cases involving counterfeit marks, however, is that not all such cases involve “stitch-for-stitch” copies; instead, as discussed above, this restrictive interpretation of a “counterfeit” lacks both statutory and appellate support.<sup>62</sup>

In fact, one can easily conceive of a case involving a mark that meets the statutory definition of a “counterfeit mark” in which confusion is *unlikely*. For example, in *Arcona, Inc. v. Pharmacy Beauty, LLC*,<sup>63</sup> both parties used the identical mark EYE DEW as the name for an eye cream in their respective lines of skin care products.<sup>64</sup> The alleged infringing mark appeared to meet the statutory definition of a “counterfeit mark”; it was identical to the registered word mark, EYE DEW, and was being used in connection with goods in the plaintiff’s registration for EYE DEW.<sup>65</sup> But, the packaging of the parties’ products differed significantly, and each party’s house mark appeared prominently on their respective products.<sup>66</sup>

Rather than focusing on the question of whether the mark was counterfeit, the Ninth Circuit first analyzed whether a likelihood of confusion existed.<sup>67</sup> Finding no likelihood of confusion, the court did not reach the question of whether the mark at issue was a counterfeit.<sup>68</sup> We recommend this approach. Had the Ninth Circuit first considered whether the accused mark was counterfeit, it might have been tempted to get to the “right” result by considering in its counterfeiting analysis factors properly considered as part of the broader likelihood of confusion analysis, such as differences in the

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is presumed “when intent to cause confusion is coupled with the use of a counterfeit mark or a mark virtually identical to a previously registered mark” in a case involving the sale of knockoff Louis Vuitton products).

<sup>62</sup> See notes 29–42, *supra*, and accompanying text.

<sup>63</sup> 976 F.3d 1074 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021) (finding that although the marks were identical and the products were of the same type, significant differences in packaging and prominent uses of the parties’ respective house marks rendered confusion unlikely as a matter of law and declining to reach question of whether the mark was counterfeit).

<sup>64</sup> *Id.* at 1080-81.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

appearance of the parties' products and packaging. Indeed, some courts have done just this.<sup>69</sup>

### ***B. The Counterfeit Analysis Should Be Limited to the Mark As Registered***

Beyond the threshold question of the appropriate order of a courts' analysis, the most pressing questions appear to be what should courts be comparing in conducting their counterfeit analysis—the mark as it appears in the registration or as it is used in the marketplace? And, should courts' analysis be limited to the marks themselves? Or should it include a comparison of the appearance of the parties' respective products?

In the case of stylized and design marks, it is fairly clear that to be “identical with or substantially indistinguishable from” the registered mark, the infringing mark must consist of the same word *and* utilize the same stylization and/or design elements present in the registration.<sup>70</sup> In such cases, existing appellate authority appears to permit, *but not require*, the court to consider the plaintiff's mark as it appears on the plaintiff's products.<sup>71</sup> The Second Circuit decision in *Montres Rolex, S.A. v. Snyder* is often cited as requiring that the registered mark be examined as it is used on the registrant's products.<sup>72</sup> The Second Circuit, however,

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<sup>69</sup> See, e.g., *Associated Gen. Contractors of Am. v. Stokes*, No. 1:11-CV-795 GBL/TRJ, 2013 WL 1155512, at \*1 (E.D. Va. Mar. 19, 2013) (considering, as part of counterfeit analysis, the entire appearance of an advertisement in which the mark appeared and whether consumers were actually confused). See also Sections IV.B and C, and cases discussed therein.

<sup>70</sup> See *Kelly-Brown v. Winfrey*, 717 F.3d at 314-15 (comparing the defendants' use to the plaintiff's registered mark in a case where the registered mark was a stylized logo); *Sturgis Motorcycle Rally, Inc.*, 908 F.3d at 339-40 (8th Cir. 2018) (comparing the defendant's mark to the plaintiff's registered design mark).

<sup>71</sup> See *Montres Rolex, S.A. v. Snyder*, 718 F.2d 532-33 (2d Cir. 1983) (finding, in a case involving a design mark, that U.S. Customs should have reviewed the actual usages supplied by Rolex, but allowing that if a party failed to provide evidence of actual use the question could be resolved by reference to the registration alone); *Kelly-Brown*, 717 F.3d at 314-15 (comparing defendants' usages to plaintiff's registration); *Sturgis Motorcycle Rally, Inc.*, 908 F.3d at 339-40 (comparing the defendant's use to the plaintiff's registered design mark); *United States v. Guerra*, 293 F.3d 1279, 1288 (11th Cir. 2002) (in case arising under 18 U.S.C. § 2320, which was also added by the TCA and uses language that parallels that used in the Lanham Act, finding that it was not required to “determine indistinguishability based on the marks as affixed to the actual goods” and that comparing design marks as shown in registrations to marks appearing on the infringing products provided “a valid basis for comparison” in determining whether mark was counterfeit).

<sup>72</sup> See, e.g., *Pepe (U.K.) Ltd. v. Ocean View Factory Outlet Corp.*, 770 F. Supp. 754, 759 (D.P.R. 1991) (citing *Montres* to support relying on appearance of marks as used on products); *Colgate-Palmolive Co. v. J.M.D. All-Star Imp. & Exp. Inc.*, 486 F. Supp. 2d 286, 289 (S.D.N.Y. 2007) (citing *Montres* and stating “[t]he Second Circuit has stated that an allegedly counterfeit mark must be compared with the registered mark as it

explicitly noted that if evidence of such use is not available, the analysis can be conducted with reference to the mark as shown in the registration.<sup>73</sup> Other courts also appear to have concluded that it is sufficient to rely upon the depiction of a design mark in the registration.<sup>74</sup>

In contrast to a registration for stylized or design marks, registrations for “standard character” marks, also referred to as “word marks,” are not limited to any particular stylization.<sup>75</sup> Standard character marks are depicted in registrations in black and white and in plain font.<sup>76</sup> The Second Circuit observed in *Montres Rolex, S.A. v. Snyder* that one does not expect significant deviations between a mark depicted in a stylized or design mark registration and the mark as actually used.<sup>77</sup> In the case of registered word marks, the “deviations” between the mark as depicted in the registration and the mark as used are more likely to be significant; a registered word mark is often used in the marketplace in various formats, including, both highly stylized and plain text variations.

No appellate court appears yet to have addressed whether, in cases involving registered word marks, the counterfeit analysis should be limited to the similarity of the words alone, or whether it should extend to stylistic or design elements that may accompany the mark as it is used in marketplace. At least two district courts have recognized the significance of standard character designations.<sup>78</sup> In one such case, the court erroneously believed that the registered mark involved was not a standard character mark and, for this reason, stated that the particular presentation of the mark “must be a component of pleading identity or indistinguishability between the” parties’ marks.<sup>79</sup> In another case, the district court stated that, “[t]o establish counterfeiting in the case of a [standard character] mark, it cannot be enough that one

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appears on actual merchandise to an average purchaser.”); *Waiter.com, Inc. v. Waitr, Inc.*, No. 2:16-CV-01041, 2016 WL 7443656, at \*4 (W.D. La. Dec. 22, 2016) (same).

<sup>73</sup> *Montres*, 718 F. 2d at 532-33.

<sup>74</sup> See note 84, *infra*.

<sup>75</sup> 37 C.F.R. § 2.52(a) (2022); TMEP § 807.03(a).

<sup>76</sup> TMEP at § 807.03(a).

<sup>77</sup> *Montres*, 718 F.2d at 532.

<sup>78</sup> See *Adams v. Grand Slam Club/Ovis*, No. 12-CV-2938-WJM-BNB, 2013 WL 1444335, at \*6 & n.2 (D. Colo. Apr. 9, 2013) (“However, the Court notes that Plaintiff’s mark was *not* a registered “standard character” mark, which “registrations make no claim to any particular font style, color, or size of display and, thus, are not limited to any particular presentation.”); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 472 (S.D.N.Y. 2011), *aff’d sub nom.* *GMA Accessories, Inc. v. Elec. Wonderland, Inc.*, 558 F. App’x 116 (2d Cir. 2014).

<sup>79</sup> See *Adams*, 2013 WL 1444335, at \*6 & n.2. In fact, the plaintiff’s registration was a “typed drawing” registration. See U.S. Reg. No. 1798409. “Prior to November 2, 2003, ‘standard character’ drawings were known as ‘typed’ drawings. . . . A typed drawing is the legal equivalent of a standard character drawing.” TMEP § 807.03(i).

word used in the allegedly offending mark is the same, with no reference to font, color, typeface, or context.”<sup>80</sup> There, the registered word mark was CHARLOTTE and the accused mark was CHARLOTTE SOLNICKI.<sup>81</sup> These decisions are not helpful.

One might argue that due to the “deviations” between the mark appearing in the registration and the mark as used in the marketplace, an analysis of whether an infringing mark is a counterfeit of a word mark *must* be limited to the manner in which the mark is used in the marketplace. An examination of the text of the Lanham Act and the Trademark Office rules suggests, however, that a court should *not* rely on differences in the stylistic or design elements with which a registered standard mark and an accused mark are displayed in the marketplace to find that the accused mark is not a “counterfeit.” The statute defines a “counterfeit” as a mark that is “identical with, or substantially indistinguishable from, a registered *mark*.”<sup>82</sup> And, a standard character mark registration is not limited to any particular font or stylization; instead, standard character registrations are allowed only where the *word itself* is the “essence” of the mark.<sup>83</sup>

Thus, any stylization or design elements that may accompany the mark when it is used in the marketplace are not part of the registered mark. It follows that such stylization and design elements should not be considered as part of the counterfeit analysis. Moreover, as a matter of policy, an infringer utilizing an identical (or substantially indistinguishable) word mark and using it in connection with the registered goods, should not be able to avoid the special remedies for counterfeiting simply by adopting different stylistic elements. Consistent with this analysis, a few courts have found an infringing mark to be counterfeit without considering—or at least without discussing—the manner in which the marks are displayed, apparently concluding that it is sufficient that the words themselves are identical.<sup>84</sup>

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<sup>80</sup> *GMA Accessories, Inc.*, 765 F. Supp. 2d at 472.

<sup>81</sup> *Id.* at 467-68. The court also complained that the complaint included “no allegation that the products upon which the allegedly counterfeit mark was used were similar in any way to” the plaintiff’s products. *Id.* at 472. As discussed herein, such a requirement is also inconsistent with the Lanham Act. See Section II, *supra* and Section IV.C.2.b. and *c.*, *infra*.

<sup>82</sup> 15 U.S.C. § 1127 (2018).

<sup>83</sup> TMPEP § 807.04(b). Standard character marks allowed where the word itself “creates a distinct commercial impression apart from any stylization or design element appearing on the specimen” the “mark remains the same in essence and is recognizable regardless of the form or manner of display). In fact, if the Trademark Office concludes, based on the specimen of use submitted, that “the mark includes an essential element or feature that cannot be produced by the use of standard characters” the standard character claim will be rejected. *Id.*

<sup>84</sup> See *Ray Padula Holdings, LLC, v. Walmart Marketplace Vendor No. 10001029424*, No. 20 CIV 4718 (VB), 2021 WL 2581648, at \*3, \*6 (S.D.N.Y. May 18, 2021), *report and recommendation adopted* 2021 WL 2581538 (S.D.N.Y. June 23, 2021) (RAYPADULA

***C. Courts Should Not Require That Parties' Products  
Be Substantially Indistinguishable to Find That  
a Mark Is Counterfeit***

The role that the appearance of the parties' *products* should play in determining whether special remedies for infringement are available is similarly unsettled in the courts. Again, the proper answer to this question likely varies based on the nature of the trademark at issue. In the case of registered product design trade dress, for example, the Hermès bag shown above, the registered mark *is* the appearance of the product. In such cases, a court may wrestle with how to resolve "deviations" between the product itself and the product as depicted in the trademark registration. In such cases, considering the appearance of the products themselves is likely to assist courts in envisioning how the mark in the registration, which is necessarily two-dimensional, translates into three-dimensions, which, in turn, is likely to assist courts in evaluating whether the infringing mark is identical to or substantially indistinguishable from the registered mark. The same logic does not hold, however, in the case of other types of registered marks.

The reason the logic does not hold is that neither the statutory language nor the legislative history suggests that the appearance of the parties' products or their packaging is relevant to the counterfeit analysis. The statute defines "counterfeit" as a "spurious *mark* that is identical with, or substantially indistinguishable from, a registered *mark*."<sup>85</sup> The statute requires that, to be a "counterfeit mark," an infringing mark must be used in connection with the goods or services in the registration.<sup>86</sup> But the statute does not mention the *appearance* of the parties' *products* (or their packaging) at all. Nonetheless, some courts have suggested—even required—

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used in item title in online listings was a counterfeit of the registered word mark RAY PADULA without discussion of manner of display of parties' marks); *Jake's Fireworks, Inc. v. Sky Thunder, LLC*, No. 16-CV-2475-JAR-GLR, 2016 WL 7210709, at \*3 (D. Kan. Dec. 13, 2016) (court considered whether word mark X-CALIBUR was substantially indistinguishable from word mark EXCALIBUR, without discussion of font or color or manner of display); *Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co.*, No. 12 CIV. 1416 GBD RLE, 2015 WL 4468083, at \*2 (S.D.N.Y. July 8, 2015) (court refused to reconsider question of whether mark was counterfeit in light of parties' earlier concession in briefing that the marks were "identical," although they did not address the font, color, or typeface of the marks); *Playboy Enters., Inc. v. Universal Tel-A-Talk, Inc.*, No. CIV. A. 96-6961, 1998 WL 767440, at \*6 (E.D. Pa. Nov. 3, 1998) (finding that defendant's use of PLAYBOY on its website is counterfeit of PLAYBOY word mark without discussion of how the parties' marks were displayed and although defendants' website was not identical to plaintiff's products); *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp. 3d 1000, 1027 (E.D. Wis. 2018) (counterfeiting although marks not displayed in identical or substantially indistinguishable manner).

<sup>85</sup> 15 U.S.C. § 1127 (2018).

<sup>86</sup> 15 U.S.C. § 1116(b)(1).



that to access the special remedies available for “counterfeiting,” the parties’ products or packaging must themselves be substantially indistinguishable. This requirement is not supported by the language of the Lanham Act or the legislative history or, as discussed below, existing appellate authority.<sup>87</sup>

**1. The Second Circuit’s Decision in *Montres*  
Does Not Require That Products  
(As Opposed to Marks) Be Identical or Substantially  
Indistinguishable**

The only appellate-level decision that even tangentially addresses the relevance of the appearance of the parties’ products is *Montres Rolex, S.A. v. Snyder*.<sup>88</sup> *Montres*, decided before passage of the TCA, was a U.S. Customs case involving a detained shipment of watch bracelets that were marked with an alleged counterfeit of Rolex’s registered “Crown Design” trademark, shown below.<sup>89</sup>



U.S. Reg. No. 657756

The relevant Customs law at the time used the same definition of “counterfeit” as the Lanham Act.<sup>90</sup> Under the Customs law, if the mark on the products was a “counterfeit mark,” the shipment was subject to seizure and destruction.<sup>91</sup> On the other hand, if the mark was merely infringing, the bracelets could be delivered to their intended recipient after the infringing mark was removed.<sup>92</sup>

The court engaged in a reasonably detailed analysis of the meaning of “counterfeit” and how it should analyze whether the mark on the detained bracelets was counterfeit.<sup>93</sup> At least for purposes of the Customs law, *Montres* clearly stands for two

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<sup>87</sup> See 15 U.S.C. §§ 1116(d)(1)(B), 1127 (a counterfeit is a “spurious mark” that is “identical with, or substantially indistinguishable from” a registered mark); 130 Cong. Rec. 31673, 31680 (distinguishing between “marks” and “goods” and noting that the Lanham Act pertains to marks); *Romag Fasteners, Inc.*, 140 S. Ct. at 1494 (rejecting finding of willfulness as a prerequisite to recovery of profits because no such requirement appeared in the statute); Section II, *supra*; Section IV.C.1., *infra*.

<sup>88</sup> 718 F.2d 524 (2d Cir. 1983).

<sup>89</sup> *Id.* at 526.

<sup>90</sup> *Id.* at 527-28, 530 (discussing 19 U.S.C. § 1526(e) (Supp. V 1981)).

<sup>91</sup> *Id.* at 528.

<sup>92</sup> *Id.*

<sup>93</sup> *Id.* at 530-33.

propositions. First, *Montres* requires that the analysis of whether an accused mark is counterfeit—that is, whether it is identical to or substantially indistinguishable from a registered mark—should be made from the view of the average consumer, not an expert.<sup>94</sup> Second, in conducting such analysis, *Montres* allows, but does not require, that courts may review evidence of how the registered mark actually appears on goods in the marketplace.<sup>95</sup>

Throughout most of its discussion, the Second Circuit referred to and compared the parties' respective *marks*.<sup>96</sup> However, in one of the concluding paragraphs of its decision, the court confusingly referred to the appearance of the parties' products.<sup>97</sup> Specifically, it noted that, at oral argument, it had compared the detained bracelets with genuine Rolex *bracelets* and found the detained bracelets to be "the spitting image of the Rolex merchandise" such that an "average purchaser would surely find the real and fake *bracelets* to be substantially indistinguishable."<sup>98</sup>

In the Joint Statement accompanying the TCA, the Congressional sponsors of the act noted that the "definition of 'substantially indistinguishable' will need to be elaborated on a case-by-case basis by the courts" and cited *Montres* as an example of one such case.<sup>99</sup> So, does *Montres* require that products themselves be identical? By citing *Montres*, were the sponsors of the TCA conveying an intention to restrict the definition of "counterfeit" to apply only in cases where the products themselves are identical?

The answer to both questions is "probably not." First, as discussed above, the TCA deliberately refers to "counterfeit marks" rather than "counterfeit goods." And, had Congress intended to extend the remedies of the TCA only to cases in which the products themselves were identical, it could have, and should have, so stated. Second, the court's brief discussion of the similarities between the parties' *products* was not included in the portion of *Montres* cited in the Joint Statement.<sup>100</sup> Third, *Montres* permitted, but did not require, a review of the parties' marks as used on their products.<sup>101</sup> And finally, in *Montres* the court did not engage in any explicit discussion of the role of the similarity of the *products* themselves as contrasted with the similarity of the *marks*.

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<sup>94</sup> *Id.* at 530-31.

<sup>95</sup> *Id.* at 532.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* at 533.

<sup>98</sup> *Id.* at 533 (emphasis added).

<sup>99</sup> 130 Cong. Rec. 31675 (citing *Montres*, 718 F.2d at 530-32).

<sup>100</sup> *Id.*

<sup>101</sup> *Montres Rolex, S.A.*, 713 F.2d at 532 (if registrant would not provide evidence showing the marks as used in commerce, Customs could simply "make its determination based on the mark as registered").

## 2. Discussion of Select District Court Decisions

### (a) Cases Finding That Product Appearance Is Not Relevant

Some district courts have found that the counterfeit analysis is properly limited to the marks themselves.<sup>102</sup> In *H-D U.S.A., LLC v. SunFrog, LLC*, for example, the defendant argued that because the parties' products were readily distinguishable, its conduct could not be considered "counterfeiting."<sup>103</sup> The court squarely addressed—and rejected—that argument, saying the "pertinent question is whether the marks, not the goods, are substantially identical."<sup>104</sup>

The court went on to conclude that each of the infringing marks at issue was counterfeit.<sup>105</sup>

There is no doubt in the mind of the Court that this is a counterfeiting case. In nearly every instance, though font sizes, colors, sizes, and shapes are altered, the words "Harley–Davidson" or another of its word-marks appear, either alone or alongside a logo like the Bar & Shield, Willie G. Skull, or Number 1 logos. While technically different in some respects, SunFrog's uses of the marks are substantially indistinguishable from the registered marks in terms of their appearance in context.<sup>106</sup>

The *SunFrog* court also cited several decisions in which other courts had, as part of their counterfeit analysis, discussed whether the parties' products were substantially indistinguishable.<sup>107</sup> It concluded, however, that "a careful reading of those opinions reveals that although the products themselves are part of the comparison, the central focus is on the appearance of the marks in the context of the products."<sup>108</sup>

In a recent counterfeiting decision, *Gibson Brands, Inc. v. Armadillo Dist. Enter., Inc.*, the United States District Court for the Eastern District of Texas considered a number of cases that it described as holding that "even if the marks themselves are nearly identical on a product, the context of the entire product featuring

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<sup>102</sup> See note 84, *supra*.

<sup>103</sup> *H-D U.S.A., LLC v. SunFrog, LLC*, 311 F. Supp. 3d 1000, 1027 (E.D. Wis. 2018) (claiming its goods were obviously user-generated and of a clearly inferior quality than the plaintiff's goods).

<sup>104</sup> *Id.* at 1027.

<sup>105</sup> *Id.*

<sup>106</sup> *Id.*

<sup>107</sup> *Id.* at 1027-28 (citing *Audemars Piguet Holding S.A. v. Swiss Watch Int'l, Inc.*, No. 12 Civ. 5423(LAP), 2015 WL 150756, at \*2 (S.D.N.Y. Jan. 12, 2015); *Colgate–Palmolive Co. v. J.M.D. All-Star Imp. & Exp. Inc.*, 486 F. Supp. 2d 286, 289 (S.D.N.Y. 2007); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 472 (S.D.N.Y. 2011)).

<sup>108</sup> *H-D U.S.A., LLC*, 311 F. Supp. 3d at 1028.

the mark may preclude a counterfeiting claim.”<sup>109</sup> Both the *Gibson* and *SunFrog* courts noted that other courts have hesitated to find counterfeiting where the products are not identical or substantially similar due to the “risk [of] rendering ‘all trademark infringement claims counterfeiting claims.’”<sup>110</sup>

The *Gibson* court found, however, that an “approach that looks toward the entire product skimps over the Lanham Act’s plain language. Specifically, the Act defines ‘counterfeit’ as a *mark*—making no reference to the product as a whole.”<sup>111</sup> It then declined to consider the appearance of the parties’ products, stating the product appearance “has no place under § 1127,” which “defines a counterfeit by comparing the *marks* at issue, not the products on which they appear.”<sup>112</sup>

And, while the *SunFrog* court found that, in the case before it, there was an attempt to pass off infringing products as genuine products, there are also cases in which marks have been found to be counterfeit without discussion of either “passing off” or the similarities (or differences) in parties’ respective products.<sup>113</sup> Additionally, marks have been found to be counterfeit in cases where the parties’ products were clearly neither identical nor substantially indistinguishable.<sup>114</sup> In many such cases, there is little, if any, discussion of the relevance of the appearance of the parties’ products.<sup>115</sup>

### ***(b) Cases Relying on Appearance of Parties’ Products***

On the other hand, numerous courts have confidently stated that for a mark to be counterfeit the parties’ *products* must be identical or substantially indistinguishable. For example, in *GTFM, Inc. v. Solid Clothing, Inc.*, the plaintiff owned a standard character registration for the mark “05” for apparel.<sup>116</sup> In finding that a

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<sup>109</sup> *Gibson Brands, Inc. v. Armadillo Dist. Enter., Inc.*, No. 4:19-CV-00358, 2023 WL 2815156, at \*24 (E.D. Tex. Apr. 6, 2023), *appeal pending* *Gibson Brands, Inc. v. Armadillo Dist. Enter. Inc.*, 5th Cir. No. 22-40587.

<sup>110</sup> *Id.* at \*24 (quoting *Gibson Brands, Inc. v. John Hornby Skewes & Co.*, No. CV1400609DDPSSX, 2016 WL 7479317, at \*7 (C.D. Cal. Dec. 29, 2016)); *H-D U.S.A., LLC*, 311 F. Supp. 3d at 1028-29 (observing that “courts are hesitant to find counterfeiting where the infringer is not trying to pass off his products as another’s, such as when the parties’ products are very different” and also noting that, in the case before it, the defendant had made “an effort to pass off [its] goods as genuine”).

<sup>111</sup> *Gibson Brands, Inc.*, 2023 WL 2815156 at \*24.

<sup>112</sup> *Id.* at \*25.

<sup>113</sup> See note 84, *supra*, and cases cited therein.

<sup>114</sup> See *id.*

<sup>115</sup> See *id.*

<sup>116</sup> *GTFM, Inc. v. Solid Clothing, Inc.*, 215 F. Supp. 2d 273, 290 (S.D.N.Y. 2002); U.S. Reg. No. 2,415,190. The plaintiff’s registration issued in December of 2000, months before the lawsuit was filed, but well after the defendant began using the “05” mark on apparel. *Id.* at 290-91. An interesting question, and one that the court acknowledged but did not

likelihood of confusion existed, the court noted that the defendant had “directly copied” the “05” mark and had “used it in an identical way on the same kind of garments.”<sup>117</sup> Nonetheless, the court found that there was no “counterfeiting,” stating (contrary to its earlier finding) that the defendant’s “use of the number ‘05’ was not ‘identical with, or substantially indistinguishable from’ [the plaintiffs] use of the ‘05’ mark” and also that the defendant’s “sportswear was sufficiently distinguishable to preclude liability for counterfeiting.”<sup>118</sup>

The plaintiff sought reconsideration, arguing that the court had “wrongly considered the appearance of the goods on which GTFM and Solid used the ‘05’ designation in determining whether Solid’s use of ‘05’ constituted trademark counterfeiting.”<sup>119</sup> In response, citing only the statute itself, the court stated that “there is nothing in the Act . . . which states that to determine whether a defendant engaged in counterfeiting, one compares plaintiff’s and defendant’s marks in the abstract, without considering how they appear to consumers in the marketplace.”<sup>120</sup>

The court then stated that it had “considered a variety of factors, including the similarity of the marks as used by [the parties] and whether they would appear to be identical or substantially indistinguishable to consumers in the marketplace” and concluded that there was no counterfeiting.<sup>121</sup> The court did not say what other factors it considered or to what differences it was referring; the only differences noted in the earlier opinion were those in the appearance of the parties’ products.<sup>122</sup> Nor did the court reconcile its decision with its earlier statement that the defendant had “directly copied” the plaintiff’s “05” mark and “used it in an identical way on the same kind of garments.”<sup>123</sup>

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directly address, is whether an infringing mark, adopted prior to the issuance of a registration but the use of which continues after the issuance, can be a counterfeit mark? *Id.* At least one case has suggested that such mark can be found counterfeit. *See* OTR Wheel Eng’g, Inc. v. W. Worldwide Servs., Inc., No. CV-14-085-LRS, 2015 WL 12911326, at \*3 (E.D. Wash. Nov. 30, 2015) (finding that use on products prior to issuance of registration could “not, as a matter of law, be considered ‘counterfeit,’” but suggesting that uses that commenced prior to issuance of registration and continued after issuance could be counterfeit).

<sup>117</sup> *GTFM, Inc.*, 215 F. Supp. 2d at 295.

<sup>118</sup> *Id.* at 300.

<sup>119</sup> *GTFM, Inc. v. Solid Clothing Inc.*, No. 01 CIV.2629 DLC, 2002 WL 1933729, at \*2 (S.D.N.Y. Aug. 21, 2002).

<sup>120</sup> *Id.*

<sup>121</sup> *Id.* at \*2-3.

<sup>122</sup> *Id.*; *GTFM, Inc.*, 215 F. Supp. 2d at 295.

<sup>123</sup> *GTFM, Inc.*, 2002 WL 1933729 at \*2-3; *GTFM, Inc.*, 215 F. Supp. 2d at 295. Certain of the special remedies for counterfeiting are available only upon proof of knowledge, intent, or willfulness. 15 U.S.C. § 1117(b), (c). It cannot be, however, that the court’s decision here was based on an unarticulated finding that knowledge, intent, or

*GTFM* has been cited in support of the proposition that differences in the appearance of the parties' goods themselves can render an otherwise identical mark not counterfeit.<sup>124</sup> This proposition is at odds with the language of the Lanham Act, which requires that the parties' marks, not their parties' products, be identical or substantially indistinguishable.

Decided a few years later, *Colgate-Palmolive Co. v. J.M.D. All-Star Import & Export Inc.* involved the defendant's use of allegedly counterfeit word and design marks on its packaging.<sup>125</sup> There, the parties filed cross-motions for summary judgment on the issue of counterfeiting and the U.S. District Court for the Southern District of New York framed the issue before it as: "Are the Colddate toothpaste boxes which the defendants sold substantially indistinguishable from plaintiff's Colgate toothpaste boxes?"<sup>126</sup> Citing *Montres*, the court noted that the "Second Circuit has stated that an allegedly counterfeit mark must be compared with the registered mark as it appears on actual merchandise to an average purchaser."<sup>127</sup>

Instead of comparing the marks as they appeared on the boxes, however, the court examined and compared the parties' *products* and *packaging*.<sup>128</sup> First, it concluded, consumers would not be likely to examine the back panel of the parties' boxes and, therefore, that it need not consider whether differences in those panels would be sufficient to distinguish the products.<sup>129</sup> The court then noted that COLDDATE and COLGATE differ by multiple letters and also noted a number of additional distinctions between Colgate's registered design marks and the trade dress used by the

willfulness had not been established. In this case, statutory damages were sought pursuant to 15 U.S.C. § 1117(c), which are available in cases of infringement "involving the use of a counterfeit mark," without any requirement that such use be knowing, intentional, or willful. *GTFM, Inc.*, 215 F. Supp. 2d at 304.

<sup>124</sup> *E.g.*, *Fujifilm N. Am. Corp. v. PLR IP Holdings, LLC*, No. 17 CIV. 8796 (NRB), 2019 WL 274967, at \*4 (S.D.N.Y. Jan. 7, 2019) (citing the *GTFM* decision on reconsideration as standing for the proposition that, in considering whether a mark is counterfeit, the court must look "to the overall presentation and 'appearance of the goods on which [the marks are] used' . . ."); *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, 469 F. Supp. 3d 4, 11 (D. Conn. 2020) (same).

<sup>125</sup> *Colgate-Palmolive Co. v. J.M.D. All-Star Imp. & Exp. Inc.*, 486 F. Supp. 2d 286, 288 (S.D.N.Y. 2007).

<sup>126</sup> *Id.*

<sup>127</sup> *Id.* at 289 (citing *Montres Rolex, S.A. v. Snyder*, 718 F.2d 524, 533 (2d Cir. 1983)). As discussed above, however, *Montres* permitted, but did not require, examination of the registered design mark as used on actual products. And, in any event, the proper comparison of the marks not the products in their entirety. See Section IV.C.1, *supra*.

<sup>128</sup> *Colgate-Palmolive Co.*, 486 F. Supp. 2d at 288, 290.

<sup>129</sup> *Id.* at 290.

defendant.<sup>130</sup> Ultimately, the court concluded that no counterfeiting had occurred.<sup>131</sup> In light of the differences in the parties' marks identified by the court, the decision seems correct. Nonetheless, the court's framing of the issues—as a comparison of the parties' *products and packaging* rather than a comparison of the parties' *marks*—is problematic; it may lead other courts or litigants to focus on a comparison of the parties' products instead of a comparison of the parties' marks as required by the statute.<sup>132</sup>

In *Gucci*, discussed briefly in Section II above, the court quoted *McCarthy*, stating that “counterfeiting is the ‘hard core’ or ‘first degree’ of trademark infringement that seeks to trick the consumer into believing that he or she is getting the genuine article, rather than a ‘colorable imitation.’”<sup>133</sup> It went on to say, without citing any authority, that “courts have uniformly restricted trademark counterfeiting claims to those situations where entire products have been copied stitch-for-stitch.”<sup>134</sup> The court found that one of the infringing marks used by the defendant was so similar to the plaintiff's registered mark that no formal likelihood of confusion analysis was necessary.<sup>135</sup> However, it still found that the mark was not a counterfeit because the product was not a “stitch-for-stitch” copy.<sup>136</sup> Again, as noted above, this language has been cited and relied upon by numerous courts.<sup>137</sup> And again, this narrow view of what constitutes a “counterfeit” is not consistent with the language of the statute.

Similarly, *JFJ Toys, Inc. v. Sears Holdings Corp.* involved the products shown in the introduction to this article.<sup>138</sup> There, the

<sup>130</sup> *Id.* The foregoing is likely what the court in *H-D USA, LLC* relied on in noting that the primary focus was on a comparison of the marks. See *H-D U.S.A., LLC*, 311 F. Supp. 3d at 1028 (citing *Colgate-Palmolive Co.*, 486 F. Supp. 2d at 289).

<sup>131</sup> *Colgate-Palmolive Co.*, 486 F. Supp. 2d at 290-91.

<sup>132</sup> See, e.g., *Associated Gen. Contractors of Am. v. Stokes*, No. 1:11CV795 GBL/TRJ, 2012 WL 7782745, at \*5 (E.D. Va. Nov. 20, 2012), *report and recommendation adopted*, 2013 WL 1155512 (E.D. Va. Mar. 19, 2013) (“In *Colgate*, the court compared a toothpaste box for Colgate toothpaste and that for ‘Colddate’ toothpaste, denying plaintiff's motion for summary judgment in finding that, while the boxes were quite similar, they were not ‘substantially indistinguishable’ as a matter of law.”).

<sup>133</sup> *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 242 (S.D.N.Y. 2012) (quoting *McCarthy*, *supra* note 29, § 25:10).

<sup>134</sup> *Id.* at 253.

<sup>135</sup> *Id.* at 249.

<sup>136</sup> *Id.* at 249, 253. As in the *GTFM, Inc.* decision, discussed above, it cannot be that the court's decision here was based on an unarticulated finding that requisite knowledge, intent, or willfulness had not been established. Although not discussed in the court's decision, a review of the complaint filed in the *Gucci* case confirms that the plaintiff sought statutory damages pursuant to 15 U.S.C. § 1117(c), which are available in cases of infringement “involving the use of a counterfeit mark,” without any requirement that such use be knowing, intentional, or willful.

<sup>137</sup> See notes 31–37, *supra*, and accompanying text.

<sup>138</sup> *JFJ Toys, Inc. v. Sears Holdings Corp.*, 237 F. Supp. 3d 311, 340-41 (D. Md. 2017).

plaintiff owned the registered word mark STOMP ROCKET.<sup>139</sup> The defendant was using STOMP ROCKET on its product.<sup>140</sup> In granting the plaintiff's motion for summary judgment of infringement, the court found that the parties' marks were "identical" and that their packaging was "strikingly similar."<sup>141</sup> It nonetheless denied summary judgment on the issue of counterfeiting, finding that a "reasonable factfinder could find that the marks, color patterns, and designs" on the parties' respective packaging were "not identical or indistinguishable for purposes of proving" counterfeiting.<sup>142</sup>

Numerous district courts, over several decades, have employed this same approach. They have required that, to access the Lanham's Act's special remedies for counterfeiting, plaintiffs prove that the defendants' *products*, not merely their *marks*, are identical to or indistinguishable from the plaintiff's own *products*. Yet, there is no appellate support for this restrictive approach, nor does this approach find support in statute, which refers only to the parties' *marks*, not their products.

### 3. The Lanham Act's Use of "Spurious" Does Not Require That the Products Must Be Indistinguishable

Again, the Lanham Act states that a counterfeit is a "spurious mark that is identical with, or substantially indistinguishable from, a registered mark."<sup>143</sup> The statute includes no requirement that products themselves be identical or substantially indistinguishable.<sup>144</sup> Some courts have, however, found support for a more restrictive application of the Lanham Act's special remedies for counterfeiting in the act's use of the term "spurious."<sup>145</sup>

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<sup>139</sup> *Id.* at 319.

<sup>140</sup> *Id.* at 320.

<sup>141</sup> *Id.* at 336.

<sup>142</sup> *Id.* at 340-41. The plaintiff in *JFJ Toys, Inc.* sought both statutory damages and, in the alternative, treble damages pursuant to 15 U.S.C. § 1117(b), (c). Because statutory damages were sought, and because statutory damages are available in cases of infringement "involving the use of a counterfeit mark," without any requirement that such use be knowing, intentional, or willful, it cannot be that the court's finding is based on an unarticulated finding that the requisite knowledge, intent, or willfulness had not been established.

<sup>143</sup> 15 U.S.C. § 1127 (2018).

<sup>144</sup> See Section II; Section IV.C.1 and IV.C.2.a.

<sup>145</sup> *E.g.*, *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, 469 F. Supp. 3d 4, 9 (D. Conn. 2020). See also, *e.g.*, *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 472 (S.D.N.Y. 2011), *aff'd sub nom.* *GMA Accessories, Inc. v. Elec. Wonderland, Inc.*, 558 F. App'x 116 (2d Cir. 2014); *Audemars Piguët Holding S.A. v. Swiss Watch Int'l, Inc.*, No. 12 CIV. 5423 LAP, 2015 WL 150756, at \*2 (S.D.N.Y. Jan. 12, 2015) (finding that even if the defendant had used a design identical to plaintiff's registered design, such use was not "spurious")



For example, in *GMA Accessories, Inc. v. BOP, LLC*, the court complained that “the parties fail to address the requirement that a counterfeit mark be a ‘spurious’ mark,” though it also noted that “there appears to be little case law directly addressing this requirement.”<sup>146</sup> The court noted that *Black’s Law Dictionary* defines “spurious” as “[d]eceptively suggesting an erroneous origin; fake.”<sup>147</sup> It concluded that, “[t]o establish counterfeiting in the case of a word mark, it cannot be enough that one word used in the allegedly offending mark is the same, with no reference to font, color, typeface, or context” and continues that where there is “no allegation that the products upon which the allegedly counterfeit mark was used were similar in any way to products” of the plaintiff, “there is no deceptive suggestion of an erroneous origin.”<sup>148</sup>

A recent case is to the same effect. In *Illinois Tool Works Inc. v. J-B Weld Co., LLC*, the court first rejected the plaintiff’s argument that it only needed to show that the defendant’s mark was “identical” to or “substantially indistinguishable” from its own mark, finding that this interpretation “reads out an important word in the Lanham Act’s definition of a counterfeit mark: ‘spurious.’”<sup>149</sup> The court went on to quote *Gucci*, finding that, to be a counterfeit, the infringing mark must “both be substantially indistinguishable from the registered mark *and* be ‘spurious’—that is, indistinguishable in such a way that the junior mark ‘trick[s] the consumer into believing he or she is getting’ the product denoted by the registered mark.”<sup>150</sup> The court continued, “[t]o be a counterfeit, then, a mark must be indistinguishable on the merchandise on which it appears in such a way that customers believe they are getting one product when they are in fact getting another.”<sup>151</sup> And, it said, to adequately plead the use of a counterfeit mark, it must be “plausible (on the face of the complaint) that the products on which the senior and junior marks appear bear such similarities that the average customer would believe she was holding” the senior user’s product when she picked up the junior user’s product.<sup>152</sup>

Applying this same stringent standard, the court found that MUFFLERWELD, used for a muffler sealant product dispensed

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because the defendants were not attempting to pass off their design as one of the plaintiff(s).

<sup>146</sup> *GMA Accessories, Inc.*, 765 F. Supp. 2d at 472. The plaintiff in *GMA Accessories, Inc.* sought statutory damages.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

<sup>149</sup> *Illinois Tool Works Inc.*, 469 F. Supp. 3d at 9. The plaintiff in *Illinois Tool Works Inc.*, sought statutory damages for both counterfeiting and willful counterfeiting as well as treble damages pursuant to 15 U.S.C. § 1117(b).

<sup>150</sup> *Id.* (quoting *Gucci Am., Inc.*, 868 F. Supp. 2d at 242) (emphasis added).

<sup>151</sup> *Id.* at 10.

<sup>152</sup> *Id.*

from a white tube, was not a counterfeit of the registered mark MUFFLER WELD, used for a muffler sealant product dispensed from a black tub.<sup>153</sup> The court found that the parties' marks were identical and that they were used for the identical type of product and that confusion was likely,<sup>154</sup> but that the defendant's mark was not a counterfeit because it was "not plausible to conclude that average consumers would buy [the plaintiff's] product and think they got [the defendant's] product."<sup>155</sup>

In another recent decision, *Cohen & Co., Ltd. v. Cohen & Co., Inc.*, the district court found that "[f]or counterfeiting purposes, spurious means more than unauthorized; it means 'deceptively suggesting an erroneous origin; fake.'"<sup>156</sup> In that case, the plaintiff, an accounting firm, owned the registered word mark COHEN & COMPANY and the defendant was also using the name COHEN & COMPANY.<sup>157</sup> The court quoted *McCarthy* for the proposition that "counterfeiting is 'hard core' or 'first degree' trademark infringement and is the most blatant and egregious form of 'passing off.'"<sup>158</sup> The court also quoted *Gucci*, for the proposition that "courts have uniformly applied [the counterfeiting] provision to products that are stitch-for-stitch copies of those of another brand."<sup>159</sup> Then, without acknowledging that the plaintiff's mark and the defendant's mark were identical, the district court dismissed the plaintiff's counterfeiting claim, *with prejudice*, stating that "Plaintiff has not alleged, nor can it allege, that Defendant uses the 'Cohen & Company' name to imply its services derive from Plaintiff's accounting firm."<sup>160</sup>

The Lanham Act provides no definition of "spurious," though the Congressional sponsors of TCA noted their understanding that

<sup>153</sup> *Id.* at 7.

<sup>154</sup> *Id.* at 9.

<sup>155</sup> *Id.* at 10-11 (dismissing counterfeiting claim with prejudice). *See also* *Lontex Corp. v. Nike, Inc.*, 384 F. Supp. 3d 546, 561 (E.D. Pa. 2019) (dismissing counterfeiting claim with prejudice because, as a matter of law, it was implausible that "an average consumer in the marketplace would view Nike's COOL COMPRESSION products to be 'identical with or substantially indistinguishable from' Lontex's COOL COMPRESSION products"). *But see* *Arcona, Inc. v. Farmacy Beauty, LLC*, 976 F.3d 1074, 1080-81 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021) (not addressing whether mark was a counterfeit and finding, instead, that although marks were identical and products were of the same type, significant differences in packaging and prominent use of the parties' respective house marks rendered confusion unlikely as a matter of law).

<sup>156</sup> *Cohen & Co., Ltd. v. Cohen & Co. Inc.*, No. CV 21-04442, 2022 WL 5250271, at \*3 (E.D. Pa. Oct. 6, 2022).

<sup>157</sup> *Id.* at \*1.

<sup>158</sup> *Id.* at \*2 (quoting *McCarthy*, *supra* note 29, § 25:10).

<sup>159</sup> *Id.* (quoting *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 242 (S.D.N.Y. 2012)).

<sup>160</sup> *Id.* at \*3. The plaintiff in *Cohen & Co., Ltd.* sought statutory damages.

‘spurious’ means not genuine or authentic.”<sup>161</sup> As noted above, courts have offered various definitions of “spurious.” Even if the various definitions of “spurious” employed by the courts were correct, the analysis would still be flawed. In the statute, “spurious” modifies “mark.” A mark can be *spurious*, i.e., not genuine, even if the product to which it is applied looks nothing like the products to which the authentic mark is applied and even if the user has not formed a specific intention to deceive.<sup>162</sup> Moreover, the TCA specifically states that, to be counterfeit, a mark must be used in connection with the registered goods; this is the only requirement regarding the nature of the goods that is included in the TCA. In sum, the statute’s use of the term “spurious” does not support a requirement that the parties’ products, as opposed to their marks, be identical or substantially indistinguishable.

## V. POTENTIAL APPELLATE RULING

At least one of the issues discussed above is pending before the Ninth Circuit in *Y.Y.G.M., SA v. Redbubble, Inc.*, in which oral arguments were held in January 2023.<sup>163, 164</sup> In that case, following a trial, a jury found that two of the plaintiff’s registered design marks had been infringed and that, in both cases, the infringing marks were counterfeit.<sup>165</sup> On the defendant’s motion, the district

<sup>161</sup> 130 Cong. Rec. 31680. A more interesting question, and one beyond the scope of this article, is the impact of the term “spurious” in the following scenario. A word mark has long been used in one context, for example, for a restaurant or brewery, and the mark owner later expands their use into the field of apparel. A second party owns a registration for the identical word mark on apparel and sues the first for trademark infringement and accuses it of using a counterfeit mark. Such was the scenario in *Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co.*, No. 12 CIV. 1416 GBD RLE, 2015 WL 4468083, at \*3 (S.D.N.Y. July 8, 2015). There, the defendant claimed its mark was not “spurious” because it was not fake, but rather had long been used by the defendant. *Id.* The court rejected this argument. *Id.*

<sup>162</sup> See, e.g., *Gibson Brands, Inc.*, 2023 WL 2815156 at \*25 (reviewing case law and finding that a conclusion that a mark is not a counterfeit because it is not “spurious” is inconsistent with the language of the Lanham Act where that conclusion is based on a comparison of the parties’ products rather than their marks).


<sup>163</sup> See *Y.Y.G.M. SA v. Redbubble, Inc.*, 9th Cir. No. 21-56150, 21-56236, *appealed from Y.Y.G.M. SA v. Redbubble, Inc.*, No. 2:19-cv-04618-RGK-JPR, 2021 WL 4816618 (C.D. Cal. July 27, 2021). In addition to the counterfeiting issues discussed herein, the plaintiff also appealed the district court’s refusal to grant a permanent injunction following the verdict finding trademark infringement, citing the plaintiff’s delay of one year between notifying the defendant of the infringement and filing the lawsuit. *Id.*; *Y.Y.G.M. SA v. Redbubble Inc.*, No. 2-19-cv--04618-RGK-JPR, 2021 WL 4553186, at \*3 (C.D. Cal. Oct. 5, 2021). If upheld on appeal, this latter decision is likely to generate significant discussion in the trademark community.

<sup>164</sup> An appeal was just recently filed in another case discussed herein. See *Gibson Brands, Inc. v. Armadillo Dist. Enter. Inc.*, 5th Cir. No. 22-40587, *appealed from Gibson brands, Inc.*, 2023 WL 2815156. Initial briefing is due at the end of June 2023.

<sup>165</sup> See *Y.Y.G.M. SA v. Redbubble, Inc.*, No. 2:19-cv--04618-RGK-JPR, 2021 WL 4816618, at \*2 (C.D. Cal. July 27, 2021).

court entered judgment as a matter of law in defendant's favor on the issue of counterfeiting as to one of the marks.<sup>166</sup> Quoting *Gucci* and *McCarthy*, the court stated that counterfeiting is “‘hard core’ or ‘first degree’ trademark infringement that seeks to trick the consumer into believing he or she is getting the genuine article, rather than a ‘colorable imitation.’”<sup>167</sup> The court then found that the plaintiff had failed to present evidence of products “that were remotely similar to products that Plaintiff offered for sale, let alone ‘stitch-for-stitch copies’ of Plaintiff’s products” and that, “[f]or this reason, courts have uniformly applied this provision to products that are stitch-for-stitch copies of those of another brand.”<sup>168</sup>

On appeal, the plaintiff argued that “[t]he district court erred by holding that a counterfeiting claim focuses on comparison of two **products**, as opposed to two **marks**.”<sup>169</sup> The plaintiff’s mark is the words “Brandy” and “Melville” appearing on either side of a pink heart:

Brandy  Melville

A number of infringing marks were used, one of which differed from the plaintiff’s registered mark only in that the words “Brandy” and “Melville” were depicted in all capital letters, rather than with initial capital letters only.<sup>170</sup> The plaintiff’s mark was registered for stickers.<sup>171</sup> The above-described infringing mark was used in connection with stickers.<sup>172</sup>

The defendant, citing the recent Ninth Circuit case *Arcona, Inc. v. Pharmacy Beauty, LLC*, argued that the Ninth Circuit has already ruled that the counterfeiting inquiry should focus on a comparison of products, not marks.<sup>173</sup> As the plaintiff pointed out in its reply brief, in *Arcona* the Ninth Circuit did no such thing.<sup>174</sup> In fact, the Ninth Circuit did not reach the question of whether the accused

<sup>166</sup> *Id.*

<sup>167</sup> *Id.*

<sup>168</sup> *Id.*

<sup>169</sup> See 9th Circuit Case No. 21-56150, 21-56236, Dkt. No. 16, p. 26 (Opening Brief of Appellant/Cross-Appellee Y.Y.G.M. SA dba Brandy Melville).

<sup>170</sup> *Id.* at 18.

<sup>171</sup> *Id.* at 17; see also U.S. Reg. No. 5238856.

<sup>172</sup> *Id.* at 17-20.

<sup>173</sup> 9th Circuit Case No. 21-56150, 21-56236, Dkt. No. 27, p. 42 (Appellee RedBubble, Inc.’s Principal and Response Brief).

<sup>174</sup> 9th Circuit Case No. 21-56150, 21-56236, Dkt. No. 36, p. 37-39 (Reply/Response Brief of Appellant/Cross-Appellee Y.Y.G.M. SA dba Brandy Melville). See *Arcona, Inc. v. Pharmacy Beauty, LLC*, 976 F.3d 1074, 1080-81 (9th Cir. 2020), *cert. denied*, 141 S. Ct. 2800, 210 L. Ed. 2d 931 (2021).

mark was a counterfeit.<sup>175</sup> Instead, it undertook a likelihood of confusion analysis and concluded, that although word marks were identical and products were of the same type, significant differences in packaging, manner of display of the marks, and the prominent use of the parties' respective house marks rendered confusion unlikely as a matter of law.<sup>176</sup> As there was no likelihood of confusion, there was no infringement; in *Arcona*, therefore, the Ninth Circuit did not address the question of whether the mark was counterfeit.<sup>177</sup>

It is possible that the Ninth Circuit will decide the case without reaching the question of whether identity of *marks* or identity of *products* is required to prove counterfeiting. It could conclude that the use of all capital letters versus initial capital letters renders the infringing mark too dissimilar to the registered mark to qualify as a counterfeit and uphold the district court's decision without deciding whether it is proper to compare the parties' *marks* or their *products*. The Ninth Circuit may also find that because the plaintiff did not submit evidence of its use of its mark on stickers (or any of the other goods in connection with which the defendant used the allegedly counterfeit mark) that it failed to establish trademark rights in connection with such goods and, therefore, was precluded from a finding of counterfeiting in connection with such goods.

Hopefully, however, in deciding the pending appeal in *Y.Y.G.M.*, the Ninth Circuit will address the question of whether identity of *marks* or identity of *products* is required to prove counterfeiting. Regardless of its decision, appellate level authority on this issue could go a long way toward resolving the existing state of uncertainty.

## VI. CONCLUSION

Confusion abounds in the existing case law regarding counterfeiting. With respect to some issues, such as if (and, if so, how) the analysis of whether a mark is counterfeit differs for stylized or design marks, on the one hand, and standard character marks, on the other, there is little discussion at all. With respect to other issues, the case law is rife with inconsistent statements and approaches. For example, a significant body of existing district court case law would require that, to access the special remedies provided in cases of infringement involving counterfeit marks, not only must the *marks* be identical or substantially indistinguishable, but the

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<sup>175</sup> *Arcona, Inc.*, 976 F.3d at 1080-81.

<sup>176</sup> *Id.* In *Arcona*, the plaintiff had argued that it needed only to show that the mark was counterfeit and, if it was, there was no need for a separate showing of likelihood of confusion. *Id.* at 1078. This argument was rejected. *Id.* at 1079.

<sup>177</sup> *Id.* at 1080-81.

parties' products themselves must be substantially indistinguishable; other cases limit their analysis to marks themselves. This confusion has led some practitioners to refrain from asserting the use of a counterfeit mark, even in cases where a competitor has applied an identical mark to the identical type of product simply because the mark is displayed in a different font and/or because the products, although identical in type, differ in appearance.

But much of the confusion seems unwarranted given that the statutory language is reasonably straightforward. Congress did not simply say that the special remedies for counterfeiting are available in “egregious cases” and leave courts to figure out what “egregious” meant. It could have; it has provided similar guidance in other parts of the Lanham Act.<sup>178</sup> Instead, it provided specific criteria for courts to follow. A “counterfeit mark” is a mark that is (1) identical with or substantially indistinguishable from a registered mark that is in use and (2) used in connection with the same goods or services that are in the registration.<sup>179</sup> Statutory damages are available in *any* case of infringement that involves the use of a counterfeit mark.<sup>180</sup> Enhanced statutory damages are available only in infringement cases where use of the counterfeit mark was willful.<sup>181</sup> Mandatory trebling of damages and awards of attorney fees are available only in cases of infringement where the infringer intentionally uses the counterfeit mark knowing that it was counterfeit.<sup>182</sup>

In our view, a straightforward interpretation of the statutory language is that, excluding cases involving registered product design or product packaging trade dress, there is no requirement that, for two marks to be “identical or substantially indistinguishable,” the products or packaging on which those marks appear must also be identical. And, where the registered mark is a word mark, there is no requirement that, for two marks to be “identical or substantially indistinguishable,” the marks be displayed in identical size, style, or color font. To be sure, the similarity in the appearance of the parties' products or packaging and the manner in which their marks are displayed is certainly relevant to the question of whether a likelihood of confusion exists—a prerequisite to accessing special remedies for counterfeiting. It also may be relevant to issues of knowledge and intent—prerequisites to mandatory awards of treble damages and attorney fees. It may also be relevant to the question of willfulness—a prerequisite to enhanced statutory damages. It is simply not

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<sup>178</sup> See, e.g., 15 U.S.C. § 1117(a) (attorney fees are available only in “exceptional cases”).

<sup>179</sup> 15 U.S.C. §§ 1116(b)(1), 1117(b) & (c), 1127.

<sup>180</sup> 15 U.S.C. § 1117(c).

<sup>181</sup> *Id.*

<sup>182</sup> 15 U.S.C. § 1117(b).

relevant to the question of whether an infringing mark is a “counterfeit mark.”

Let us consider again the products we examined in the Introduction:



Party A's Product



Party B's Product

Party A owns a registration for the STOMP ROCKET word mark for “flying winged tubes and structural parts therefor.” And Party B is clearly using an identical mark—STOMP ROCKET—in connection with a flying winged tube toy. Application of the statutory framework leads to the conclusion that Party B’s mark is a counterfeit mark and, therefore, if there is infringement, Party A should be able to access, at a minimum, non-enhanced statutory damages. But neither Party’s B product or its packaging are “stitch-for-stitch” copies of Party A’s, nor are the products themselves or their packaging substantially indistinguishable. Application of these standards bars Party’s A access to non-enhanced statutory damages, which is contrary to the statute.

Congress defined the universe of cases in which special remedies for counterfeiting are allowed, and it is not defined as “egregious cases,” nor is it limited to cases involving “stitch-for-stitch” copies or cases in which the parties’ products and/or packaging are identical or substantially indistinguishable. If Congress concludes that availability of the special remedies should be restricted to a narrower class of cases, for example, “egregious cases,” cases involving “stitch-for-stitch copies,” or cases where the parties’ products and/or packaging are substantially indistinguishable, it can do so by amending the statute. Barring such amendment, however, it is not appropriate for courts to impose requirements for

obtaining those special remedies beyond those found in the statute, even if done in an effort to serve a perceived Congressional intent that the special remedies for counterfeiting be available in only the most egregious cases.

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## PUBLIC POLICY AND MORALITY IN TRADEMARK EXAMINATION IN THE EUROPEAN UNION

*By Yann Basire\* and Stefan Martin\*\**

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## I. INTRODUCTION

Article 7(1)(f) of the European Union Trade Mark Regulation (“EUTMR”)<sup>1</sup> and Article 4(1)(f) of the Trade Mark Directive<sup>2</sup> provide that “trade marks which are contrary to public policy or to accepted principles of morality” shall not be registered. Echoing Article 6 *quinquies*, point B, paragraph 3, of the Paris Convention, which empowers Member States to refuse the registration of trademarks “contrary to morality or public order,” the exclusion of these signs is deeply rooted in the fundamental rights guaranteed by the Charter of Fundamental Rights of the European Union, the European Convention on Human Rights, and the constitutional traditions of the Member States.<sup>3</sup> The first decision on the issue of public order and morality was rendered in 1998 and concerned an application for registration of the trademark *BALLE*, which in Swedish is a vulgar term designating the male genitalia. More than 900 decisions have been issued since that date. They have shaped the contours of the concepts of public policy and morality, which will be addressed in the first part of this article. The second part explores more recent developments to the notions of public order and morality. In *FAK JU GÖHTE*,<sup>4</sup> the Court clarified the methodology to be applied in the assessment of trademarks against morality and public order and the role of freedom of expression in the interpretation of Article 7(1)(f) of the EUTMR. The development of case law also extended the scope of public policy to the protection of elements of cultural heritage. Finally, the EUIPO and national trademark offices have resisted attempts to register trademarks associated with recent dramatic events such as #JESUISCHARLIE, PRAY FOR PARIS, and more recently Y’A CORONA or COVID 19. These recent developments provide insight on the interpretation to be given, today, to the notions of public order and good morals in trademark law in the European Union (“EU”).

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<sup>1</sup> Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark, 2017 O.J. (L 154) 1.

<sup>2</sup> Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks, 2015 O.J. (L 336) 1.

<sup>3</sup> *Couture Tech Ltd. v. OHIM*, Case T-232/10, ECLI:EU:T:2011:498, para. 68 (September 20, 2011). Case references starting with the letter “T” refer to the General Court of the European Union (“GC”). Case references starting with the letter “C” refer to the Court of Justice of the European Union (“CJEU”).

<sup>4</sup> *Constantin Film Prod. GmbH v. EUIPO*, Case C-240/18 P, ECLI:EU:C:2020:118 (February 27, 2020).

This article focuses first and foremost on the case law of the Court of Justice,<sup>5</sup> the General Court,<sup>6</sup> and the decisions issued by the European Union Intellectual Property Office,<sup>7</sup> including decisions rendered by its Board of Appeal. But since trademark law is fully harmonized within the EU through the Trade Mark Directive, that case law is also relevant to the assessment of the registrability of trademarks by the national offices of the Member States of the EU.

## II. DEFINING AND APPLYING THE CONCEPTS OF PUBLIC POLICY AND MORALITY IN EU TRADEMARK LAW

The case law shaped the contours of the notions of “public order” and “morality” within the framework of EU trademark law but also presented in a rather systematic way the criteria to be applied in the assessment of these grounds of refusal (see Part II.A below). The result of the examination depends largely on the inherent characteristics of the sign (see Part II.B below).

### *A. Defining the General Criteria Applicable to the Assessment of Public Policy and Morality in EU Trademark Law*

#### 1. The *Ratio Legis* of Article 7(1)(f) of the EUTMR

Pursuant to settled case law, Article 7(1)(f) of the EUTMR pursues the protection of the general interest.<sup>8</sup> This general statement is not particularly helpful since it applies to most, if not all, absolute grounds for refusal listed in Article 7 of the EUTMR. Another approach to the rationale behind Article 7(1)(f) of the EUTMR is based on the “endorsement theory.” The prohibition of the registration of immoral, scandalous, and disparaging trademarks is not based on censorship but rather on the refusal of a public authority to endorse a trademark that violates the values

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<sup>5</sup> The Court of Justice of the European Union (“CJEU”) “interprets EU law to make sure it is applied in the same way in all EU countries and settles legal disputes between national governments and EU institutions.” See [https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/search-all-eu-institutions-and-bodies/court-justice-european-union-cjeu\\_en#:~:text=The%20Court%20of%20Justice%20of,national%20governments%20and%20EU%20institutions](https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/search-all-eu-institutions-and-bodies/court-justice-european-union-cjeu_en#:~:text=The%20Court%20of%20Justice%20of,national%20governments%20and%20EU%20institutions).

<sup>6</sup> The General Court reviews decisions from the European Union Intellectual Property Office (“EUIPO”) in trademarks and design matters and from the Community Plant Variety Office.

<sup>7</sup> Until 2016, the EUIPO was known as the “Office for Harmonization of the Internal Market” (“OHIM”).

<sup>8</sup> *Couture Tech Ltd. v. OHIM*, Case T-232/10, ECLI:EU:T:2011:498, para. 29. (GC, September 20, 2011) (coat of arms of the Soviet Union).

and moral precepts of a society.<sup>9</sup> This theory is not convincing. The registration of a trademark does not mean that the competent authorities approve them. Indeed, a vast majority of the persons composing the relevant public are not aware of the registration process and what it entails: “The purchasing public knows no more about trademark registrations than a man walking down the street in a strange city knows about legal title to the land and buildings he passes.”<sup>10</sup> The case law also envisaged the objectives of the provision on the basis of the feeling, sentiments, and emotions of relevant consumers when confronted with trademarks that collide with their own convictions: “A judicious application of this provision necessarily entails balancing the right of traders to freely employ words and images in the signs they wish to register as trademarks against the right of the public not to be confronted with disturbing, abusive, insulting and even threatening trademarks.”<sup>11</sup> The Boards of Appeal have held that this exclusion is also intended to protect minors, in that it prevents them from being exposed to vulgar language.<sup>12</sup> Both arguments are not convincing, as the refusal to register a trademark does not prevent its use. For instance, the trademark LA MAFIA SE SIENTA A LA MESA continues to be a widely used and successful restaurant franchise in Spain with three outlets in Alicante alone (and over fifty all over Spain), independent of the fact that its registration has been cancelled. Furthermore, one cannot ignore that on various occasions the European Court of Human Rights (“ECtHR”)<sup>13</sup> held that the European Convention on

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<sup>9</sup> “The Office 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,” *In re Kenneth*, Case R 495/2005-G, para. 13 (OHIM Grand Board of Appeal [Boards of Appeal (“BoA”)], July 6, 2006).

<sup>10</sup> *Application of National Distillers & Chemical Corp.*, 49 C.C.P.A. (Pat.) 854, 863, 297 F.2d 941, 949 (1962) (Rich, J., concurring)

<sup>11</sup> *In re Kenneth*, Case R 495/2005-G, para. 14 (OHIM Gr. BoA, July 6, 2006); *La Mafia Franchises, SL v. EUIPO*, Case T-1/17, ECLI:EU:T:2018:146, para. 25 (GC, March 15, 2018); see also Tobias Endrich-Laimböck, Svenja Schenk, *Then Tell Me What You Think About Morality: A Freedom of Expression Perspective on the CJEU’s Decision in FACK JU GÖHTE (C-240/18 P)*, Int’l Rev. Intell. Prop. & Competition L. 51, 534 (2020).

<sup>12</sup> *Id.* para. 26.

<sup>13</sup> The ECtHR was set up in 1959 and is based in Strasbourg. It hears applications alleging that a contracting state has breached one or more of the human rights provisions concerning civil and political rights set out in the European Convention on Human Rights (“ECHR”) and its protocols. An application can be lodged by an individual, a group of individuals, or one or more of the other contracting states, and, besides judgments, the Court can also issue advisory opinions. The ECtHR is not an EU institution but an international court constituted under the umbrella of the Council of Europe—an “[i]nternational organization, based in Strasbourg, which was created in 1949 and now includes 46 European countries.” (<https://www.coe.int/en/web/about-us/do-not-get-confused#:~:text=International%20organisation%2C%20based%20in%20Strasbourg,and%20the%20rule%20of%20law.>)

Human Rights “does not guarantee the right not to be confronted with opinions that are opposed to one’s own convictions.”<sup>14</sup>

## 2. The Concepts of Public Order and Morality

Article 7(1)(f) of the EUTMR contemplates the prohibition of “trade marks which are contrary to public policy or to accepted principles of morality,” concepts that are not defined by the EUTMR or the Directive.

### a. *The Distinction of “Public Policy” and “Morality”*

The distinction between “public policy” and “morality” is not always acknowledged by the case law.<sup>15</sup> For instance, in the “Coat of arms of the former Soviet Union” case, the General Court concluded “that the Board of Appeal did not commit an error of assessment in finding that the mark applied for was contrary to public policy or to accepted principles of morality in the perception of the relevant public in Hungary and, consequently, that it should be refused registration pursuant to Article 7(1)(f) . . . .”<sup>16</sup> This position endorsed by certain authors<sup>17</sup> has been criticized by the Advocate General in the *FAK JU GÖHTE* case: “At the same time, however, in the judgment under appeal, the General Court stated that the concepts of ‘public policy’ and ‘accepted principles of morality’ are different but they often overlap. Thus, EUIPO is not obliged to distinguish between the two. I cannot agree. It does not follow from the fact that both concepts might in some cases overlap that there is no obligation to distinguish between them. Most importantly, however, as can be vividly demonstrated by the present case, the conceptual difference between them has repercussions for what exactly is to be assessed and how, if either concept is to be invoked.”<sup>18</sup> One could add that the position conflicts with the principle of a rational legislator who would not use two different concepts if they would have the same meaning or would be interchangeable. Unfortunately, the Court of Justice did not address this, missing a unique opportunity to clarify the issue.

<sup>14</sup> ECtHR, Appl. No. 67667/09 and two others, *Bayev and others v. Russia*, June 20, 2017, para. 81.

<sup>15</sup> Alvaro Fernandez De La Mora Hernandez, *Inconsistencies in European trade mark law: the public policy and morality exclusions*, *Intell. Prop. Q.*, December 7, 2020, at 271-298.

<sup>16</sup> *Couture Tech Ltd. v. OHIM*, Case T-232/10, ECLI:EU:T:2011:498, para. 72 (GC, September 20, 2011).

<sup>17</sup> Tobias Cohen Jehoram, Constant van Nispen, Tony Huydecoper, *European Trademark Law: Community Trademark Law and Harmonized National Trademark Law*, 171 (Wolters Kluwer, 2010). Gordian N. Hasselblatt, *Community Trade Mark Regulation: A Commentary*, 125 CH Beck-Hart-Nomos, 2015, p. 125.

<sup>18</sup> *Constantin Film Prod. GmbH v. EUIPO*, Case C-240/18 P, ECLI:EU:C:2019:553, para. 77 (CJEU, July 2, 2019) (Op. Adv. General).

### *b. The Contours of “Public Policy”*

Public policy is one of those flexible legal concepts that are almost impossible to define. As noted by the General Court: “EU law does not impose a uniform scale of values and acknowledges that the requirements of public policy may vary from one country to another and from one era to another. Member States essentially retain the freedom to determine what constitutes those requirements in accordance with their national needs.”<sup>19</sup> More recently, in the context of the application for registration of the trademark CANNABIS STORE AMSTERDAM, the General Court clarified that the requirements of public policy, while they cannot cover economic interests, nor the mere infringement of the law, may encompass the protection of various interests which the Member State concerned regards as fundamental according to its own system of values: “. . . public policy is a normative vision of values and goals, defined by the relevant public authority, to be pursued now and in the future, that is, prospectively. Public policy . . . thus expresses the public regulator’s wishes as to the norms to be respected in society.”<sup>20</sup> The EUIPO’s Examination Guidelines state that the concept consists of all the legal rules necessary for the functioning of a democratic society and the rule of law.<sup>21</sup> “Public policy” refers to objective and overriding interest that should be taken into account in trademark law.

### *c. Defining the Boundaries of “Accepted Principle of Morality”: Bad Taste and Political Correctness*

The notion of “accepted principle of morality” refers to fundamental moral values and norms that are the subject of a “social consensus.” In that sense, moral values differ from public policy, which is imposed from above by public authorities, since “they grow from the bottom up.”<sup>22</sup> These moral values are not static and may evolve over time. They are determined according to “the social context, including, where appropriate, the cultural, religious or philosophical diversities that characterise it.”<sup>23</sup> It is not a question of sanctioning “bad taste,”<sup>24</sup> but rather of refusing to

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<sup>19</sup> Conte v. EUIPO, Case T-683/18, ECLI:EU:T:2019:855, para. 71 (GC, December 12, 2019).

<sup>20</sup> *Id.* para. 72.

<sup>21</sup> EUIPO, Guidelines for Examination of EU Trade Marks, Part B, Section 4, Chapter 7, § 2.1 (2022 ed.).

<sup>22</sup> Constantin Film Prod. GmbH v. EUIPO, Case C-240/18 P, ECLI:EU:C:2019:553, para. 77 (CJEU, July 2, 2019) (Op. Adv. General).

<sup>23</sup> Constantin Film Prod. GmbH v. EUIPO, Case C-240/18 P, ECLI:EU:C:2020:118, para. 39 (CJEU, February 27, 2020) (reversing refusal to register FACK JU GÖHTE word mark).

<sup>24</sup> *Id.* para. 41.



register a trademark that is incompatible with contemporary values. Under EU case law, public decency is invoked when the sign is not only indecent, but also offensive and degrading to the reader;<sup>25</sup> indecent, obscene, and repulsive;<sup>26</sup> deeply disgusting and likely to provoke indignation;<sup>27</sup> when it is a highly offensive and deeply indecent expression;<sup>28</sup> or when the sign is “humiliating, discriminatory, blasphemous or insulting, or incites the commission of a criminal act.”<sup>29</sup>

### i. Not Only Signs with a “Negative” Connotation

The banal use of signs with a positive connotation can also be offensive. For instance, the registration of the trademark ATATURK (the “father of the Turks”), the name of the founder of the modern Turkey in relation to clothing is not *per se* shocking but nevertheless its commercial trivialization is likely to offend a non-negligible part of the European public of Turkish origin.<sup>30</sup> The same conclusion was reached in relation to the application for registration of the representation of a cross<sup>31</sup> and the name of the lower house of the Parliament of the United Kingdom.<sup>32</sup>

## 3. The Relevant Consumer

### a. Linguistic Aspects

The registrability or validity of a trademark in the EU must be assessed taking into account the twenty-three official languages of the European Union, Turkish as one of the official languages of the Republic of Cyprus, Luxembourgish, Basque, Galician, Catalan, and the languages of regional minorities protected by the European Charter for Regional or Minority Languages<sup>33</sup> as well as those understood by a significant part of the population, such as Russian in the Baltic States, or Arabic in France, Belgium, and the

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<sup>25</sup> Brainlab AG v. OHIM, Case T-266/13, ECLI:EU:T:2014:836, para. 27 (GC, September 26, 2014).

<sup>26</sup> Efag Trade Mark Co. GmbH & Co. KG v. OHIM, Case T-54/13, ECLI:EU:T:2013:593, para. 19 (GC, November 14, 2013).

<sup>27</sup> *In re Kenneth*, Case R 495/2005-G, para. 18 (OHIM BoA, July 6, 2006).

<sup>28</sup> Cortés del Valle López v. OHIM, Case T-417/10, ECLI:EU:T:2012:120, para. 17 (GC, March 9, 2012).

<sup>29</sup> *In re Verlagsgruppe Droemer Knaur*, Case R 2889/2014-4, para. 7 (OHIM BoA, May 28, 2015).

<sup>30</sup> *In re Republic of Turkey*, Case R 2613/2011-2, para. 31 (OHIM BoA, September 17, 2012).

<sup>31</sup> *In re New Apostolic Church International*, Case R 510/2013-1 (OHIM, September 10, 2015).

<sup>32</sup> *In re The Corporate Officer of the House of Commons*, Case R2017/2013-1 (OHIM, July 2, 2014).

<sup>33</sup> Stefan Martin & Axel P. Ringelmann, *The Multilingual EU Trade Mark System: A Tower of Babel?*, 40 Eur. Intell. Prop. Rev. 602 (2018).

Netherlands. This linguistic diversity may lead to problems entirely unexpected by trademark owners. The trademark HEXABODY, for example, was partially refused for trademark status on the basis of its sexual connotation in Maltese.<sup>34</sup> The same reason prompted the rejection of CURVE, which in Romanian means “whore.”<sup>35</sup> The mark can also be examined according to its meaning in a regional dialect. For example, the EUIPO refused the mark ORSCHLOCH, which in Bavarian is a vulgar term for “anus.”<sup>36</sup> Finally, the mark must be assessed according to the common meaning of its word elements, including slang. For example, while the mark DICK & FANNY is likely to evoke a couple of a man and a woman when understood as diminutives of “Richard” and “Frances,” in less formal English the terms suggest the genitals of the man and the woman.<sup>37</sup>

### ***b. Place of Residence of the Relevant Consumer***

Article 7(2) provides that the prohibition of trademarks that are immoral or contrary to public policy is applicable even if the grounds for refusal exist only in one part of the European Union. Therefore, the examination of whether a sign is contrary to public policy or to accepted principles of morality must be carried out by reference to the perception of that sign, when used as a trademark, by the relevant public situated in the European Union or in a part of it, which part may consist, where appropriate, of a single Member State.<sup>38</sup> The perception of the sign may be influenced by linguistic, historical, social, or cultural considerations.<sup>39</sup> For example, the registration of a trademark reproducing the coat of arms of the former Soviet Union, as seen below, is likely to offend the citizens of the former satellites of the Soviet Union who are now Member States of the EU.<sup>40</sup>

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<sup>34</sup> *In re Genmab B.V.*, Case R 875/2015-5, para. 31 (OHIM BoA, March 7, 2016).

<sup>35</sup> *Brainlab AG v. OHIM*, Case T-266/13, ECLI:EU:T:2014:836, para. 31 (GC, September 26, 2014).

<sup>36</sup> *In re Wolfgang & Andreas Müller GbR*, EUTM No. 013357769 (OHIM, March 20, 2015).

<sup>37</sup> *In re Dick Lexic Ltd.*, Case R 111/2002-4, para. 7 (OHIM BoA, March 25, 2003).

<sup>38</sup> *Id.* para. 50; *Cortés del Valle López v. OHIM*, Case T-417/10, ECLI:EU:T:2012:120, para. 12 (GC, March 9, 2012); *Brainlab AG v. OHIM*, Case T-266/13, ECLI:EU:T:2014:836, para. 12 (GC, September 26, 2014); *La Mafia Franchises, SL v. EUIPO*, Case T-1/17, ECLI:EU:T:2018:146, para. 29 (GC, March 15, 2018).

<sup>39</sup> *Couture Tech Ltd. v. OHIM*, Case T-232/10, ECLI:EU:T:2011:498, paras. 31-33 (GC, September 20, 2011).

<sup>40</sup> *Id.* para. 52.



Similarly, the trademark LA MAFIA SE SIENTA A LA MESA (meaning “The Mafia sits at the table”) was cancelled at the request of the Italian government given its shocking and offensive nature, in particular for the victims and their families of this criminal organization.<sup>41</sup> The phrase “Cannabis Store Amsterdam” was refused since the use of the drug remains a criminal offense in a number of EU Member States.<sup>42</sup>

### *c. The Relevant Consumer: Between Prudishness and Ultraliberalism*

The average consumer is a fictional character—not a puritanical and bigoted person, but not a free thinker either. In EU trademark law, he is an ordinary citizen, “a reasonable person with average thresholds of sensitivity and tolerance,”<sup>43</sup> who is neither prudish nor ultra-liberal,<sup>44</sup> arguably a rather chimerical person, even as a fictional character. While the public concerned by the goods and services designated in the application for registration may be important for the purposes of assessing whether they are contrary to public policy and accepted principles of morality,<sup>45</sup> such an assessment must, in general, go beyond the mere perception of the relevant public. Account must be taken of the fact that the signs covered by this ground for refusal will offend not only the public to which the goods and services designated by the sign are addressed, but also other persons who, although not concerned by the goods and

<sup>41</sup> La Mafia Franchises, SL v. EUIPO, Case T-1/17, ECLI:EU:T:2018:146, para. 47 (GC, March 15, 2018).

<sup>42</sup> Namely, Bulgaria, Finland, France, Hungary, Ireland, Poland, Slovakia, and Sweden: Conte v. EUIPO, Case T-683/18, ECLI:EU:T:2019:855, para. 49 (GC, December 12, 2019).

<sup>43</sup> Constantin Film Prod. GmbH v. EUIPO, Case C-240/18 P, ECLI:EU:C:2020:118, para. 42 (CJEU, February 27, 2020); *accord* Cortés del Valle López v. OHIM, Case T-417/10, ECLI:EU:T:2012:120, para. 21 (GC, March 9, 2012); Etag Trade Mark Co. GmbH & Co. KG v. OHIM, Case T-54/13, ECLI:EU:T:2013:593, para. 21 (GC, November 14, 2013).

<sup>44</sup> PAKI Logistics GmbH v. OHIM, Case T-526/09, ECLI:EU:T:2011:564, para. 19 (GC, October 5, 2011) (refusal cannot be based on the part of the public that is easily offended, nor on the part shocked by nothing).

<sup>45</sup> PAKI Logistics GmbH v. OHIM, Case T-526/09, ECLI:EU:T:2011:564, para. 19 (GC, October 5, 2011).

services, will be confronted with the sign incidentally in their daily lives.<sup>46</sup>

#### 4. The Trademark Applicant's or Owner's Intentions and Motives Are Irrelevant

It is well established that the applicant's intentions, state of mind, conduct, and motives are irrelevant in the assessment of the validity of a sign within the framework of Article 7(1)(f) of the EUTMR.<sup>47</sup> It is therefore immaterial whether the applicant intended to shock, provoke, mock, disturb, or ridicule. What matters are the intrinsic qualities of the mark.

#### 5. Time of the Assessment

As for any other absolute ground for refusal, the validity of a trademark must be assessed on its filing or priority date.<sup>48</sup> In practice, though, this principle is likely to conflict with the evolving nature of the concept of public order and morality. Indeed, the passage of time may affect the validity of trademarks that were found acceptable at a certain point in time. As an example, one may consider the trademark BIN LADIN, filed on May 21, 2001, almost four months before 9/11.<sup>49</sup> In May 2001, the surname "Bin Laden" was largely unknown to the average consumer of the (then) European Community. The Second Board of Appeal nevertheless confirmed the decision of the examiner to refuse the registration based on Article 7(1)(f). The Board stated that the infringement of public policy should be examined according to the circumstances prevailing at the time of filing, but also according to those circumstances that could arise during the examination proceedings, prior to registration.<sup>50</sup> While the rule adopted by the Board is certainly one way to tackle the conflicting principles, it is more questionable whether that same rule would have been adopted absent a mark nearly identical to the name of the individual responsible for the world's deadliest terrorist attack. Moreover, the decision does not shed any light on the issue of the application of Article 7(1)(f) to already registered trademarks. One solution would

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<sup>46</sup> *Id.* para. 18; Efaq Trade Mark Co. GmbH & Co. KG v. OHIM, Case T-54/13, ECLI:EU:T:2013:593, para. 22 (GC, November 14, 2013) (relevant public includes persons incidentally exposed to the mark).

<sup>47</sup> La Mafia Franchises, SL v. EUIPO, Case T-1/17, ECLI:EU:T:2018:146, para. 40 (GC, March 15, 2018) (no consideration given to the "circumstances relating to the conduct of the person applying for the trade mark").

<sup>48</sup> Clouds Sky GmbH v. EUIPO, Case T-738/19, ECLI:EU:T:2020:441, para. 41 (GC, September 23, 2020).

<sup>49</sup> *In re Falcon Sporting Goods AG*, Case R 176/2004-2, para. 25 (OHIM BoA, September 29, 2004).

<sup>50</sup> *Id.* para. 26.

be to consider the question in view of the classical theory of the hierarchy of norms. Under this approach, Article 7(1)(f) must comply with, and therefore must be interpreted in light of, Primary EU Law, which includes the Treaties, the Charter of Fundamental Rights, and the general principles of law established by the Court of Justice of the European Union. As a result, a trademark registered in the past, which by the passage of time became racist, would be offensive and cancellable at the request of a third party, since it conflicts with the higher principles stated in Article 2 and Article 3(3) of the Treaty on European Union (“TEU”),<sup>51</sup> Articles 9 and 10 of the Treaty on the Functioning of the European Union (“TFEU”),<sup>52</sup> and Article 21 of the Charter of Fundamental Rights of the European Union,<sup>53</sup> which prohibit any form of discrimination.

## **6. Assessment of the Mark in Relation to the Goods and Services**

### ***a. The Legality of the Sale and Use of the Goods and Services Covered by the Mark***

As it appears from both the text of Article 7 of the Paris Convention for the Protection of Industrial Property and Article 15(4) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”), “[t]he 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.” Accordingly, as outlined by the General Court, the prohibition by certain Member States of bookmaking activities “cannot have the effect of rendering the trade mark itself contrary to public policy or to accepted principles of morality.”<sup>54</sup>

A distinction must be made between trademarks that are immoral or contrary to public policy per se, and those that are immoral or contrary to public policy when used in connection with certain goods or services. With regard to the first group, the fact that the goods covered by the prohibited mark are sold in confined areas, such as sex shops, for example, and therefore places that are little or less frequented by the most sensitive segment of the population, should remain irrelevant to the analysis of the contested sign. Thus, the expression “Paki” is a particularly offensive and vexatious insult in English that should not appear in the EU Trade Mark Register regardless of the goods and services for which registration is

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<sup>51</sup> Consolidated Version of the Treaty on European Union, 2012 O.J. (C 326) 17.

<sup>52</sup> Consolidated Version of the Treaty on the Functioning of the European Union, 2012 O.J. (L 326) 53.

<sup>53</sup> Charter of Fundamental Rights of the European Union, 2000 O.J. (C 364) 13.

<sup>54</sup> Sportwetten GmbH Gera v. OHIM, Case T-140/02, ECLI:EU:T:2005:312, para. 29 (GC, September 13, 2005).

sought.<sup>55</sup> For those trademarks that do not inherently convey a negative or offensive message, the goods and services covered will determine the fate of the application. For example, a religious symbol could be registered in relation to holy books but be refused for profane products.

## 7. Examining the Trademark

### *a. Assessing the Sign as a Whole*

The sign must be examined as a whole. This principle was applied by the Second Board of Appeal, which ruled that the acronym “ETA” (symbol of an armed Basque nationalist and separatist organization in the Basque Country) should not be dissociated from the second verbal element of the trademark “EARTH TO AIR SYSTEMS.” The Board concluded that, taken as a whole, “the mark might carry an element of unintentional bad taste, but nothing more.”<sup>56</sup> In the same vein, the Second Board of Appeal reversed a decision of the examiner who had dissected the mark AIRCURVE in order to isolate the word “curve,” which means “prostitute” in Romanian. The Board reasoned that consumers perceive a trademark as a whole and are not inclined to “analyse its various details.”<sup>57</sup>

### *b. Preponderance of the Verbal Elements*

The examination of the sign within the framework of Article 7(1)(f) should focus on its verbal elements. The figurative elements of the mark are generally not likely to influence the understanding of the sign unless they radically alter its meaning. For instance, the understanding and perception of the mark HEXABODY is not affected by its graphic elements, which are merely decorative (see mark below).<sup>58</sup>



The omission of a letter (“F\_ckface”) does not rule out the application of Article 7(1)(f) if the consumer is able and likely to reconstruct the word in its entirety.<sup>59</sup> Similarly, a trivial spelling mistake does not exclude the application of that provision, in particular when the

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<sup>55</sup> PAKI Logistics GmbH v. OHIM, Case T-526/09, ECLI:EU:T:2011:564, paras. 21-22 (GC, October 5, 2011).

<sup>56</sup> *In re Earth to Air Sys., LLC*, Case R 74/2009-2, paras. 11-12 (OHIM BoA, January 29, 2009).

<sup>57</sup> *In re ResMed Ltd.*, Case R 203/2014-2 (OHIM BoA, June 4, 2014), para. 14.

<sup>58</sup> *In re Genmab B.V.*, Case R 875/2015-5 (OHIM BoA, March 7, 2016).

<sup>59</sup> *In re Storz*, EUTM No. 008411787, at 2 (OHIM, December 21, 2009).

sound is identical (“kunt” and “cunt”).<sup>60</sup> On the other hand, in some languages, such as Hungarian, the omission of one or more accents can radically change the perception of a word. Thus, while in Hungarian the word “kúró” may be analogous to “fucker,” the word KURO does not exist in that language and its resemblance to the word “kúró” does not justify the rejection of the mark.<sup>61</sup>

### *c. Acronyms*

The use of an acronym to disguise an otherwise vulgar sign does not preclude the application of Article 7(1)(f) of the EUMR. Therefore, the letter sequence “CHWDP,” which in Polish can politely be translated as “fuck the police,” was refused registration.<sup>62</sup> However, the French National Office INPI registered the trademark SUPREME NTM despite the vulgarity of the expression covered by the acronym “NTM” (“NTM” means “fuck your mother”) given that the understanding of the acronym by a non-negligible part of the French consumer could not be presumed.<sup>63</sup>

### *d. Change Over Time of the Meaning or Perception of a Word or Expression: The “Rehabilitation Theory”*

The meaning, understanding, or perception of a word may change over time. In a case involving the trademark PAKI, which refers in a pejorative natter to a person from Pakistan or South Asia by birth or descent, especially one living in Britain,<sup>64</sup> the applicant a German company having used the trademark for many years in Germany argued that the term “Paki” had acquired a new meaning as a “shorthand for a Pakistani restaurant, dish or grocery shop.”<sup>65</sup> It added that the word was not any more offensive or insulting since it was used by the Pakistani community itself to refer to Pakistani food and restaurants. The General Court did not rule out the possibility that a word could be rehabilitated and absolved from its racist, vulgar, or offensive connotation. However, in the case at hand, the General Court found that for the majority of the relevant public the term remained offensive. It relied *inter alia* on an online ranking of expletives, which indicated that the

<sup>60</sup> *In re C.A.R.S. Bus. Sols. Pty. Ltd.*, EUTM No. 004164431, at 1-2 (OHIM, September 6, 2005).

<sup>61</sup> *In re Kühn*, Case R 482/2012-1, paras. 6, 19-20 (OHIM BoA, November 22, 2012).

<sup>62</sup> *In re Gozdek*, EUTM No. 013632849, at 2-3 (OHIM, May 29, 2015).

<sup>63</sup> Fr. Trade mark No. 98714885.

<sup>64</sup> Paki, Dictionary.com, <https://www.dictionary.com/browse/paki> (last visited March 16, 2023).

<sup>65</sup> *PAKI Logistics GmbH v. OHIM*, Case T-526/09, ECLI:EU:T:2011:564, paras. 21-22 (GC, October 5, 2011); see also B. Clark, *General Court refuses “racist” PAKI trade mark*, J. Intell. Prop. L. & Practice 392-396 (2012).

term “Paki” was considered offensive by 60% of the respondents based in the United Kingdom.

***e. Figurative or Form Marks Contrary to Public Policy***

A picture is worth a thousand words, and vulgar or indecent figurative or shape marks may also be objected to on the basis of public order or morality. The Board of Appeal of the Industrial Property Office of the Czech Republic rejected a 3D trademark representing the *digitus impudicus*, considering its vulgarity:<sup>66</sup>



Interestingly, this design was registered in February 2006 as a Community design<sup>67</sup> and in February 2008 by OHIM as a three-dimensional (3D) trademark.<sup>68</sup>

***f. The Phonetic Perception of the Mark***

It is conceivable that a mark could be offensive in its oral dimension while remaining visually neutral. Such a situation arose in the examination of the mark CAYLA, which was found to be too close to the word “καύλα,” which, in Greek, refers to a man’s erection. The EUIPO found that the visual differences were, to a large extent, blurred by the phonetic similarities, as the term “καύλα” is pronounced “kavla.”<sup>69</sup> In the same vein, the EUIPO refused the mark CYCLONE, the pronunciation of which in German is close to the infamous gas “Zyclon B.”<sup>70</sup>

<sup>66</sup> *In re Luxuria, s.r.o.*, Case O-435128 (Czech Intell. Prop. Off., August 23, 2007).

<sup>67</sup> EU Reg. Cmty. Design No. 000486618.

<sup>68</sup> EUTM No. 005958277.

<sup>69</sup> *In re Focus Brand Ltd.*, EUTM No. 012772166, at 2-3 (OHIM, August 27, 2014).

<sup>70</sup> *In re Paracel, Inc.*, EUTM No. 003824588, at 1-2 (OHIM, April 28, 2005).



### *g. “Social” Acceptance of the Sign*

Trademark law should not trivialize or provide a forum for coarse or crude words or expressions. It is not the role of trademark law to induce societal changes. Its role should be confined to acknowledge their existence and eventually accept them. In a case concerning the trademark CURVE, which in Romanian means “whore,” the General Court recalled that the use of vulgar language, particularly in literature or in the media, does not lead to the conclusion that the term has lost its offensive connotation and that its public use is now accepted by a significant part of society.<sup>71</sup> In a decision related to the application of the trademark FUCKING FREEZING! BY TÜRPIZ, the Board of Appeal noted that the concept of morality is, by definition, evolving and that words that are vulgar today may be acceptable tomorrow.<sup>72</sup> The Board added that it is, however, not the role of trademark law to initiate this change of perception.<sup>73</sup>

## *B. Practical Application of the Principles*

This chapter provides a systematic classification of the case law pursuant to the inherent characteristics of the trademark that have been objected to.

### **1. Prohibition of Racially Offensive Trademarks**

In the late 1940s, Léopold Senghor, who eventually served as the first elected president of Senegal, denounced<sup>74</sup> the use of the image of a laughing Senegalese Soldier (the famous “Tirailleur”) in connection with the sale of chocolate powder.<sup>75</sup>

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<sup>71</sup> Brainlab AG v. OHIM, Case T-266/13, ECLI:EU:T:2014:836, para. 31 (GC, September 26, 2014).

<sup>72</sup> *In re Türpitz*, Case R 168/2011-1, para. 24 (OHIM BoA, September 1, 2011); cf. *In re Fellenberg*, Case R 385/2008-4, at paras. 3-5, 10 (OHIM BoA, January 21, 2010) (accepting FUCKING HELL for registration in part because the term “FUCKING” referred to a village in Austria).

<sup>73</sup> *In re Türpitz*, Case R 168/2011-1, para. 24 (OHIM BoA, September 1, 2011).

<sup>74</sup> Léopold Senghor, *Hosties Noires* 7 (1948) (“Mais je déchirerai les rires *banania* sur tous les murs de France.”).

<sup>75</sup> Malte Hinrichsen, *Racist Trademarks and the Persistence of Commodity Racism in Europe and the United States*, in *Diversity in Intellectual Property: Identities, Interests, and Intersections* 130-148 (Irene Calboli & Srividhya Ragavan eds., 2015).



The position of international, European, and domestic law is unambiguous: under no circumstances can the right to freedom of expression justify the dissemination of racist or xenophobic statements or messages.<sup>76</sup> It follows that the European Union and its Member States cannot condone trademarks that carry racist stereotypes. The notion of public policy supports the rejection of trademarks with a racist connotation and those likely to offend the sensibilities of ethnic communities. The trademarks PAKI<sup>77</sup> (an insulting and contemptuous English term for an immigrant from Pakistan),<sup>78</sup> BLACK BASTERD,<sup>79</sup> and SUDACA (a pejorative term in the Spanish language used to designate Latin Americans),<sup>80</sup> BASTARDO ITALIANO,<sup>81</sup> and YOUPIN (a derivative of the word “youpin,” a racially offensive word designating a person of Jewish identity)<sup>82</sup> have been refused registration at the EU level. The racist nature of the trademark is sometimes more insidious. A sympathetic face or a folkloric figure may hide an equally unhealthy message, as illustrated by the rejection of this trademark on the ground of public order:<sup>83</sup>

<sup>76</sup> *E.g.*, U.N. International Convention on the Elimination of All Forms of Racial Discrimination art. 4, December 21, 1965, 660 U.N.T.S. 212; U.N. International Covenant on Civil and Political Rights arts. 19 & 20, December 16, 1966, 999 U.N.T.S. 172; Council of Europe, Additional Protocol to the Convention on Cybercrime, concerning the criminalization of acts of a racist and xenophobic nature committed through computer systems art. 6, January 28, 2003.

<sup>77</sup> PAKI Logistics GmbH v. OHIM, Case T-526/09, ECLI:EU:T:2011:564 (October 5, 2011).

<sup>78</sup> Paki, Dictionary.com, <https://www.dictionary.com/browse/paki> (last visited March 16, 2023).

<sup>79</sup> *In re* ZEG Zweirad-Einkaufs-Genossenschaft eG, Int’l Reg. No. 1056019 (OHIM, March 24, 2011).

<sup>80</sup> *In re* Aresti Chile Wine Ltda., EUTM No. 004118915, at 2 (OHIM, April 6, 2006).

<sup>81</sup> *In re* Nico Galliani, EUTM No. 018787946, (EUIPO, April 4, 2023).

<sup>82</sup> *In re* Ákos Süle, EUTM No.018766860 (EUIPO, January 16, 2023).

<sup>83</sup> *In re* CASA DO PRETO—Fabrico de Queijadas de Sintra, Lda., EUTM No. 017993186 (EUIPO, April 26, 2019).

CASA DO PRETO  
  
 SINTRA



  
 FABRICO ARTESANAL  
 desde 1911

More recently, the EUIPO rejected the application for registration of the sign “French lives matter,” since it would be perceived as an expression of French superiority and is likely to create an anti-foreigner sentiment.<sup>84</sup>

The case law is, however, not entirely homogenous. For instance, the Fourth Board of Appeal, faced with the trademark JEWISH MONKEYS, concluded that the sign was not contrary to public policy. The Board observed that the trademark was used by an Israeli rock band that regularly performed in Germany in synagogues and music festivals, in particular on the occasion of the annual Days of Jewish Culture, in Berlin. The name of the band was well known and did not seem to have shocked the German Jewish community. The Board therefore concluded that the trademark would be perceived as the name of a musical ensemble and would not convey any racist stereotype.<sup>85</sup> The position is untenable. Firstly, the trademark constitutes a racist insult for any member of the relevant public, of Jewish faith or not, not familiar with the musical band. Indeed, for a significant part of the relevant consumer residing in the EU, the musical ensemble playing under the name of “Jewish Monkey” remains largely unknown and the sign will therefore be perceived in its crudest meaning. Secondly, the absence of a complaint against a company using a racist trademark does not prove its social acceptance. Thirdly, the Board inexplicably missed the widely known disparaging meaning of “monkey.”<sup>86</sup>

<sup>84</sup> *In re Sandeep Narayan*, EUTM No. 018779093 (EUIPO, May 5, 2023).

<sup>85</sup> *In re Reich*, Case R 519/2015-4, para. 17 (OHIM BoA, September 2, 2015).

<sup>86</sup> *Id.* para. 14. *But see* Monkey, Dictionary.com, <https://www.dictionary.com/browse/monkey> (last visited March 16, 2023) (“4. *Disparaging and Offensive.* (used as a slur against a member of a racial or ethnic minority group, especially a Black person.)”).

## 2. Trademarks Associated with Totalitarian, Despotic, and Racist Political Regimes

The issue of political symbols arose in the aftermath of the Second World War. Many states legislated to ban the use of signs associated with Nazi Germany. More recently, some countries of the former Soviet Bloc have enacted legislation prohibiting the use of signs associated with the former Union of Soviet Socialist Republics. The rejection of symbols of an ideology now clearly perceived as anti-democratic and totalitarian was confirmed by a judgment of the General Court regarding a trademark consisting of the following five-pointed red star:



The above mark was seen as a tool for promoting the now condemned communist ideology.<sup>87</sup> In the same vein, the EUIPO refused the registration of the following mark, since it reproduced the five-pointed red star:<sup>88</sup>



More recently, the Boards upheld the rejection of the application for registration of the mark SS<sup>89</sup> and the declaration of invalidity cancelling the registration for the following figurative mark:

<sup>87</sup> *Couture Tech Ltd. v. OHIM*, Case T-232/10, ECLI:EU:T:2011:498, para. 68 (GC, September 20, 2011).

<sup>88</sup> *In re Svitlana Riabchuk*, EUTM Application No. 018703005 (EUIPO, September 21, 2022).

<sup>89</sup> *In re SS*, Case R 1399/2020-2 (EUIPO BoA, September 3, 2021).



The mark above reproduced the infamous “Parteiadler” (“Party’s eagle”), the symbol of the Nazi Party.<sup>90</sup> Similarly, the Board of Appeal upheld the rejection of the application for registration of the mark MECHANICAL APARTHEID holding that the term “apartheid” referred to an inhumane political regime guilty of atrocities comparable to those committed by the Nazi, Communist, or “Khmer Rouge” regimes.<sup>91</sup> The registration of such a mark would therefore be contrary to the European Union’s principles of human dignity, equality, and solidarity.<sup>92</sup> Also of interest is the decision refusing registration of the following figurative mark:



The applicant argued that they were not trying to register the swastika as a symbol of the Nazi Party but a Hindu religious symbol. It is true that the swastika is one of the oldest symbols of mankind, very popular in Asia, especially in India. The argument was summarily rejected by the Board, which considered that for the majority of the population of the European Union, the swastika evokes Nazism and antisemitism<sup>93</sup> and not the primary symbol of

<sup>90</sup> *Anglofranchise Ltd. v. Bugrey*, Case R 459/2020-5 (EUIPO BoA, April 23, 2021) (agreeing with EUIPO Cancellation Division that the registration is contrary to Article 7(1)(f) of the EUTMR).

<sup>91</sup> *In re Square Enix Ltd.*, Case R 2804/2014-5, para. 24 (OHIM BoA, February 6, 2015).

<sup>92</sup> *Id.* paras. 29-30.

<sup>93</sup> *In re Panayiotis*, EUTM No. 012838967, at 3 (OHIM, August 22, 2014).

Jainism or the god Ganesh. Even lesser-known Nazi symbols have been refused as contrary to Article 7(1)(f), such as those used by the German air force during World War II as in the following:



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or the wording PANZER CORPS combined with the “Party’s eagle” in the following:



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### 3. Prohibition of Trademarks Referring to Terrorist Organizations

The practice of the EUIPO condemns applications for registration of trademarks referring to terrorist organizations. The Second Board of Appeal, for example, confirmed the refusal to register the trademark BIN LADIN.<sup>96</sup> In the same vein, the Office application for registration of the ETA mark was refused on the ground that it was likely to offend a non-negligible part of the Spanish population as identifying a terrorist organization.<sup>97</sup>

<sup>94</sup> *In re Eastman*, EUTM No. 005636147 (OHIM, June 30, 2008).

<sup>95</sup> *In re Slitherine Ltd.*, EUTM No. 010019503 (OHIM, June 30, 2008).

<sup>96</sup> *In re Falcon Sporting Goods AG*, Case R 176/2004-2, para. 18 (OHIM BoA, September 29, 2004).

<sup>97</sup> *In re MIE Holdings Ltd.*, EUTM No. 003669074 (OHIM, September 7, 2004); *see also* *Abderrahim v. Laura Srl*, EUTM No. 012172111 (OHIM, April 20, 2016) (refusing registration of AL MOUHAJIROUN under Article 7 as referring to a terrorist organization); *In re Globus [Shetland] Ltd.*, EUTM No. 011610458 (OHIM, May 31, 2013) (refusing registration of HAIKA as referring to a terrorist organization); *In re Cotellessa*, EUTM No. 008289357 (OHIM, April 26, 2010) (refusing registration of IRA as referring to a terrorist organization); *In re OAS Company*, EUTM No. 018345645 (EUIPO, May 21,

#### 4. Prohibition of Marks Referring to Criminal Organizations

EU jurisprudence has traditionally shown little sympathy for trademarks that evoke criminal organizations. In its judgment regarding LA MAFIA SE SIENITA A LA MESA, the General Court stated that, by definition, “criminal activities breach the very values on which the European Union is founded, in particular the values of respect for human dignity and freedom as laid down in Article 2 of the TEU and Articles 2, 3 and 6 of the Charter of Fundamental Rights of the European Union. Those values are indivisible and make up the spiritual and moral heritage of the European Union.”<sup>98</sup> A public authority should not convey the impression that it endorses, promotes or condones such activities.<sup>99</sup> On the basis of the same principles, the EUIPO rejected the trademarks COSA NOSTRA FUGI AUT CONCLUDI,<sup>100</sup> LABELLAMAFIA,<sup>101</sup> ESCOBARS,<sup>102</sup> COSA NOSTRA,<sup>103</sup> YAKUZA,<sup>104</sup> and EL CHAPO.<sup>105</sup>

By contrast, the Fourth Board of Appeal annulled the decision of the examiner rejecting the trademark NARCOS. The Board held that the sign, which refers to “people who deal with drugs,” is not “tantamount to a statement inciting criminal acts in the sphere of drug dealership or consumption.”<sup>106</sup> While the Board acknowledged<sup>107</sup> that the plural “narcos” referred to drug dealers, it remained unclear why this should be different for the singular, when the singular term is understood precisely in that meaning in both Spain and France.

#### 5. Marks Suggesting the Commission of Illegal Activities

Similarly, the EUIPO rejected trademarks that may be perceived as supporting the commission of illegal activities: CRIME

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2021) (refusing the registration of the trademark OAS, which is the name of a French terrorist organization active in France and Algeria in the 1960s).

<sup>98</sup> *La Mafia Franchises, SL v. EUIPO*, Case T-1/17, ECLI:EU:T:2018:146, para. 36 (GC, March 5, 2018).

<sup>99</sup> *See id.* para. 47 (explaining that the mark “conveys a globally positive image” of a criminal organization and “trivialises the serious harm” it does).

<sup>100</sup> *In re Petralito*, EUTM No. 009450751 (OHIM, January 27, 2011).

<sup>101</sup> *In re Labellamafia Industria E Comercio De Confecções Ltda Me*, EUTM No. 013052105 (OHIM, October 8, 2014).

<sup>102</sup> *In re Clauss*, EUTM No. 018186362 (EUIPO, May 7, 2021).

<sup>103</sup> *In re Hecksakapital, S.L.*, EUTM No. 018205590 (EUIPO, June 16, 2020).

<sup>104</sup> *In re Alqariab*, EUTM No. 018010213 (EUIPO, April 10, 2019).

<sup>105</sup> *In re Crown 95 Ltd.*, EUTM No. 018770763 (EUIPO, January 23, 2023).

<sup>106</sup> *In re Narcos Prods. LLC*, Case R 776/2019-4, para. 15 (EUIPO BoA, October 28, 2019).

<sup>107</sup> *Id.*, at paras. 8 and 15.

PAYZ,<sup>108</sup> KNOCKOFF,<sup>109</sup> and WORLDWIDE—STOLEN GOODS.<sup>110</sup> The Boards have taken a slightly more nuanced position. In the appeal concerning the mark HOW TO MAKE MONEY SELLING DRUGS, for example, the Board held that it was highly unlikely that the average consumer would perceive this sign in its literal sense, that is, as a set of recommendations for successfully selling illegal substances.<sup>111</sup> The same Board held that the CONTRA-BANDO mark would be perceived as a wink to consumers to attract their attention, rather than as a glorification of the sale of contraband.<sup>112</sup>

## 6. Prohibition of Marks Related to Drugs and Other Illegal Substances

The recent movement toward the legalisation of the recreational use of cannabis and cannabis-derived products has prompted a new wave of applications for trademarks incorporating the term “cannabis” or one of various synonyms. In two recent judgments regarding the trademarks CANNABIS STORE AMSTERDAM<sup>113</sup> and BAVARIA WEED,<sup>114</sup> the General Court did not share this enthusiasm. The Court acknowledged that some EU Member States were moving toward legalizing cannabis for recreational and medical use but noted also that use of cannabis remained prohibited in other Member States.<sup>115</sup> The prohibition in those countries is justified by public health issues that are considered fundamental in accordance with those countries’ systems of values.<sup>116</sup> Moreover, the Court noted that the sign could be perceived as an incitement to the consumption of illegal substances or to their trivialization.<sup>117</sup> Again this argument is not persuasive, as it can be seen from the following picture that the trademark is still in use:

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<sup>108</sup> *In re* Glöckler, EUTM No. 010975217 (OHIM, September 6, 2012).

<sup>109</sup> *In re* Shaw Mktg. Ltd., EUTM No. 010806602 (OHIM, July 4, 2012).

<sup>110</sup> *In re* Global Syndicate Ltd., EUTM No. 013239827 (OHIM, February 12, 2015).

<sup>111</sup> *In re* Bert Marcus Prods. LLC, Case R 2052/2011-5, para. 17 (OHIM BoA, May 11, 2012).

<sup>112</sup> *In re* Luis Caballero S.A., Case R 2822/2014-5, paras. 20, 23 (OHIM BoA, May 7, 2015).

<sup>113</sup> Conte v. EUIPO, Case T-683/18, ECLI:EU:T:2019:855, para. 49 (December 12, 2019); Leonie Bourdeau & Stefan Martin, *General Court confirms rejection of cannabis trade mark on the ground of public order pursuant to Article 7(1)(f) of European Union Trade Mark Regulation (EUTMR): Cannabis Store Amsterdam*, Case T-683/18, EU:T:2019:855, 42 Eur. Intell. Prop. Rev. 378-380 (2020).

<sup>114</sup> Bavaria Weed GmbH v. EUIPO, Case T-178/20, ECLI:EU:T:2021:259 (GC, May 12, 2021).

<sup>115</sup> It expressly mentioned such as Bulgaria, Ireland, Finland, France, Hungary, Poland, Slovakia, Sweden (at para. 42).

<sup>116</sup> Conte v. EUIPO, Case T-683/18, ECLI:EU:T:2019:855, para. 74 (GC, December 12, 2019).

<sup>117</sup> Bavaria Weed GmbH v. EUIPO, Case T-178/20, ECLI:EU:T:2021:259, para. 42 (GC, May 12, 2021).





As the relevant public would associate the mark at issue with narcotic substances, the mark was considered to infringe public order within the framework of Article 7(1)(f). This reasoning has been applied in relation to various slang terms designating types of cannabis including MANGO KUSH,<sup>118</sup> DURBAN POISON,<sup>119</sup> GREEN GELATO,<sup>120</sup> EXODUS CHEESE,<sup>121</sup> LICKWEED,<sup>122</sup> AMNESIA HAZE,<sup>123</sup> and NORTHERN LIGHTS.<sup>124</sup>

## 7. Rejection of Sexist, Misogynistic, and Homophobic Trademarks

Sexist, misogynistic, and homophobic trademarks are just as intolerable as racist trademarks.<sup>125</sup> Oddly, these signs have not prompted an important string of litigation. In a decision regarding the mark I AM WHORE, HEAR ME ROAR, the examiner considered the first part of the mark to be inherently degrading and offensive to women, while noting that this message was reinforced by the second phrase “hear me roar.”<sup>126</sup> The trademark MARICON PERDIDO, which translates roughly to “total queer,” was refused on the basis that it would be contrary to accepted principles of

<sup>118</sup> *In re Shape Sols. GmbH*, Case R 2006/2020-2 (EUIPO BoA, July 19, 2021).

<sup>119</sup> *In re Shape Sols. GmbH*, Case R 2086/2020-2 (EUIPO BoA, July 19, 2021).

<sup>120</sup> *In re Shape Sols. GmbH*, Case R 2158/2020-2 (EUIPO BoA, July 5, 2021).

<sup>121</sup> *In re Shape Sols. GmbH*, Case R 1789/2020-2 (EUIPO BoA, May 13, 2021).

<sup>122</sup> *In re GianTec srl*, Case R 368/2022-2 (EUIPO BoA, August 3, 2022).

<sup>123</sup> *In re Shape Sols. GmbH*, Case R 2158/2020-2 (EUIPO BoA, July 5, 2021).

<sup>124</sup> *In re Shape Sols. GmbH*, Case R 1757/2020-2 (EUIPO BoA, April 8, 2021).

<sup>125</sup> See, e.g., Ann Bartow, “Are You There, Trademark Law? It’s Me, Misogyny,” 41 Colum. J. Gender & L. 11, 13-16, 21-23 (2021) (describing culture of shame around menstruation reinforced by branding for feminine hygiene products).

<sup>126</sup> *In re Anabolic Video Prods., Inc.*, EUTM No. 004808821, at 5 (OHIM, February 2, 2007).

morality.<sup>127</sup> In a similar vein, the German Patent Court confirmed the refusal of the following trademark:



The German Patent Court refused the above image of a gagged and tied woman on the ground that it was degrading and misogynistic.<sup>128</sup> However, the trademark SKYLLA, which in Greek means “bitch,” was considered inappropriate and in bad taste but not contrary to accepted principles of morality based on growing use of the term in public spaces.<sup>129</sup>

## 8. Trademarks Incorporating Religious Signs and Symbols

The protection of religious heritage is envisaged by Article 4(3)(b) of the Trade Mark Directive: “Any Member State may provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid where and to the extent that . . . (b) the trade mark includes a sign of high symbolic value, in particular a religious symbol.” Greece, Poland, Romania, and Slovakia have availed themselves of this option. The issue surrounding the use of religious symbols as trademarks seems a bit *passé* given the steady decline in religious observance in the EU. It should, however, be noted that in Romania and Malta, more than 90% of the population declare that they believe in God and remain generally attached to the respect of rites.<sup>130</sup> Furthermore, the use of religious symbols for secular purposes could not only offend the sensibilities of believers, but also of people for whom religious rites and symbols are an integral part of their cultural heritage. In common parlance, a religious symbol is a representation intended to represent a specific

<sup>127</sup> *In re Turner Broad. Sys. Eur. Ltd.*, EUTM No. 018234526 (EUIPO, November 25, 2020). The refusal has been appealed and remains referred to the EUIPO Grand Board for a decision. *In re Turner Broad. Sys. Eur. Ltd.*, Case R 2307/2020-5, para. 35 (EUIPO BoA, May 10, 2021) (referring to Grand Board to resolve balance between prohibition of trademarks contrary to accepted principles of morality and right to freedom of expression).

<sup>128</sup> *In re Gwendoline*, 27 W (pat) 96/10 (German Fed. Pat. Ct., September 28, 2010).

<sup>129</sup> *In re Aluminium Skylla Boats SP.J.*, Case R 487/2020-1, para. 16 (EUIPO BoA, December 9, 2020).

<sup>130</sup> European Commission, Special Eurobarometer 341 (Biotechnology Report) 381 (2010) (surveying belief in God with question QB32); see also Pierre Bréchon, *La religiosité des européens: diversité et tendances communes*, 24 *Politique Européenne* 21, 24 (2008).

religion. It is an objective and visible reference that includes emblems, monuments, and names of important objects intended to refer to a religious belief. Religious signs with a “high symbolic value” are likely to include, for example, the Christian cross, Holy Mary, the name of past and present popes, names of important saints, the “Chi Rho,” the Bible, the Star and Crescent, the name of “Allah,” the Quran of Islam, the Star of David, the Menorah, the Tablets of Stone, the Talmud and the Torah of the Jewish faith, the syllable “om” of Hinduism, the Wheel of Dharma of Buddhism, the Khanda symbol of the Sikh faith, Shiva, and the Lotus flower. The names of lesser-known saints do not fall within that category, in particular, when associated with alcoholic beverages, since the names of saints are frequently used as trademarks for this type of product.<sup>131</sup>

Trademarks that are “clearly blasphemous” (e.g., grossly irreverent toward something sacred)<sup>132</sup> or that are “seriously abusive and likely to cause deep offence”<sup>133</sup> will be refused registration on the basis of public policy. For example, the trademark AVE MARÍA (see below) was refused registration because of its association with St. Mary and because it included a cannabis leaf.<sup>134</sup>



It is also important to note that the scope of Article 7(1)(f) of the EUMR should not be limited to the symbols of the five major religions (Hinduism, Buddhism, Christianity, Judaism, and Islam). But the religion and the impugned symbol must be known to a non-negligible part of the relevant consumer. Thus, in one case, the General Court considered a request to cancel a trademark

<sup>131</sup> *In re Belles Marks Ltd.*, Case R 748/2022-5, para. 35 (EUIPO BoA, June 17, 2022); *In re Episcopia Ortodoxa Romana a Devei si Hunedoarei*, Case R 2938/2019-2, para. 31 (EUIPO BoA, July 6, 2022).

<sup>132</sup> *Nazir v. George V Eatertainment (SA)*, 3275 C, para. 15 (OHIM, February 16, 2011).

<sup>133</sup> *In re Kenneth*, Case R 495/2005-G, para. 19 (OHIM BoA, July 6, 2006).

<sup>134</sup> *In re Galano*, EUTM No. 003239514 (OHIM, February 2, 2005).

comprising the name of a Hindu spiritual leader (“Osho”) under Article 7(1)(f), but eventually rejected the argument because the name was not known to a significant part of the relevant public.<sup>135</sup> Finally, the case law also confirms that the registration of a trademark incorporating a religious symbol does not deprive the followers of the religion of their right to change their religion or belief or the freedom to manifest those.<sup>136</sup> As such, the registration of a trademark does not infringe the freedom of conscience and religion.<sup>137</sup>

## 9. Prohibition of Insults and Other Foul Language

The EUIPO and the General Court showed little sympathy for trademarks consisting of insults: foul, vulgar, or indecent language. For instance, the General Court confirmed the rejection of the trademark ¡QUE BUENU YE! HIJOPUTA, considering it to be “very offensive and deeply indecent”<sup>138</sup> (as “hijoputa” translates to “son of a bitch”). The Court also held that the presence of merely decorative elements and the words “Que buenye!” were not enough to distract the public from the offensive term “hijoputa.”<sup>139</sup> This position is, however, not unanimously shared by all the Boards. For instance, already in 2015, the Fourth Board of Appeal took the position that Article 7(1)(f) was not a compendium of linguistic rules designed to eliminate vulgar words and insults.<sup>140</sup> This statement must be approved. Indeed, as already mentioned, Article 7(1)(f) of the EUTMR does not aim to sanction bad taste. Nowadays, the use of swear words is so common that they have lost their shock value. It appears that “5% to 7% of all the words spoken in daily conversation are swear words.”<sup>141</sup> The use of swear words online has

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<sup>135</sup> Osho Lotus Commune eV v. EUIPO, Case T-670/15, ECLI:EU:T:2017:716, paras. 88, 108-112 (GC, October 11, 2017).

<sup>136</sup> *Id.* para. 115.

<sup>137</sup> *Id.*

<sup>138</sup> Cortés del Valle López v. OHIM, Case T-417/10, ECLI:EU:T:2012:120, para. 20 (GC, March 9, 2012).

<sup>139</sup> *Id.* para. 24.

<sup>140</sup> *In re* Verlagsgruppe Droemer Knaur, Case R 2889/2014-4, para. 12 (OHIM BoA, May 28, 2015); *accord In re* Reich, Case R 519/2015-4, para. 16 (OHIM BoA, September 2, 2015); *In re* Moeck, Case R 1627/2015-4, para. 15 (OHIM BoA, December 14, 2015); *In re* Ludwig-Erhard-Haus, Case R 1052/2016-4, para. 12 (EUIPO BoA, October 25, 2016).

<sup>141</sup> B. Jay Timothy, *The Utility and Ubiquity of Taboo Words*, *Persps. Psych. Sci.*, 4(2), 153-61 (2009).

increased to 7.7%.<sup>142</sup> The winning book of the Booker Prize in 2016 (*The Sellout*) includes eighty instances of the word “Fuck.”<sup>143</sup>

## 10. Sexually Suggestive Marks

### *a. Marks Incorporating the Word “Fuck” and Other Synonyms or Translations*

A puritanical view of sexuality certainly belongs to the past. The arts, fashion, and advertising industries use sex in all possible aspects. The word “fuck” has become a superlative the use of which is largely tolerated in English-speaking countries, but more generally in all EU countries. This liberal approach has not necessarily been followed by the EUIPO and the General Court. For instance, the General Court confirmed the rejection of the trademarks FICKEN and FICKEN LIQUORS because FICKEN in German refers to the sexual act and is considered to be an indecent, obscene, repulsive, and shocking term and therefore contrary to accepted principles of morality.<sup>144</sup> The judges were not amenable to the applicant’s argument that the word was now frequently used in Germany in the arts, press, and advertising. The Court accepted that the press and literature used vulgar or offensive words but rejected the conclusion that such uses weakened the primary meaning as vulgar expressions.<sup>145</sup> More recently, the Boards confirmed the rejection of the marks UNFUCKED and the following:

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<sup>142</sup> Wenbo Wang, Lu Chen, Krishnaprasad Thirunarayan, & Amit P. Sheth, *Cursing in English on Twitter*, in Proceedings of the 17th ACM Conference on Computer Supported Cooperative Work and Social Computing 15-24 (C.P. Lee, S. Poltrock, L. Barkhuus, M. Borges, W. Kellogg, eds. New York: Association for Computing Machinery, 2014).

<sup>143</sup> Alison Flood, *Shocking figures: US academics find ‘dramatic’ growth of swearing in books*, The Guardian, August 8, 2017.

<sup>144</sup> Efaq Trade Mark Co. GmbH & Co. KG v. OHIM, Case T-54/13, ECLI:EU:T:2013:593, para. 21 (GC, November 14, 2013).

<sup>145</sup> Efaq Trade Mark Co. GmbH & Co. KG v. OHIM, Case T-52/13, ECLI:EU:T:2013:596, para. 29 (GC, November 14, 2013). *See generally In re Unfucked Vegan Holding GmbH*, Case R 2878/2019-1 (EUIPO BoA, July 27, 2020) (affirming refusal of UNFUCKED); *In re Regula Pharm GmbH*, Case R 1494/2011-1, para. 17 (OHIM BoA, July 26, 2012) (affirming refusal of GAMMAS as Greek for “you fuck”); *In re Ung cancer*, Case R 793/2014-2 (OHIM BoA, February 23, 2015) (affirming refusal of FUCK CANCER); *In re Türpitz*, Case R 168/2011-1 (OHIM BoA, September 1, 2011) (affirming refusal of FUCKING FREEZING! BY TÜRPIZ); *In re Cudzilo*, Case R 1054/2016-5, para. 17 (EUIO BoA, January 12, 2017) (affirming refusal of TOUCH MY HOLE as a crude and offensive “invitation to touch an orifice in the genital or anal region”).



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The above marks were held to include the “offensive term fuck”<sup>147</sup> but took the opposite view with respect to the trademark FUCKING AWESOME on the ground that “the specific combination of the term ‘FUCKING’ with ‘AWESOME’ is intrinsically more laudatory than offensive and might be considered vulgar but not against accepted principles of morality in the sense of Article 7(1)(f).”<sup>148</sup> In the same vein, in relation to the mark W GIRLS DOING WHATEVER THE F ---- THEY WANT the Fifth Board of Appeal rejected the objection based on morality, since the word “fuck” will not be understood as an insult but rather as an intensifier.<sup>149</sup>

### ***b. Marks Consisting of a Word Designating the Sexual Organs***

Similarly, signs containing a direct reference to genitals, such as SULA, a vulgar Romanian word for penis,<sup>150</sup> or KONA because of its proximity to the word “cona,” which in Portuguese refers to female genitalia in a vulgar manner,<sup>151</sup> or PINA, which in Hungarian is a vulgar word designating female genitalia.<sup>152</sup>

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<sup>146</sup> *In re Neleman Group Holding B.V.*, Case R 226/2022-4 (EUIPO BoA, October 25, 2022).

<sup>147</sup> *In re Unfucked Vegan Holding GmbH*, Case R 2878/2019-1 (EUIPO BoA, July 27, 2020).

<sup>148</sup> *In re FA World Ent. Inc.*, Case R 1131/2021-5, para. 52 (EUIPO BoA, February 3, 2022). Decision to refuse registration based on lack of distinctiveness maintained in *FA World Ent. Inc. v. EUIPO*, Case T-178/22, ECLI:EU:T:2023:131 (GC, March 15, 2023), without discussion of Art. 7(1)(f) of the EUTMR.

<sup>149</sup> *In re Refresh Club, Inc. DBA The Wing*, Case R 1516/2018-5, par. 31 (EUIPO BoA, November 29, 2018).

<sup>150</sup> *In re Mesoamerican Brands Corp.*, Case R 2388/2019-4 (EUIPO BoA, July 7, 2020).

<sup>151</sup> *In re Hyundai Motor Co.*, Case R 1363/2018-1 (EUIPO BoA, June 20, 2019).

<sup>152</sup> *In re Saffron Packers, S.L.*, Case R 1666/2021-5 (EUIPO BoA, April 11, 2022).

### *c. Marks Evoking the “Oldest Profession in the World”*

As noted previously, in a case involving the trademark CURVE, which in Romanian means “whore,” the General Court upheld the rejection of the trademark as “inherently offensive and obscene, and not only in bad taste.”<sup>153</sup> However, the rejection is not systematic, as demonstrated by the review of the mark CURVES MAGAZIN EST. 2011 SOULFUL DRIVING. The Board of Appeal found that plural form with the added “S,” as well as the presence of the expressions “MAGAZIN EST. 2011” and “SOULFUL DRIVING,” which are foreign to the Romanian consumer, means that the word “CURVES” may also be perceived as a word belonging to a foreign language and not as the Romanian word mentioned above.<sup>154</sup>

## 11. Protection of the Names of Historical Figures

The use of the names of historical figures as trademarks is likely to hurt the national sensitivities of the populations concerned. The registration of the trademark ATATURK was cancelled by the Second Board of Appeal given that its commercial use is likely to offend the large Turkish diaspora living in the EU. Indeed, “Atatürk” refers to the “Father of the Turks,” the founder of the Republic of Turkey.<sup>155</sup> The trademarks AVRAM IANCU, which takes the name of a 19th century Romanian historical figure from Transylvania,<sup>156</sup> BILLCLINTON,<sup>157</sup> and CASTRO<sup>158</sup> were refused on similar grounds.

## 12. Principles of International Comity

The principle of international comity refers to a set of rules of decorum between sovereign states, including, in particular, the

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<sup>153</sup> Brainlab AG v. OHIM, Case T-266/13, ECLI:EU:T:2014:836, para. 29 (GC, September 26, 2014); *accord In re HNI Techs. Inc.*, Case R 288/2012-2 (OHIM BoA, June 1, 2012) (affirming refusal of CURVE 300); *In re LG Elecs. Inc.*, Case R 562/2015-1 (OHIM BoA, January 29, 2016) (affirming refusal of METALLIC CURVE); *In re HNI Techs. Inc.*, Case R 254/2012-2 (OHIM BoA, June 1, 2012) (affirming refusal of CURVE 100); *In re Holter Regelarmaturen GmbH & Co. KG*, Case R 601/2015-1 (OHIM BoA, December 1, 2015) (affirming refusal of HORA as Swedish for “whore” or “prostitute”); *In re Curve-O Private LLC*, Case R 2103/2017-4 (EUIPO BoA, March 16, 2018) (affirming refusal of CURVE-O for three-dimensional, curved hair comb mark); *In re Hora Beverage Co. S.r.l.*, Case R 1785/2021-2 (EUIPO BoA, May 24, 2022) (affirming refusal of HORA as Swedish for “whore” or “prostitute”).

<sup>154</sup> *In re Bogner*, Case R 601/2019-2, paras. 14-15 (EUIPO BoA, December 17, 2019); *see also In re Hewlett Packard Enter. Dev. LP*, Case R 2994/2019-4 (EUIPO BoA, May 24, 2020) (allowing registration of PROCURVE); *In re ResMed Ltd.*, Case R 203/2014-2 (OHIM BoA, June 4, 2014) (allowing registration of AIRCURVE).

<sup>155</sup> Republic of Turkey v. Yaqub, Case R 2613/2011-2 (OHIM BoA, September 17, 2012).

<sup>156</sup> *In re Belles Marks Ltd.*, EUTM No. 016056368 (EUIPO, April 13, 2017).

<sup>157</sup> *In re ALLCONSULT GmbH*, EUTM No. 000956540 (OHIM, August 25, 1999).

<sup>158</sup> *In re Rhensius*, EUTM No. 002932986 (OHIM, April 15, 2004).

recognition that a state grants on its territory to the legislative, executive, or judicial acts of another nation. These principles were applied in 2005 in relation to an application for registration of the trademark NOT MADE IN CHINA filed by a company operating in Gibraltar, which had caused a major controversy. Nearly 10,000 Chinese citizens and companies were outraged by the publication of this mark and petitioned the EUIPO, denouncing this perversion of the “Made in China” label and what was perceived as an affront to the dignity of the People’s Republic of China. Concurrently with this initiative, the China Trademark Association submitted third-party observations (the EU equivalent of a letter of protest) pointing out that the mark devalued all goods manufactured in China. The argument seemed to have convinced the EUIPO, finding that the mark conveyed an insidious and derogatory insinuation likely to encourage a boycott of goods that were made in China: “Acceptance of such a mark for registration by a public administration would be contrary to the spirit of reciprocal goodwill which is sought in Sino-European trading relations.”<sup>159</sup> The link with issues of morality and public order is far from being obvious. It is also in the name of the principle of international comity that the First Board of Appeal confirmed the rejection of the HOUSE OF COMMONS mark, which designates the lower house of the British Parliament and one of the main institutions of the United Kingdom. The Board observed that sections 54 and 1193 of the Companies Act prohibit the use of any name that might suggest a connection with government or public authorities, a prohibition that would attest to the importance of the designation of its institutions in the United Kingdom.<sup>160</sup>

### III. CONTEMPORARY PERSPECTIVES

More recently, the case law has enlarged the scope of application of Article 7(1)(f) of the EUTMR (see Part III.A below). Moreover, in a landmark decision, the Court of Justice of the European Union changed the method of analysis and interpretation of this absolute ground for refusal (see Part III.B below).

#### *A. New Objects of Public Order and Morality*

The enlargement of the scope of application of Article 7(1)(f) of the EUTMR covers signs likely to offend the victims of tragic events

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<sup>159</sup> *In re Alvito Holdings Ltd.*, EUTM No. 004631305, at 3 (OHIM, September 11, 2006). The decision was upheld by the Fourth Board of Appeal but on the basis of Article 7(1)(c) (descriptive mark). *In re Alvito Holdings Ltd.*, Case R 1454/2006-4 (OHIM BoA, December 11, 2007).

<sup>160</sup> *Corporate Officer of the House of Commons v. NLY Scandinavia AB*, Case R 2017/2013-1, paras. 29-30 (OHIM BoA, April 17, 2015).



and their families (see Part III.A.1) and signs reproducing works of art part of the cultural heritage of a country (see Part III.A.2 below).

### 1. Opportunistic Trademarks: MH17, #JESUISCHARLIE, CORONA, COVID

Any tragic event is usually followed in a matter of days by attempts to register trademarks that include or allude to the designation of that event with the obvious intention to free ride on the public interest created by these social crises or high-profile events. These signs do not appear to be particularly subversive or obscene, yet these opportunistic applications raise a moral issue: should an event that has a tremendous impact on the life of hundreds of millions of persons be used to promote a commercial activity? In 2015, the trademark MH17—which was one of the two flight numbers of the Malaysian Airlines plane shot down on July 17, 2014, in the eastern part of Ukraine—was refused registration on the ground that it was offensive not only to the victims and their relatives but also to the average EU consumer, who would find the monopolization of such a sign by trademark law “morally unacceptable.”<sup>161</sup> On January 16, 2015, following the terrorist attack aimed at the satirical magazine *Charlie Hebdo*, and the use of the slogan “#jesuischarlie” in support of the victims and their families and friends, the OHIM issued a statement to the effect that “an application which consisted of or which contained the phrase ‘Je suis Charlie’ would probably be subject to an objection under Article 7(1)(f), due to the fact that the registration of such a trademark could be considered ‘contrary to public policy or to accepted principles of morality.’”<sup>162</sup>

Following the outbreak of the COVID 19 pandemic, the EUIPO received eighty-six trademark applications including the word “covid” and sixty-seven reproducing the term “corona.”<sup>163</sup> The EUIPO refused at least fourteen of these on the basis of Article 7(1)(f),<sup>164</sup> essentially based on the idea that such trademarks would result in a trivialization of the pandemic,<sup>165</sup> or would hurt or shock people who might have lost a friend or a member of the family

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<sup>161</sup> *In re Seyefull Invs. Ltd.*, EUTM No. 013092937, at 9 (OHIM, July 2, 2015).

<sup>162</sup> OHIM, OHIM - JE SUIS CHARLIE, Office for Harmonization in the Internal Market (Trade Marks and Designs) (January 16, 2015), available at <https://web.archive.org/web/20150128115518/https://oami.europa.eu/ohimportal/en/news/-/action/view/1787585>.

<sup>163</sup> eSearch plus, EUIPO, <https://euipo.europa.eu/eSearch/> (applications filed between January 1, 2020, and January 1, 2023) (last visited March 16, 2023).

<sup>164</sup> *Id.* (based on refusal grounds stated in eSearch plus).

<sup>165</sup> *In re Reiff Verlag GmbH & Co. KG*, EUTM No. 18213866, at 3 (EUIPO, November 25, 2020) (refusing AFTER CORONA PARTY as a clear “trivialization”).

as a result of the disease,<sup>166</sup> or that it would be contrary to moral principles to “seek[] to gain financial gain from what is universally accepted to be a tragic event.”<sup>167</sup> More recently, the EUIPO objected to the application for registration of the trademark SELENSKI, as it would be seen as a trivialization of the Ukrainian War.<sup>168</sup>

## 2. The Desecration of Cultural Heritage

A case involving the attempt of the Municipality of Oslo to secure the registration of trademarks reproducing certain artworks of one of the most eminent Norwegian sculptors, Gustav Vigeland, for which copyright was about to elapse, or had already elapsed, raised in a surprising way questions regarding accepted principles of morality. The Norwegian Industrial Property Office rejected all applications. Upon appeal, the Norwegian Board of Appeal sought an advisory opinion from the European Free Trade Association (“EFTA”) Court,<sup>169</sup> inter alia, on three questions addressing the issue of public order: “(1) May trade mark registration of works, for which the copyright protection period has expired, under certain circumstances, conflict with the prohibition in Article 3(1)(f) of the Trade Marks Directive on registering trade marks that are contrary to ‘public policy or . . . accepted principles of morality’? (2) If Question 1 is answered in the affirmative, will it have an impact on the assessment that the work is well-known and of great cultural value? (3) If Question 1 is answered in the affirmative, may factors or criteria other than those mentioned in Question 2 have a bearing on the assessment, and, if so, which ones?”<sup>170</sup> On April 6, 2017, the EFTA Court issued its advisory opinion.<sup>171</sup> With regard to the concept of signs “contrary to accepted principles of morality,” the EFTA Court noted that the signs applied for were not inherently

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<sup>166</sup> *In re Sobek Motorsporttechnik GmbH & Co. KG*, EUTM No. 18211918, at 3 (EUIPO, November 18, 2020) (refusing CORONA KID as shocking to people who have lost someone to the coronavirus).

<sup>167</sup> *In re Bauer*, EUTM No. 018214881, at 1 (EUIPO, October 9, 2020) (refusing CORONA HERO as immorally seeking profit from a tragedy); *In re Ciriolo*, EUTM No. 018224154, at 2 (EUIPO, December 14, 2020) (refusing CORONALUX as immorally seeking profit from a tragedy).

<sup>168</sup> *In re Yüksel Düzgün*, EUTM No. 018674098, (EUIPO, January 11, 2023).

<sup>169</sup> The EFTA Court, based in Luxembourg, corresponds to the Court of Justice of the European Union in matters relating to the EEA EFTA States. The European Economic Area (“EEA”) unites the EU Member States and the three EEA EFTA States (Iceland, Liechtenstein, and Norway) into an Internal Market governed by the same basic rules (<https://www.efta.int/>).

<sup>170</sup> *In re Municipality of Oslo*, E-5/16, para. 31 (EFTA Ct., April 6, 2017).

<sup>171</sup> *Id.* See generally Yann Basire, *Public domain versus trade mark protection: the Vigeland case*, 13 J. Intell. L. & Prac. 434 (2018); Martin Senftleben, *No Trademark Protection for Artworks in the Public Domain—A Practical Guide to the Application of Public Order and Morality as Grounds for Refusal*, 71 GRUR Int’l 3 (2022).

offensive.<sup>172</sup> Nevertheless, the Court concluded that the registration of a work of art could be perceived as offensive by the average consumer:

However, certain pieces of art may enjoy a particular status as prominent parts of a nation's cultural heritage, an emblem of sovereignty or of the nation's foundations and values. A trade mark registration may even be considered a misappropriation or a desecration of the artist's work, in particular if it is granted for goods or services that contradict the values of the artist or the message communicated through the artwork in question. Therefore, the possibility cannot be ruled out that trade mark registration of an artwork may be perceived by the average consumer in the EEA State in question as offensive and therefore as contrary to accepted principles of morality.<sup>173</sup>

Regarding the application of the "public policy" exception, the EFTA Court concluded that artwork may be refused registration as a mark if it "consists exclusively of a work pertaining to the public domain" and the registration "would constitute a genuine and sufficiently serious threat to a fundamental interest of society."<sup>174</sup> In its decision of November 13, 2017, the Norwegian Board of Appeal followed the positions suggested by the EFTA Court but took a different approach. The Board of Appeal concluded that the registration of a trademark reproducing works of art in the public domain "would contradict the considerations and fundamental societal interests justifying the limitation of the term of copyright protection."<sup>175</sup>

The decision of the EFTA Court and the Norwegian Board of Appeal constitutes a new approach to the concept of morality. The extension of the scope of Article 7(1)(f) of the EUTMR to the protection of works of art with cultural and historical significance is surprising and questionable. Indeed, public policy and morality are given an unexpected scope, where the concept of "indecent recovery" is still prevalent. While the solution seems perfectly understandable from a purely intellectual perspective, it appears less satisfactory on a practical level. Although the EFTA Court states that the issue should be approached on a case-by-case basis, the likely outcome for works of art that enjoy a certain notoriety will be a rejection of trademark protection. In this regard, the Court follows the second proposal of the European Copyright Society militating in favor of a broad approach when evaluating morality

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<sup>172</sup> *In re Municipality of Oslo*, E-5/16, paras. 90-91 (EFTA Ct., April 6, 2017).

<sup>173</sup> *Id.* para. 92.

<sup>174</sup> *Id.* para. 102.

<sup>175</sup> *Klagenemnda for industrielle rettigheter* (Norwegian Board of Appeal for Industrial Property) ("KFIR"), November 13, 2017, Cases 16/00148, 16/00149, 16/00150, 16/00151, 16/00153, and 16/00154, § 24.

and public policy pursuant to Article 7(1)(f) of the EUTMR.<sup>176</sup> Following the opinion of European Copyright Society, once a work has entered the public domain, its use must remain unfettered and no longer be subject to any exclusive right. The European Copyright Society concludes that stating otherwise would call into question the very purpose of copyright and its limitation in time. The statement that the registration as a trademark of a work that is part of the public domain would be akin to the reconstitution of a monopoly is certainly questionable. On one hand, the subject matter of the right differs: an intellectual work for one, a distinctive sign for the other. On the other hand, there is a difference in the objective and *raison d'être* of the rights concerned. Consequently, their respective scopes and implementations differ as trademark rights cannot replace copyright.

This does not mean that an application for registration as trademark of a work of art that is part of the public domain should be admitted without any inquest. Assuming that the registration of a work as a trademark would resurrect an already extinguished monopoly, this would constitute a misappropriation of the trademark system likely to be addressed and sanctioned at all stages of the trademark's life cycle. The sign could be refused registration for lack of distinctiveness.<sup>177</sup> Depending on the use that the owner makes of his sign, it could be revoked for lack of genuine use. Additionally, it should be recalled that trademark rights are enforced only in situations where the mark is used in the course of trade, as a trademark, in relation to identical or similar goods and services and when such use is likely to infringe one of the functions of the trademark. Finally, the infringement of a work consisting of its association to dubious goods and services to which the Court and the comment of the European Copyright Society refers is likely to be considered a violation of the author's moral rights and therefore an impediment to the registration of the work as a trademark.<sup>178</sup> The use of the concepts of public policy and morality could be eluded, therefore avoiding to enlarge the scope of these concepts and to undermine the requirement of distinctiveness that must remain the essential condition for the validity of a trademark.

Finally, it is unlikely that the average consumer who is accustomed to the use of works of art in advertising and marketing would be offended by the registration of a work as a trademark.

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<sup>176</sup> Eur. Copyright Soc'y, *Trade mark protection of public domain works: A comment on the request for an advisory opinion of the EFTA Court 2-4* (November 2, 2016).

<sup>177</sup> *But see In re Municipality of Oslo*, E-5/16, paras. 73-78 (EFTA Ct., April 6, 2017) (discussing limitations of using lack of distinctiveness and descriptiveness to block registration of works of art).

<sup>178</sup> *But see id.* paras. 92-93, 101 (explaining that potential misappropriation or desecration is not separate from but should be considered within the analysis of accepted principles of morality).

They may find it questionable but certainly not offensive. The approach adopted by the Norwegian Board of Appeal induces a dilution of the core of the notion of morality, that is, that the trademark is offensive and perceived as such by the relevant consumer and ultimately of the concept of the core and fundamental values of a society. A work of art may be “desecrated” if it is used in relation to goods or services that the author would have condemned, such as an attempt to register a sign derived from Pablo Picasso’s famous painting *Guernica* for the sale of weapons.<sup>179</sup>

## ***B. Change in the Method of Analysis and Interpretation***

### **1. Contextualized Approach**

It is widely recognized that the validity of a trademark, both in registration and invalidity proceedings, must be examined *in abstracto*, that is, in relation to the sign as filed or registered and the goods or services designated. Article 7(1)(f) implies that the focus of the review should be on the “intrinsic qualities” of the trademark applied for and not on external circumstances.<sup>180</sup> This paradigm was questioned and eventually dismissed by the Court of Justice in the dispute surrounding the application for registration of the trademark FACK JU GÖHTE.<sup>181</sup> *Fack Ju Göhte* is the title of a German comedy film released in English under the title *Suck Me Shakespeare*.<sup>182</sup> The producer of the movie applied for registration of the trademark FACK JU GÖHTE. The application was rejected by the examiner, the Boards of Appeal, and eventually the General Court, concluding that the mark was infringing acceptable principles of morality being a misspelling of and, when pronounced in German, phonetically equivalent to “fuck you Goethe.”

The Court of Justice disagreed. In relation to the methodology to be applied, the Court declared that “[t]he examination to be carried out cannot be confined to an abstract assessment of the mark applied for, or even of certain components of it, but it must be established . . . that the use of that mark in the concrete and current social context would indeed be perceived by that public as being contrary to the fundamental moral values and standards of

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<sup>179</sup> Martin Senftleben, *No Trademark Protection for Artworks in the Public Domain—A Practical Guide to the Application of Public Order and Morality as Grounds for Refusal*, 71 GRUR Int’l 3, 5 (2022).

<sup>180</sup> Sportwetten GmbH Gera v. OHIM, Case T-140/02, ECLI:EU:T:2005:312, para. 28 (GC, September 13, 2005).

<sup>181</sup> Constantin Film Prod. GmbH v. EUIPO, Case C-240/18 P, ECLI:EU:C:2020:118 (CJEU, February 27, 2020).

<sup>182</sup> See *Suck Me Shakespeare*, IMDB, <https://www.imdb.com/title/tt2987732/> (last visited March 16, 2023).

society.”<sup>183</sup> In the circumstances of the case, the Court of Justice concluded that the Court of First Instance should have taken into account a number of factual elements that could shed light on the perception of the contested sign by the German-speaking public. These included the commercial success of the film in Germany, the fact that the title had not given rise to controversy, and the fact that the Goethe Institute used it for educational purposes.<sup>184</sup> In the Court’s view, these were all indications that the disputed sign would not be perceived by the German-speaking public as being morally unacceptable.<sup>185</sup>

These findings raise significant questions regarding the determination of the relevant context. As a matter of fact, neither the applicant nor the EUIPO challenged the judgment below to limit the assessment to a German-speaking public.<sup>186</sup> Yet, the film was released in French and English under different titles, “Un prof pas comme les autres”<sup>187</sup> and “Suck me Shakespeare.” For the non-German-speaking member of the relevant public, the expression “Fack Ju Göhte” is not linked to a film and remains what it is—a vulgar expression. Thus, had the assessment included non-German-speaking members of the public and their perceptions, the Court’s analysis may well have reached a different conclusion.

## 2. The Role of Freedom of Expression in EU Trademark Law

The issue has been debated in the case law and among scholars since the inception of the Community Trade Mark. In one of the earliest decisions on the matter, the Grand Board of Appeal held that refusal to register a trademark “does not amount to a gross intrusion on the right of freedom of expression.”<sup>188</sup> Nevertheless, the Grand Board nuanced its position since the refusal may be considered an indirect restriction since “businesses may be unwilling to invest in large-scale promotional campaigns for trademarks which do not enjoy protection through registration because the Office regards them as immoral or offensive in the eyes of the public.” The Court subsequently took an even firmer stance.

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<sup>183</sup> Constantin Film Prod. GmbH v. EUIPO, Case C-240/18 P, ECLI:EU:C:2020:118, para. 43 (CJEU, February 27, 2020).

<sup>184</sup> *Id.* para. 52.

<sup>185</sup> *Id.* paras. 52-53, 64-69. For a further example of a contextualized approach to the concept of morality, see *In re Verlagsgruppe Droemer Knaur*, Case R 2889/2014-4 (OHIM BoA, May 28, 2015), paras. 8-9 (remarking on similar extrinsic evidence).

<sup>186</sup> Constantin Film Prod. GmbH v. EUIPO, Case C-240/18 P, ECLI:EU:C:2020:118, para. 43 (CJEU, February 27, 2020).

<sup>187</sup> See *Un prof pas comme les autres*, Allociné, [https://www.allocine.fr/film/fichefilm\\_gen\\_cfilm=209260.html](https://www.allocine.fr/film/fichefilm_gen_cfilm=209260.html) (last visited March 16, 2023).

<sup>188</sup> *In re Kenneth*, Case R 495/2005-G, para. 15 (OHIM BoA, July 6, 2006).

In the judgment related to the application for registration of the sign “¡Que bueno ye! HIJOPUTA” the General Court concluded that the prohibition to register a trademark does not infringe the right to freedom of expression guaranteed, inter alia, by Article 11 of the Charter, since it does not prevent the use of the contested mark.<sup>189</sup> This position was endorsed by some scholars<sup>190</sup> while rejected by others.<sup>191</sup> The European Court of Human Rights adopted a diametrically opposed approach when it concluded, on the basis of previous case law that found that commercial expression, including advertising, constitutes a protected expression, that the refusal to register a trademark constitutes an interference with the applicant’s right to freedom of expression.<sup>192</sup>

In *FACK JU GÖHTE*, the Court of Justice took a different approach. The Court did not conclude that the refusal of the registration of a trademark on the basis of morality or public order issues constitutes per se a violation of the right to freedom of expression but that “. . . freedom of expression, enshrined in Article 11 of the Charter of Fundamental Rights of the European Union, must . . . be taken into account when applying Article 7(1)(f).” This statement reflects the requirement set forth by Article 51(1) of the EU Charter of Fundamental Rights, which requires that all measures of the EU must observe fundamental rights. In that respect, the judgment in *FACK JU GÖHTE* can be distinguished from the judgment rendered by the Supreme Court of the United States in relation to the application for registration of the mark THE SLANTS, which held that the morality bar that prohibits the registration of trademarks that may “disparage . . . persons, living or dead, or bring them into contempt, or disrepute,” violates the First Amendment right to free speech and is unconstitutional.<sup>193</sup> The position adopted by the Court of Justice is not convincing. Trademark registration must be distinguished from “trademark use.” The registration of a trademark recognizes a property and confers certain exclusive rights to the benefit of its owner but does not convey any message.

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<sup>189</sup> Cortés del Valle López v. OHIM, Case T-417/10, ECLI:EU:T:2012:120, para. 26 (GC, March 9, 2012).

<sup>190</sup> Philipp von Kapff, *Fundamental rights in the practice of the European Trade Mark and Designs Office (OHIM)* in Research Handbook on Human Rights and Intellectual Property 303 (Christophe Geiger ed., Edward Elgar Publishing 2015); Marco Ricolfi, *Trademarks and Human Rights in Intellectual Property and Human Rights* 471 (Paul Torremans ed., Kluwer 2008); Jonathan Griffiths, *Is There a Right to an Immoral Mark? in Intellectual Property and Human Rights* 448-449 (Paul Torremans ed., Kluwer, 2008).

<sup>191</sup> Alavaro Fernandez De La Mora Hernandez, *Inconsistencies in European trade mark law: the public policy and morality exclusions*, Intell. Prop. Q. 19-20; Teresa Scassa, *Antisocial Trademarks*, 103 TMR 1172, 1190-92 (2013); Dominik Hanf, *Art. 7 UMV in Markenrecht* (Annette Kur, Verena von Bomhard, Friedrich Albrecht eds. Munich: Beck, 2018).

<sup>192</sup> Dor v. Romania, No. 55153/12, par. 44 (ECHR, August 25, 2015).

<sup>193</sup> Matal v. Tam, 137 S. Ct. 1744 (2017).

#### IV. CONCLUSION

This overview of EU case law shows that the public policy and morality, despite its somewhat outdated nature, remains particularly relevant to EU trademark law. The courts of the European Union have unanimously protected the fundamental values of the EU and condemned the registration of trademarks conveying racist, sexist, discriminatory, or anti-democratic messages. With regard to the issue of morality, the EUIPO appears to be overzealous. Its case law on vulgar, insulting, and sexually connoted trademarks seems to reflect personal views rather than the reaction of the relevant consumer with an average degree of sensibility. This led to a lack of coherence and consistency, in particular in relation to the use of the words “fuck” and “fucking.” This study also shows that the scope of application of public policy and morality has recently been extended by the case law. In protecting the families of victims of disasters or terrorist attacks from the commercial exploitation of these sad and unfortunate events, trademark law has become empathetic. And finally, by repelling attempts to monopolize works of art belonging to the cultural heritage of a nation, trademark law has also become patriotic. Finally, the Court of Justice did not follow the path taken by the United States Supreme Court in *THE SLANTS* case. However, the issue of the role of the freedom of expression in the interpretation of Article 7(1)(f) of the EUTMR will have to be refined by future case law since the Court in *FACK JU GÖHTE* missed the opportunity to provide guidance in that respect.

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## BOOK REVIEW

*By Lesley McCall Grossberg\**

### **Brand Protection and the Global Risk of Product Counterfeits: A Total Business Solution Approach.**

Jeremy W. Wilson, ed. 2022. Pp. 267. \$150 (hardback); from \$37.60 (eBook). Edward Elgar Publishing Limited, The Lypiatts, 15 Lansdown Road, Cheltenham Glos., GL50 2JA, UK; Edward Elgar Publishing, Inc., William Pratt House, 9 Dewey Court, Northampton, Massachusetts 01060, USA.

Counterfeited and pirated products account for as much as 2.5% of global trade, yet many anticounterfeiting approaches remain reactive rather than proactive. In *Brand Protection and the Global Risk of Product Counterfeits: A Total Business Solution Approach*, criminal justice scholar Jeremy M. Wilson and a cross-disciplinary team of contributors provide important lessons on how brand owners can, and should, implement proactive brand protection practices and overcome the organizational inertia that leads most anticounterfeiting approaches to be reactive. Importantly, it provides heuristics for brand protection lawyers to make a business case to non-lawyers within an organization for a more proactive anticounterfeiting approach. In doing so, brand protection advocates can find ways to break the Sisyphean cycle of investigation and enforcement in favor of an approach that emphasizes the reduction of infringement opportunity.

The book is organized in six parts. Part I introduces “the brand protector’s dilemma” of identifying infringement threats and obtaining and allocating resources to address them. It then introduces the key principles of the “total business solution” for maximizing brand protection performance: identifying the infringer as a competitor, prioritizing prevention, integrating controls for detecting and responding to infringements, using data to assess and mitigate risk and gauge performance, un-siloing brand protection functions across a firm, and creating a culture of continuous improvement.

Part II offers insight on how to create a more well-rounded approach to brand protection and anticounterfeiting from an organizational perspective. A chapter by Sean O’Hearen argues that an ISO standard for risk management provides a framework for implementing a total business solution to brand protection, allowing

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for a systematic adoption in terms that resonate with firm stakeholders. Another chapter on understanding consumer motivations for participating in illicit trade unpacks a large-scale Oxford Economics survey and provides important factual background for brand owners who are interested in adopting a more holistic approach to brand protection.

Part III addresses the question of what concrete steps brand owners can choose from to implement a brand protection strategy, and then surveys academic literature, concluding that while practitioner-suggested tactics are key to launching a brand protection program, research-based tactics can be used to expand such a program. The first chapter of this part considers several risk mitigation strategies, including an enterprise-wide approach that emphasizes proactive actions. Another chapter examines how to communicate the value of brand protection to others in an organization through personal persuasion to create an organizational culture that values and prioritizes brand protection and anticounterfeiting.

In Part IV, the authors use Cost of Quality (“CoQ”) concepts to illustrate the value of anticounterfeiting and brand enforcement investments in business terms. This part is critical to demonstrating how a more holistic and proactive anticounterfeiting approach has a real and quantifiable return on investment. These metrics allow for brand protection practitioners to demonstrate their value to an organization and potentially avoid a typical “cost center” classification. The final chapter in this part provides real-life metrics and recommendations for quantifying the value of anticounterfeiting efforts across different industries.

Part V provides case studies and examples of the total business solution in practice. These include Pfizer’s “Product Integrity for Patient Safety” program, authored by Chanterelle Sung, former Director of Compliance for Pfizer. The chapter shares that Pfizer’s patient-safety-focused program is housed primarily within its Global Security team, with an enterprise-wide directive and cross-functional approach based on the pillars of reducing demand through education and awareness; policymaking to keep the supply chain secure; working with law enforcement to identify and intercept counterfeit medicines; and using a data-driven risk mitigation strategy, tracking various metrics to demonstrate value and assist with resource allocation. A chapter by John Carriero, Senior Director of Brand Protection for Under Armour, provides insight on how to calculate and quantify brand protection impact. This approach involves quantifying units seized through enforcement efforts (whether through ground enforcement, factory raids, or e-commerce complaints) as well as accounting for restitution and civil penalties. Carriero explains why he breaks down the metrics this way and notes that calculating brand

protection impact should show not only the removal of counterfeit products from the supply chain, but also the opportunity generated for sale of authentic products through the enforcement efforts. A chapter by Vivian Vassallo, Senior Director for IP Protection and Enforcement at Dolby, provides practical advice about staffing and management of a brand enforcement team within a business enterprise, arguing that brand protection should be elevated and visible to the highest levels of leadership to be effective.

The final part, Part VI, written by Wilson, summarizes the tenets of the proposed total business solution in view of the various contributors' ideas and experiences, emphasizing that adoption of a risk management mindset dovetails well with a proactive and strategic approach to brand protection. This part also explains how the various chapters in the different parts of the book relate to one another and provides useful takeaways for a brand protection practitioner.

This collection delivers what it promises—a broad-based, quantifiable total business solution approach to anticounterfeiting efforts. It is business-focused, with very little substance regarding legal regimes or trademark laws. It is therefore eminently suited for the non-lawyer businessperson who wishes to understand the subject better. But in that sense, the “total” preventive approach, being business-oriented, is not jurisdiction-dependent in terms of enforcement and therefore is useful and applicable to business organizations regardless of where the organization is located. The total business solution approach provides a valuable playbook for in-house brand protection practitioners and is critical reading for those responsible for brand protection activities within an organization. But it is also useful for outside counsel and trademark practitioners generally to better understand the business perspective and gain insight on how to counsel toward a proactive approach.

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