

Defining the Boundaries of a Scandalous Mark – Perspectives from Australia, the United States, and the United Kingdom

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Abstract

Trademarks are renowned to serve multi-faceted purposes. They tell us where products and services come from, and we rely on them as guideposts for consistency, quality and social status. But trademarks also have ... a dark side. "Scandalous" or "immoral" marks (referred to in the general sense of the term), while purportedly entitled to common law protection, are essentially "dead" in federal trademark registration schemes. They are barred from receiving federal trademark registration, or may have such registration revoked, including certain protections and benefits encompassed therein. While the exclusive rights of use of a trademark entitle an owner to prevent third parties from using identical or similar marks in relation to identical or similar products without his consent, these rights are qualified by their entitlement to be registered in the first place. One prohibition to registering a mark under a statutory trademark regime is that such a mark is either "scandalous", "disparaging", "contrary to principles of morality", or "public policy". Yet, there is no fixed definition of any of these terms – nor a general international consensus of how to classify marks that may be contrary to moral principles. In the wake of our globalized world, and near limitless movement of goods, this is highly problematic. The author discusses the approach to identifying scandalous marks, highlights the differences between the approach taken to register (or deny registrability of) trademarks in three common law jurisdictions, namely: the United States, the United Kingdom, and Australia. This paper identifies that there is a need to clarify what "public interest" is, and sets the tone for proposing a universal method to determine when a mark should be deemed scandalous prior to registration. The findings in the paper have implications for property rights the vest under other intellectual property regimes, including geographical indications, as well as Constitutional considerations, and international norms.

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INTRODUCTION

Trademarks are renowned to serve multi-faceted purposes. They tell us where products and services come from, and we rely on them as guideposts for consistency, quality and social status. They can inspire fierce loyalty and enable us to quickly scan supermarket shelves for what we want.

But trademarks also have ... a dark side. “Scandalous” or “immoral” marks (referred to in the general sense of the term), while purportedly entitled to common law protection, are essentially “dead” in federal trademark registration schemes. They are barred from receiving a federal trademark registration, and all the protections and benefits encompassed therein. While the exclusive rights of use of a trademark entitle an owner to prevent third parties from using identical or similar marks in relation to identical or similar products without his consent, these rights are qualified by their entitlement to be registered in the first place. One prohibition to registering a mark under a statutory trademark regime is that such a mark is either “scandalous”, “disparaging”, “contrary to principles of morality”, or “public policy”. Yet, there is no fixed definition of any of these terms – nor a general international consensus of how to classify marks that may be contrary to moral principles. In the wake of our globalized world, and near limitless movement of goods, this is highly problematic. Undefined and vaguely defined terms, particular those apt to interfere with proprietary rights, leads to increasing inconsistency in the approach taken to register (or deny registrability) of marks. From a legal standpoint, the definition of each of these terms depends upon the recognition of certain moral principles by national trademark laws and upon the determination by the relevant trademark office concerning the geographical area over which the principle is to apply. In the absence of defined boundaries of what is “scandalous”, “contrary to principles of morality”, or “public policy”, for example, the ability for decision makers to interfere with property rights of mark holders, economic rights, and marketing objectives that use of their mark often seeks to achieve. Such vagueness, it is argued, has the ability to undermine the very essence of the trademark regime.¹ Trademarks, it is argued, seek to decrease communication costs, while balancing private and public rights inherent in the regime. In this respect, the expanding role of marks as expressions of communication, rather than pure expressions of commerce, means that trademarks take on characteristics that resemble both public and private goods. It is in the nature of the IP legislative schemes that they represent a balance that has been struck between public and private interests at a given point in time in the scope of the monopoly that may be granted and/or in the permissible subject matter of a grant.

This paper focuses on the approach taken by decision makers to deny registrability of “scandalous marks” or marks “contrary to accepted principles of morality” in three federal jurisdictions grounded in common law – the United States, Australia, and the United Kingdom. Scholars to-date have criticized the laissez fair approach to classifying a mark as

¹ See Sarah Hinchliffe, *Scandalous Marks – Going Above and Beyond “Use” and “Acquisition” of Rights under the Constitution* (Working Paper, February 2014).

“scandalous”, particularly in the United States, and have distinguished the approaches to deem a mark as “scandalous” as opposed to “disparaging”.² Literature to-date has not, however, provided a comprehensive comparative analysis of the different approaches to deeming a mark as “scandalous”, or “contrary to public policy”, or otherwise. Nor has the literature provided a historical, descriptive and normative account of the development of these terms in each of these jurisdictions to provide a rational justification for the validity of these principles. Through a historical account of trademark “protection” in each of these jurisdictions, this paper provides the foundation to fill that gap by highlighting the normative foundations of the trademark regime primarily from a property rights analysis, and lays down central themes to an economic rights analysis to justify deeming a mark as “contrary to principles of morality”, or otherwise “scandalous”.³ This, it is argued, is the first step in rationalizing the approach taken to denying registration where a mark may be seen as immoral. It also precipitates the inherent and acquired flaws in the approach taken by decision makers to justify use of these, arguably, terms.

Part I of this paper discusses the approach taken in Australia to registration of “scandalous” marks. Although jurisprudence in this area of trademark law in Australia is replete with interesting and significant issues, a number of limitations are highlighted to justify a fresh normative account of marks that should be deemed immoral. For example, the case law is still too sparse to be able to provide sufficient guidance either to the proponents of potentially scandalous trademarks, or to persons or groups who might be offended by such marks, and wish to clear the public sphere of the very sight or sound of them. This part dissects relevant provisions in the Trade Marks Act 1995 (Cth), and consumer protection legislation to identify the shortfalls in the current approach to attempt to deem marks as “scandalous”. It cautions against the potential for overlap between a series of standards that exist to establish trademark infringement (for example, consumer confusion), and denial of trademark registration for marks deemed “scandalous”. These standards center around the scope of “use”, and clearer standards regarding who the identified “public” are. The discussion in the part is pertinent to advance proposals for clarifying and improving the law in this area – both in Australia, the United Kingdom, and the United States – explored in a subsequent paper. One recommendation is to impose a test that requires that the mark offend a “substantial and respectable” section of the community, even if it does not offend people in the community generally, if it is to be rejected for registration on this ground. Second, that the term “scandalous” be completely omitted altogether in favor of a test that simply requires that the mark be offensive (to a substantial and respectable section of the community), or a “contrary to principles of morality” standard.

Part II explore the “traditional” framework for deeming marks as, for example, immoral in the European region – namely, in the United Kingdom. It highlights, in

² See, e.g., Anne G. LaLonde and Jerome Gilson, *Trademarks Laid Bare: Marks that May be Scandalous or Immoral* 101 T.M.R. 1476 (2011); Jasmine Abdel-Khalik, *To Live In In-“Fame”-Y: Reconceiving Scandalous Marks as Analogous to Famous Marks* 25 CARDOZO ARTS & ENTERTAINMENT 173 (2007); Linda Oswald, *Challenging the Registration of Scandalous and Disparaging Marks under the Lanham Act: Who has Standing to Sue?* 41 AMERICAN BUS. L. J. 251 (2004).

³ See further, Hinchliffe *supra* note 1.

particular, the disjointed approach taken by decision makers over the last century, and provides a normative foundation for how this can be rectified. In so doing, it distinguishes between rights and interests of trademark owners, and highlights the impact of increasing recognition of other rights (such as user rights) in a public policy framework with respect to marks contrary to “accepted principles of morality” as opposed to “scandalous” marks. It identifies the disjoint between balancing the “rights” of mark holders, and the “interests” of consumers – broadly referred to as the public in this paper. The author contends that the approach in the United Kingdom most accurately reflect international norms, and normative themes in trademark. It is argued that identifying an approach that can be utilized by different jurisdictions is possible, and that the United Kingdom is a good starting point. But, to do so effectively first requires an understanding of the common themes, cultural differences, Constitutional imperatives, and normative arguments.

While this Part II focuses on United Kingdom standards and decisions, I distinguish themes in international law – which also bars similar registrations. For example, under Article 6*quinquies* of the Paris Convention, member states may refuse or invalidate registration of marks that are “contrary to morality or public order.” Among the absolute grounds for refusal for Community Trade Marks is whether the mark is “contrary to public policy or to accepted principles of morality.” The United Kingdom appears to be one of the only jurisdictions that closely implement the “spirit” of what should be described as an international norm. Notably, the United Kingdom bears no reference in the current Trade Marks Act to “scandalous” – a reference that is understandably oblique and outdated. It is acknowledged that trademark offices throughout the world are tasked with keeping their registries free of marks that are scandalous, immoral or contrary to public policy. Notwithstanding, there is still a need to define with sufficient precision the scope of “public interest” which, as outlined in this paper, can be achieved by redefining the meaning of “contrary to morality” in light of established normative themes. This paper identifies that there is a need to clarify what “public interest” is which, it is argued, will unlock a universal method for determining when a mark should be deemed scandalous prior to registration. Standards depicted by courts and decision makers in the United Kingdom’s, it is argued, provides an effective launch-pad to achieve international consensus.

Part III follows from the above and discusses the seemingly impossible task faced by the United States Patent and Trademark Office (USPTO) in denying registration of trademarks under section 2(a) of the Lanham Act – namely, those that consist of or comprise “immoral, deceptive, or scandalous matter.” Under this language, cancellation petitioners can even challenge registered marks that are incontestable. While it is acknowledged that every state except Colorado, Maine and Wisconsin tracks the Lanham Act language exactly in prohibiting registration of scandalous or immoral marks, the focus in the Part is on the Federal trademark regime. To date, however, there is no published state court case interpreting the language sufficiently. The difficulties with the USPTO deciding whether marks are “scandalous” and “immoral” are manifest, and consistency is chief. Unlike Australia, and the United Kingdom, the USPTO lacks independent standards that apply to such determinations, which are made by dozens of different individuals of varying political, religious, geographic and family backgrounds. Further, it compounds the issue by refusing to acknowledge previous registrations of similar marks as precedential.

Another intractable problem is whether there is in fact a general public view about the offensiveness, or not, of any given trademark, and if there is, whether such a view can be determined by the USPTO under its current procedures. Indeed, decision makers possess tremendous expertise in many areas of trademark law, but none in discerning the temperature of the public's moral outrage. Even if a majority would not be offended at marks that disturb a minority, those could still be barred from registration under a different provision of the Act. Racially offensive marks, for example, could be considered disparaging of "persons, living or dead, institutions, beliefs, or national symbols" and rejected to the same extent as scandalous and immoral marks.

This paper provides a normative account justifying where we are, and where we should be and forms the basis for two subsequent papers. First, an integrated discussion about constitutional and normative analysis of scandalous marks in these respective jurisdictions, the degree to which each jurisdiction implements international norms (under Berne and TRIPS), the degree to which scandalous marks are contrary to constitutional values in these respective jurisdictions. Subsequent analysis attempts to contrast themes raised in the plain packaging of cigarette debate, particularly in defining the legitimate interests of owners. In particular, one may question the ability for governments to deny registration, or renege registered marks that may be perceived as immoral, or contrary to public policy. This is discussed in the context of international "norms" under the TRIPS Agreement – in particular Articles 13 to 20. Second, the present paper provides a justification for amending the legislation governing the registrability of scandalous marks in Australia, the United Kingdom and the United States. It explains how this can be achieved, and why it is warranted. It also highlights a niche area in the market, namely scandalous marks in wine law, and suggests an approach for determining scandalous geographical indications.

I. Scandalous Marks – Perspectives from “Down-Under”

This Part provides a comprehensive outline of the mandates prohibiting registration of scandalous trademark in Australia. In so doing, it provides an undertone to examine the statutory trademark regimes in the United Kingdom, and the United States, and the degree to which standards for registering a mark deemed immoral or otherwise “scandalous” differs. All three systems have a registration system, and all fail to adequately delineate the boundaries of what is considered a “scandalous” mark. History, as it will be revealed, plays an important role in the development of the registration system, and whether marks are more likely to be deemed scandalous, in each jurisdiction.

Australia, although in its infancy, has a unique and budding statutory trademark regime. The *Trade Marks Act 1995* (Cth) is the primary piece of legislation governing registration and procedural aspects of trademarks in Australia. Section 17 defines a trademark as:

[A] sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

This definition of a trademark is critical to an understanding of not just what may be registered as a trademark, but also other trademark issues such as what conduct constitutes an infringement of a trademark. Themes from the latter, including confusion, are discussed in this paper.

Trademarks may be registered under section 19 and, pursuant to section 20, if a trademark is registered the registered owner can use, authorize use of mark in relation to goods and services in respect of which the mark is registered. Applications for registration of trademarks may, however, be rejected by the Registrar on a number of grounds, including that:

- The mark contains prescribed signs;⁴
- The mark cannot be represented graphically;⁵
- The mark has no capacity to distinguish the applicant's goods or services from those of other traders (or that the mark is not 'distinctive');⁶
- The mark **is scandalous**;⁷
- **Use** of the mark **would be contrary to law**;⁸
- The mark **is inherently deceptive or confusing**;⁹ or
- The mark is substantially identical or deceptively similar to a mark previously registered in respect of similar or closely related goods or services.¹⁰

The above grounds may also form the basis for opposition proceedings, which may be brought after acceptance of the application.¹¹ They may also form the basis for rectification proceedings, which may be brought after registration of the trademark.¹² The significance of misleading or deceptive conduct, "use" contrary to law and its relationship to "scandalous" marks, passing-off, copyright infringement is discussed in Parts I and II of this paper.

Trademark examination is undertaken by the Australian Trade Mark Office (ATMO), and examiners sub-specialize. For example, scandalous trademark examiners, general trademark examiners, word, and combination trademark examiners. As will be discussed, the guidance to determine what is scandalous matter, the degree to which this differs to "use" contrary to law, and the role that consumer legislation plays in determining registrability of a mark in Australia is limited. Requests to extend the protection of

⁴ Trade Marks Act 1995 (Cth) s 39

⁵ *Id.* s 40.

⁶ *Id.* s 41. The requirements of *id* s 41 do not apply to certification trademarks (*id* s 170), or to defensive trademarks: *id* s 186.

⁷ *Id.* s 42(a).

⁸ *Id.* s 42(b). See *infra* pp 14-16 of this paper (discussing how "use" contrary to law and "scandalous" marks differ).

⁹ *Id.* s 43.

¹⁰ *Id.* s 44.

¹¹ *Id.* ss 52, 57 (registration of a trademark may be opposed on any of the grounds for rejecting an application set out in the Act, which is defined in *id* s 6 to include the Trade Marks Regulations (Cth) 1995).

¹² An application for rectification may be made on any of the grounds for which the registration could have been opposed, which therefore includes the grounds on which the application may initially have been rejected: *id.* s 88(2)(a).

internationally registered marks to Australia may also be rejected on the above grounds.¹³ Similar to other IP regimes, determining registerability of a trademark is undertaken at a domestic level. When examining scandalous marks, however, there appears to be different “standards” (albeit, ad hoc) to determine who is indeed considered scandalous matter. This is of ongoing concern given the economic role that trademarks play, and the property rights they carry to potential owners.¹⁴

A. Historical Perspective

The trademark system in Australia has its grounding and was initially modeled on the United Kingdom. The first United Kingdom trademark legislation was passed in 1875 and, in due course, the Australian colonies followed the legislative lead of the United Kingdom. The registration of trademarks was a reasonably natural development beyond the law of passing off (discussed below) – the founding roots of passing off apparent from the structure of proceeding trademark instruments in Australia. While passing off had and still has numerous advantages, it is inadequate in some respects as a means of facilitating the exploitation of signs used to indicate the origin of goods or services or as a means of defining and regulating property rights.

All of the Australian colonies (now States and Territories) had their own trademark legislation at the time of Federation in 1901, and the first federal trademark legislation was the *Trade Marks Act 1905* (Cth) which largely mirrored then United Kingdom legislation. The next Australian legislation was the *Trade Marks Act 1955* (Cth), which also largely mirrored the United Kingdom legislation of 1938 although some key differences were emerging at that time.

Australia has subsequently passed two more trademark acts – although, only one of them ever came into effect. The *Trade Marks Act 1994* (Cth) was intended to come into effect on 1 January 1996 but it contained several flaws, and it was deemed more appropriate to simply repeal it before it came into operation. It was replaced by the present legislation, the *Trade Marks Act 1995* (Cth) which came into effect on 1 January 1996. The new legislation and the 1994 legislation were a response to a number of issues, including some requirements under the TRIPS Agreement that were not met by the 1955 legislation. Also, a government report on trademark law to the Minister for Science and Technology,¹⁵ which made a number of recommendations concerning Australian trademark legislation. The relevance of this is discussed in Part III. In addition, by this time, United Kingdom legislation had gone its own way in response to the requirement to comply with European Union standards and directives.

¹³ Trade Marks Regulations 1995 (Cth) reg 17A.28. Applications for local registration may also be rejected on grounds of substantial identity or deceptive similarity to an internationally registered mark either protected or seeking protection in Australia under *id* reg 17A.28(2)(c)-(d).

¹⁴ See *infra* p 44-47 of this paper (providing a normative analysis of the trademark regime, and outlining various rights and interests of trademark owners). See also, Hinchliffe *supra* note 1.

¹⁵ Australian Government, Hansard, *Recommended Changes to the Australian Trade Marks Legislation* (1952), available at www.aph.gov.au.

The cumulative result is that the current legislation is distinct from the 1955 legislation, and different again from current United Kingdom legislation. However, the new legislation has been described as an “evolution” rather than a “revolution”, at least in relation to the nature of a trademark.¹⁶ The move away from reliance on the lead of the United Kingdom has meant that the current legislation and the case law interpreting it have drawn upon an eclectic group of factors. These include long held principles of trademarks established under the legislation of 1905 and 1955 which have been retained, albeit modified in some respects, developments in marketing practice that were reflected in the Working Party Report, TRIPS’ requirements, including the requirement to provide greater protection for geographical indications (GIs) and well-known trademarks, and case law from both Europe and the United States. A detailed discussion of these factors is, however, beyond the scope of this paper.¹⁷ In the context of “scandalous marks”, however, the interpretation of the legislation is also affected by the wording of its immediate predecessor, the Trade Marks Act 1994 (Cth). The references to legislation in the remainder of this chapter will be to the 1995 Act unless otherwise stated.

B. What Does “Scandalous” Mean?

As mentioned, Australia has a registration system for trademarks, which has been in place since the 19th century. Under section 42(a) of the Trade Marks Act 1995 (Cth), a trademark application must be rejected if “the trade mark contains or consists of scandalous matter”, and by virtue of section 57, a ground of opposition. Australian law prohibits the registration of “scandalous” trademarks, but lacks detailed or conclusive guidance on what will be deemed “scandalous”. A trademark is considered scandalous, or its use contrary to law if:

- (a) The trade mark contains or consists of scandalous matter; or
- (b) Its use would be contrary to law.

In practice, however, trademarks in Australia are rarely refused registration on the grounds that they comprise or contain scandalous matter.¹⁸ It has been held that this ground for rejection requires something beyond the giving of offence, and that the mark should exhibit a probability, rather than a possibility, that it would cause a significant degree of “disgrace, shock or outrage” when used in its intended context.¹⁹ This is

¹⁶ See M. DAVISON, A. MONOTTI, L. WISEMAN, *AUSTRALIAN INTELLECTUAL PROPERTY LAW* (2012) 65.

¹⁷ *But see*, Hinchliffe *supra* note 11.

¹⁸ See, e.g., *‘Hallelujah’ Trade Mark* [1976] RPC 605; *Maglificio Calzificio Torinese SpA’s Application* (1982) AOJP 1764. See also, *Re Registered Trade Mark No 2184549 in the name of French Connection Ltd* (2006) 70 IPR 438 [hereinafter the “FCUK case”] (Regarding the invalidity on the ground that a mark was ‘contrary to public policy or to accepted principles of morality’ under (UK) Trade Marks Act 1994 s 3(3)(a). In that case, there was an unsuccessful challenge to registration of the mark “FCUK”; outrage or censure among an identifiable section of the public had not been proved).

¹⁹ *Cosmetic, Toiletry and Fragrance Assn Foundation v Fanni Barns Pty Ltd* (2003) 57 IPR 594; (2003) AIPC at [91-871]; [2003] ATMO 10 (dictionary definitions of ‘scandalous’ discussed, effect of Trade Marks Act 1995 (Cth) s 33 on *id* s 42(a) analyzed); *Re. Peter Hanlon* [2011] ATMO 45 at paragraph 15.

discussed in greater detail, below.

Neither the Act nor its corresponding regulations define the term “scandalous” for the purposes of section 42(a). Although the legislation does not define the term “scandalous”, the case law has set a relatively high threshold for determining that a mark is “scandalous”.²⁰ Unlike its predecessor, the Trade Marks Act 1905 (Cth), the present Act does not expressly entangle “confusion” and “deception”, nor deem such terms directly related to scandalous subject matter. Under section 114 of the Trade Marks Act 1905 (Cth):

No scandalous design, and no mark the use of which would by reason of its being **likely to deceive** or otherwise be deemed disentitled to protection in a court of justice, **or the use of** which would be **contrary to law or morality, shall be used or registered** as, a trade mark or part of a trade mark.

In 1954 the Dean Committee reviewed the 1905 Act. Among the changes proposed was an amended version of s 114. The report of the committee noted that the proposed terms of the amended version would have:

... in substance the same effect as Section 114 of the present Act, but it relieves the Registrar or the Court from considerations of ‘morality’

That amended version ultimately became section 28 of the 1955 Act. Neither the document *Possible Changes to the Australian Trade Marks Legislation – a Discussion Paper* (1991) nor the subsequent *Recommended Changes to the Australian Trade Marks Legislation* (1992) suggested that further change was needed. The focus of the Australian legislation had thus been shifted, from conformity with one or more moral codes, to a prohibition of registration of “scandalous” trademarks, a more subtle test.

“Contrary to morality” was retained in United Kingdom legislation until 1994, and has remained beyond then in amended form (“contrary to public policy or accepted principles of morality”). Despite diverging legislation, issues arising under UK legislation may have unduly clouded matters under the legislation that has applied in Australia since 1955, and noting that a presumption of registrability has been operative in Australia since 1995. For example, although the current Act prohibits the registration of a mark that “contains or consists of scandalous matter”, it fails to:

- Determine what scandalous means;
- In lieu of an express reference to “public morality”, define who or the significance of the “public” in being deemed scandalous;
- define the degree to which “scandalous” and “use” that is “contrary to law” differ; and
- The difference between “contains” and “consists”, and why this is significant.

This paper sheds light on all of these aspects at issue, and explains the significance of doing this from both a normative and Constitutional perspective.

As mentioned above, although the legislation does not define the term “scandalous”, the

²⁰ See *infra*, pp 10-13 of this paper.

case law has set a relatively high threshold for determining that a mark is “scandalous”.²¹ The Australian Trade Marks Office (ATMO) and Australian courts have interpreted the term “scandalous” by reference to its dictionary definition, i.e. “shameful”, “shocking” or “offensive”. Part 30 of the ATMO Manual of Practice and Procedure (ATMO Manual),²² section 2.1, refers to The Macquarie Dictionary definition of “scandalous” to mean:

- Disgraceful to reputation;
- Shameful or shocking;
- Defamatory or libelous, as a speech or writing.

Relevant meanings (i.e. those not obsolete) from The Webster 3rd New International Dictionary are as follows:

- Containing shocking or defamatory information;
- Offensive **to public or individual sense** of propriety or morality: exciting reprobation.

The ATMO Manual, which has been used since 1996, provides that, in determining whether a mark is “scandalous”, the merits of each case must be considered, including the words or images applied for, the intended market for the relevant goods and services, and the “level of acceptance” of the terms “within the general population”.²³ One must be careful, however, not to construe this “within the general population” broadly. It would appear, however, that a determination of “scandalous” matter requires “outrage” or “censure”, which must be amongst an “identifiable section of the public”.²⁴ In Australia, this

²¹ See *infra*, at pp 10-13 of this paper.

²² The Australian Trade Marks Manual of Practice and Procedures, at http://www.ipaustralia.gov.au/pdfs/trademarkmanual/trade_marks_examiners_manual.htm. The Australian Trade Marks Manual of Practice and Procedures [hereinafter, “The Manual”] was originally developed to assist Trade Marks staff in implementing the provisions of the Trade Marks Act 1995 (Cth) and the Trade Mark Regulations. The Manual was first issued in January 1996.

²³ See The Manual *id.*, at Part 30.

²⁴ By comparison, a confusion action refers to a different “public” standard. See, e.g., *Coca-Cola Co v All-Feet Distributors Ltd* [1999] FCA 1721 at 85; (1999) 96 FCR 107 at [39] per Black CJ, Sundberg and Finkelstein JJ; *Pioneer Hi-Bred Corn Co v Hyline Chicks Pty Ltd* [1979] RPC 410 at 423 (observing that the appellant’s business and goods had become widely and favorably known and identified in the minds of the general public throughout Australia by means of the word marks coca-cola and coke and the contour bottle); *Lion-Beer, Spirits & Wine Pty Ltd v Michael Harvey* [2013] ATMO 6 at [10] (qualifying the above stating that it is sufficient that there is a *real* risk that the Applicant’s use of a mark, here TOSSERS EXTRA DRY, will cause a significant number of persons to wonder or entertain a reasonable doubt as to whether it might not be the case that the respective goods come from the same source. It is sufficient to “cause confusion” if the minds of the purchasing public are merely “perplexed or mixed up”). But see, *Major League Baseball Properties Inc v New South Wales Rugby League Ltd* [2000] ATMO 87 at 91 (In the main, it is these sports fans who are the relevant public who will avail themselves of the services or purchase the goods put onto the market by the parties to this dispute). Cases considering this primarily concern confusion actions (Australia lacks a system of trademark dilution), and whether a mark is “well-known”. Section 120(4) states that:

In deciding, for the purposes of paragraph (3)(a), whether a trademark is well known in Australia, one must take account of the extent to which the trademark is known within the relevant sector of the public, whether as a result of the promotion of the trademark or for any other reason.

Section 120(4) is taken, in substance, from Art 16(2) of the TRIPS Agreement. There is no reference in the TRIPS agreement or the 1995 Act to the identity of the relevant sector of the public, but it would be reasonable to consider that it is the purchasers of the defendant’s goods who must be likely to believe that

has also been referred to as “the Australian public”. In lieu of clarification, however, this may be broadly or narrowly construed. As mentioned above, for matter to be “scandalous” it ought to “cause a significant degree of disgrace, shock, or outrage”.²⁵ To satisfy this test “it is sufficient... that a not insubstantial number of people will be, or are likely to be, shocked”.²⁶ It is accepted that a higher degree of outrage or censure amongst a small section of the community will suffice, just as lesser outrage or censure amongst a more widespread section of the public will also suffice.²⁷ The Registrar of Trademarks is obliged to decide, on behalf of the “ordinary” person, whether a trademark should be regarded as shameful, offensive or shocking, and therefore be rejected.

There is a cautionary tale about equating “morality” with “offensive”. Actions that are contrary to law include marks that may cause confusion, be in breach of consumer protection legislation where marks are misleading or deceptive, or subject to actions in pass-off. The 1905 Act appeared to equate morality considerations with marks that may be “contrary to law”. The accepted position in Australia is that morality has no bearing on whether a mark is scandalous. This would attempt to confuse “contrary to law or morality” (which may involve “use” in a confusion action), with a determination of a mark as “scandalous”. In so doing, this could convolute the standards for determining the scope of “public” – which differ for the purpose of “use” contrary to law, and a determination of whether a mark is indeed scandalous. It is clear that, in determining whether there is scandalous matter, the question is not one of morality and matter that is offensive will not necessarily be scandalous as there is:

there is a connection between the defendant’s goods and the trademark owner. It could therefore be assumed that it must be the purchasers of the defendant’s goods or services who are the relevant sector of the public for the purposes of s 120(4). It is considered that the “Joint Recommendation Concerning Provisions on the Protection of Well Known Marks” adopted in 1999 is likely to be influential in interpreting s 120(3) and thus the relevant sector of the public shall include but not be limited to, consumers, persons involved in channels of distribution and business circles, all related to the goods and/or services to which the mark applies. *See also*, MARK DAVISON, TRACEY BERGER AND ANNETTE FREEMAN, SHANAHAN’S AUSTRALIAN LAW OF TRADE MARKS AND PASSING OFF (4th ed., 2008) 607. In relation to the TPA, s 52 is not confined to conduct directed to the general public or to some identifiable section of the public. The relevant section of the public must be identified. In *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* 2008) 171 FCR 579, 589, the Full Court of the Federal Court of Australia stated:

[T]he question which must be answered can properly be framed as being whether a not insignificant number of persons in the Australian community, in fact or by inference, have been misled or are likely to be misled.

For the purpose of proving off, the relevant population for determining the fame of the mark is not the general public at large, but the relevant sector of the public to which the alleged misrepresentation is addressed. The same applies to “scandalous” marks.

²⁵ *Cosmetic, Toiletry and Fragrance Association Foundation v Fanni Barns Pty Ltd* [2003] ATMO 10; *Re: Peter Hanlon* [2011] ATMO 45 at para. 15.

²⁶ *Kuntstreetwear Pty Ltd’s Trade Mark Application* (2007) 73 IPR 438 at 447; *cited with approval in Re Peter Hanlon* [2011] ATMO 45 at [18].

²⁷ *Id. See infra*, pp 20-21 (This approach is distinct to a determination of whether a mark is “famous” or “well-known” for the purpose of establishing confusion. Such a consideration is informative if one considers *certain* scandalous and immoral marks as crossing the line between fame and infamy, namely, marks that are scandalous or immoral regardless of the associated goods or services. *See also*, Abdel-Khalik *supra* note 2.

[A] dividing line between offence which amounts only to distaste and offence which would justifiably cause outrage or would be subject to justifiable censure as being likely significantly to undermine current religious, family or social values.²⁸

It would, therefore, be erroneous to rely on the Webster 3rd New International Dictionary's definition of "scandalous", at least in Australia, as:

Offensive to public or individual sense of propriety **or morality**: exciting reprobation.

The 2011 Peter Hanlon case, whilst attempting to clarify the scope of "public" could, however, appear to equate "contrary to public policy" and "scandalous" as one in the same.²⁹ In so doing, it appears to construe "contrary to public policy" as equating to a[n] (undefined) standard of "morality", and reverts to the 1905 Act, above. Unlike the United Kingdom, where "morality" plays a heavy part in legal heritage both in the UK and Europe generally, this cannot be said for Australia.

There is additional comment about defining "public" for the purpose of deeming a mark scandalous from two decisions. It would seem from the "Mecca" decision,³⁰ that the trademark should be evaluated in the context of the "ordinary people" it might offend, and only a proportion of Australians need to be offended for grounds for rejection to be raised under this section. In *Ellis & Co's Trade Mark*,³¹ it was suggested that:

[A] "sentimental objection" is not enough for grounds for rejection to be raised under this section; and, the standards to be adopted when evaluating grounds for rejection are in how the ordinary person is going to react to the trade mark, whether that person is a Muslim, Christian, Quaker or any other religion, race, or persuasion.

Neither of these decisions gives a clear view of what the Registrar should or should not regard as scandalous. It appears that the ordinary person should not be credited with either a very thick or very thin skin. But, neither should the ordinary person be subjected to gross obscenity or profanity. The Registrar's decision is one which must be made on the merits of each case, taking into account the words or images applied for, the intended market for the goods/services involved and the level of acceptance of the terms within the general population.

The scandalous element has to be something that is obvious and "up front" in the mark. Sections 2.4 and 2.5 of the ATMO Manual outlines that a mere suggestion within the mark or a vague possibility that someone might find it offensive in certain circumstances is not sufficient, and that:

Consideration should be given to context of use, but that alone cannot be the decisive factor. It is appropriate to consider normal, expected usage rather than possible usage. For example, in relation to an application for "t-shirts" it would not be appropriate to consider how a mark would be received when worn in church during a solemn religious occasion as this would not constitute normal

²⁸ *Peter Hanlon* [2011] ATMO 45 (31 May 2011).

²⁹ *Id.* at [31].

³⁰ (1955) 25 AJP 938.

³¹ (1904) 21 RPC 617 [hereinafter the "Quaker" decision].

expected usage for such goods.

While changes in society have resulted in fairly broad acceptance of many scatological and suggestive words, there are some words which are likely to cause offence across a wide section of the community. In a decision that has raised eyebrows in both hemispheres, the POMMIEBASHER mark was held not to be “scandalous”. A Delegate of the Registrar of Trade Marks held that, based on the material before him, the term POMMIEBASHER was part of “ordinary and acceptable, if colorful and colloquial, language”, and does not suggest that such a person “engages in racial vilification, or is prone to verbal abuse”. These examples show that it is relatively difficult for a mark to be refused registration on the basis that it is “scandalous”, with marks such as CUNCE, UNFKNBLVBLE!, and “Farkoff” being granted registration. Nevertheless, trademark applicants seeking to register a mark which is an obvious phonetic equivalent of an obscene word will need to be prepared for the application being rejected.

The words and images fitting the “scandalous” description have changed with the passage of time. It is quite likely, in the 21st century, that words which would have caused major offence in earlier times are now acceptable as trademarks in certain markets.³² It would also be inappropriate to rely upon similar earlier decisions to guide a decision maker on whether matter is scandalous without observing present society. It has been noted that what is scandalous will be a “matter of opinion”, and that “opinions change over time”.³³ Hence what shocked a “not insubstantial number of people” 50 years ago may not do so today. Earlier decisions can lose relevance as standards in society change.³⁴ Similarly, it has been recognized that words which were once innocuous may have developed quite different connotations and now be regarded as offensive in certain circumstances.³⁵ For example, it has been held that the expletive “fuck” is widely used within the community and is no longer necessarily offensive.³⁶

Indeed, this test of what is scandalous remains very broad and somewhat vague. Although, if there are sensibilities to a small but not insignificant subset of the Australian population, these must be considered.³⁷ Also, that matter that is “crude” or “in bad taste” will not necessarily cause any degree of shock and therefore may not necessarily be scandalous.³⁸ It has been noted that Australian courts have been reluctant to codify or define the test beyond what is stated above and that “codification would be equally inappropriate in the case of the Registrar’s practice, which needs to reflect a careful balance of the facts of a very wide range of cases”.³⁹

³² See *infra* Part I, below.

³³ MARK DAVISON AND IAN HORAK, SHANAHAN’S AUSTRALIAN LAW OF TRADE MARKS AND PASSING OFF (5th ed. 2012) 234.

³⁴ See *Re Peter Hanlon* [2011] ATMO 45 at [40].

³⁵ *Id.*

³⁶ See *Trade Marks Office Manual of Practice and Procedure*, Part 30, 2.2, referring to *Police v Butler* [2003] NSWLC 2.

³⁷ *Re Peter Hanlon* [2011] ATMO 45. See also, *Mercy’s Application* (1955) 25 AOJP 938.

³⁸ *Cosmetic, Toiletry and Fragrances Association Foundation v. Fanni Barns Pty Ltd* [2003] ATMO 10.

³⁹ *Re Peter Hanlon* [2011] ATMO 45 at [37].

C. “Scandalous” Marks and “Use” of Marks Contrary to Law

As mentioned above, there is a difference between standards used to determine whether a mark is “scandalous”, and whether a mark’s “use” is contrary to law. This section clarifies some finite points of distinction, and why it is important to ensure that those differences remain.

Unlike the 1905 Act, section 28 of the Trade Marks Act 1955 (Cth) distinguishes “use”, “deception” and “confusion” from marks that “comprise or contain scandalous matter”:

A mark – (a) the use of which would be likely to deceive or cause confusion; (b) the use of which would be contrary to law; (c) **which comprises or contains scandalous matter**; or (d) which would otherwise be not entitled to protection in a court of justice, shall not be registered as a trade mark.

Reference to “which comprises or contains” scandalous matter also distinguishes trademarks from other intellectual property, such as designs, but is broadly defined. The term “comprises” is used in the 1905 Act and, unlike reference to “consists” in the 1995 Act, is an open-ended (i.e. inclusive) term with the potential to lead to ambiguities in lieu of listing other factors other than “scandalous matter”.⁴⁰ On the other hand, “consists” is close-ended claim language, which means that there are recited elements and no more. Marks such as “FCUK”, for example, would be more likely deemed as “comprising” scandalous matter.

The Trade Mark Act 1995 goes further by listing these under a separate subsection. Pursuant to section 42(b) of the Trade Marks Act 1995, applications for registration of trademarks must also be rejected if “use” of the mark would be “contrary to law”, for instance by breaching legislation.⁴¹ It must be clear to the Registrar that use of the trademark would, rather than simply could, be illegal.⁴² Whether or not use of the proposed

⁴⁰ *But see*, 15 U.S. Code § 1052 (Trademarks registrable on principal register; concurrent registration, referring to both “Consists of or comprises immoral”). *See also*, *In re Riverbank Canning Co.*, 95 F.2d 327, 328, 37 USPQ 268, 269 (C.C.P.A. 1938). The Court has noted, however, that the word “comprises” meant “includes” at the time of the statute’s enactment in 1905, and thus Congress extended the prohibition not only to marks that consist of scandalous matter, but also to marks that include scandalous matter.”

⁴¹ Trade Marks Act 1995 (Cth) s 42(b). *See*, *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd* (2001) 52 IPR 24; [2001] FCA 683; BC200103001 at [21] (The illegality must be in relation to use of the mark). Compare, e.g., *Air Express International (Aust) Pty Ltd v Australian European Insurance (Brokers) Pty Ltd* (1999) 49 IPR 435 at 440 (citing *Arthur Fairest Ltd’s Application* (1951) 68 RPC 197) (Earlier decisions took a narrower view, requiring the illegality to be inherent within the mark itself).

⁴² *See*, e.g., *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd* (2001) 52 IPR 24; [2001] FCA 683; BC200103001; *Health World Ltd v Shin-Sun Australia Pty Ltd* (2005) 64 IPR 495; [2005] FCA 5; BC200500010. *See also* *Tommy Hilfiger Licensing Inc v Tan* (2002) 60 IPR 137; [2002] ATMO 87; *Intermatch Sweden Aktiebolag v Dick Smith Investments Pty Ltd* (2003) 56 IPR 575; [2003] ATMO 18; *Gap (ITM) Inc v General Pants Co Pty Ltd* (2004) 60 IPR 486; [2004] ATMO 12; *Chiropractors’ Assn of Australia (National) Ltd v Kincare (Holdings) Pty Ltd* (2005) 66 IPR 180; [2005] ATMO 10 at [19]; *Marco Polo Foods Pty Ltd v Benino Fine Foods (Aust) Pty Ltd* (2005) 67 IPR 179; [2005] ATMO 32 at [30]; *GSM (Trademarks) Pty Ltd v Blue Star Holdings Pty Ltd* (2005) 67 IPR 194; [2005] ATMO 44 at [25]; *McWilliams Wines Pty Ltd v Lovedale Chamber of*

mark would be contrary to law is determined as at the priority date for registration, although looking forward towards prospective use of the mark after registration.⁴³ Registration of trademarks has been opposed under this provision on a wide range of possible illegal uses, including claims that use of the mark would constitute:

- Copyright infringement;⁴⁴
- Misleading or deceptive conduct contrary to the Trade Practices Act 1974 or equivalent State provisions;⁴⁵

Commerce (2007) 72 IPR 169; [2007] ATMO 8 (breach of legislation must be caused by the actual use of the trademark, and not by other conduct or dealings, before trademark registration will be denied). *See also*, *Marco Polo Foods Pty Ltd v Benino Fine Foods (Aust) Pty Ltd* (2005) 67 IPR 179; (2005) AIPC at [92-108]; [2005] ATMO 32 at [30]; *G Johns Orchards v Cianfrano* (2005) 68 IPR 175; [2005] ATMO 73 at [31] (Illegality in use must be proved on the balance of probabilities, on the basis of a hypothetical case drawn from the evidence and submissions before the Registrar).

⁴³ *Time Warner Entertainment Co LP v Stepsam Investments Pty Ltd* (2003) 134 FCR 51; 59 IPR 343; [2003] FCA 1502; BC200307818 at [47].

⁴⁴ *See, e.g., Hisense Corp v Zheng Shi* (2005) 66 IPR 413; [2005] ATMO 38 at [17] (Infringement of copyright requires unauthorized copying of a substantial part of a copyright work. Device marks have for these purposes been treated as artistic works protected by copyright). *See also*, *Australian Home Loans Ltd (t/as Aussie Home Loans) v Phillips & Technocrat Computing Pty Ltd* (1998) 40 IPR 392; *Advantage-Rent-A-Car Inc v Advantage Car Rental Pty Ltd* (2001) 52 IPR 24; [2001] FCA 683 (Opposition on the basis of alleged copyright infringement was successful); *Hisense Corp v Zheng Shi* (2005) 66 IPR 413; [2005] ATMO 38 at [10]-[19]; *Body Tease Inc v D & Y International Trading Pty Ltd* (2002) 56 IPR 543; [2002] ATMO 102; *Cranbrook School v Wylie* (2004) 63 IPR 222; [2004] ATMO 49 (use of school badge on clothing). *See also*, 'Karo Step' Trade Mark [1977] RPC 255. Opposition on the basis of alleged copyright infringement was unsuccessful in *Polo Sport Clothing America v Hill* (2003) 57 IPR 288 at 302-3; [2003] ATMO 8 (ownership of copyright in clip-art not established); *Warner-Lambert Co v Supermarketing (Vic) Pty Ltd* (2002) 56 IPR 330; [2002] ATMO 74 (opponent would have difficulty establishing copyright subsisted in short slogan); *Chiropractors' Assn of Australia (National) Ltd v Kincare (Holdings) Pty Ltd* (2005) 66 IPR 180; [2005] ATMO 10 at [11]-[19] (complaint related mainly to exploitation of an idea or concept, which is not protected by copyright; applicant's mark further appeared to be the product of independent original work rather than having been copied).

⁴⁵ *See, Marco Polo Foods Pty Ltd v Benino Fine Foods (Aust) Pty Ltd* (2005) 67 IPR 179; [2005] ATMO 32 (The test is whether there is a 'real and not remote chance or possibility' of a reasonably significant number of people being misled or deceived by use of the mark); *GSM (Trademarks) Pty Ltd v Blue Star Holdings Pty Ltd* (2005) 67 IPR 194; [2005] ATMO 44 at [26]; *G Johns Orchards v Cianfrano* (2005) 68 IPR 175; [2005] ATMO 73 at [37]. Although causing consumers to wonder whether goods came from the same source supports a finding of deceptive similarity between marks (under Trade Marks Act 1995 (Cth) ss 44, 60), mere confusion or 'wonderment' is not sufficient for misleading or deceptive conduct under the Trade Practices Act 1974 (Cth) ss 52, 53 or corresponding State legislation: *see Greenpeace Australia Pacific Ltd v Taylor* (2004) 62 IPR 617; [2004] ATMO 7; *Cadbury Schweppes Pty Ltd v Bull* (2004) 64 IPR 152; [2004] ATMO 74; *Nylex Corp Pty Ltd v Pencray Pty Ltd* (2006) 69 IPR 369; [2006] ATMO 28 at [40], [49]; *Pierre Fabre Dermo-Cosmetique v Senator Automation Pty Ltd* (2006) 70 IPR 368; [2006] ATMO 66. The standard for misleading or deceptive conduct under the trade practices legislation is therefore higher than that for deceiving or causing confusion under Trade Marks Act 1995 (Cth): *ACP Masthead Nominees Pty Ltd v Bourne Properties Pty Ltd* (2004) 64 IPR 134; [2004] ATMO 62 at [9]; *Haw Par Corp Ltd v Thai Enterprises Ltd* (2004) 63 IPR 666; [2004] ATMO 57. Opposition on the basis of alleged misleading or deceptive conduct was successful in *Cadbury Schweppes Pty Ltd v Wal-Mart Stores Inc* (2004) 61 IPR 596; [2004] ATMO 3; *Marco Polo Foods Pty Ltd v Benino Fine Foods (Aust) Pty Ltd* (2005) 67 IPR 179; [2005] ATMO 32 at [30]-[38]; *GSM (Trademarks) Pty Ltd v Blue Star Holdings Pty Ltd* (2005) 67 IPR 194; [2005] ATMO 44 at [26]-[28]; *G Johns Orchards v Cianfrano* (2005) 68 IPR 175; [2005] ATMO 73 at [35]-[39]; *Guy v Kcommunications Pty Ltd* (2006) 69 IPR 646 at [36]-[41]. Opposition on the basis of alleged misleading or deceptive conduct was unsuccessful in *Time Warner*

- Passing off;⁴⁶
- Breach of contract or agreement;⁴⁷ or
- Breach of other legislation, prior court order or settlement.⁴⁸

Entertainment Co LP v Stepsam Investments Pty Ltd (2003) 134 FCR 51; 59 IPR 343; [2003] FCA 1502; BC200307818 at [44]-[51] (HARRY POTTER trademark for clothing would not mislead consumers into assuming an association with the famous fictional character, particularly not when considered as at the 1998 priority date for registration); *Health World Ltd v Shin-Sun Australia Pty Ltd* (2005) 64 IPR 495; [2005] FCA 5; BC200500010; *Clissold v Amalgamated Television Services Pty Ltd* (2000) 52 IPR 207; *RS Components Ltd v Holophane Corp* (1999) 46 IPR 451; *De Bortoli Wines Pty Ltd v Brown* (2002) 58 IPR 548; [2002] ATMO 98; *Australian Cricket Board v Lilyana Holdings Pty Ltd* (2002) 57 IPR 110; [2002] ATMO 66; *Polo Sport Clothing America v Hill* (2003) 57 IPR 288 at 302; [2003] ATMO 8; *Intel Corp v Tynan* (2003) 59 IPR 538; *(Intermatch Sweden Aktiebolag v Dick Smith Investments Pty Ltd* (2003) 56 IPR 575; [2003] ATMO 18; *Gap (ITM) Inc v General Pants Co Pty Ltd* (2004) 60 IPR 486; [2004] ATMO 12 at [35]-[41]; *O'Brien Glass Industries Ltd v Cleary* (2004) 60 IPR 595; [2004] ATMO 22; *Cadbury Schweppes Pty Ltd v Effem Foods Pty Ltd* (2005) 66 IPR 387; [2005] ATMO 29 at [42]; *Classic Media Inc v Republic Chemical Industries Inc* (2005) 67 IPR 435; [2005] ATMO 58; *Subafilms Ltd v Tenancy Management Pty Ltd* (2006) 68 IPR 196; [2006] ATMO 11; *Australian Olympic Committee Inc v ERI Bancaire Luxembourg SA* (2006) 69 IPR 135; [2006] ATMO 29; *Nylex Corp Pty Ltd v Pencray Pty Ltd* (2006) 69 IPR 369; [2006] ATMO 28 at [40], [49]; *Torrag Pty Ltd v PAH Pty Ltd* (2006) 70 IPR 349; [2006] ATMO 59; *McDonald's Corp v McBratney Services Pty Ltd* (2006) 70 IPR 380; [2006] ATMO 71; *Dick Smith Investments Pty Ltd v Ramsey* (2006) 70 IPR 428; [2006] ATMO 82. For oppositions involving alleged breaches of Trade Practices Act 1974 (Cth) s 53, see *Subafilms Ltd v Tenancy Management Pty Ltd* (2006) 68 IPR 196; [2006] ATMO 11 at [26].

⁴⁶ Opposition on the basis of alleged passing off was successful in *G Johns Orchards v Cianfrano* (2005) 68 IPR 175; [2005] ATMO 73 at [31]-[34]. Opposition on the basis of alleged passing off was unsuccessful in *Cadbury Schweppes Pty Ltd v Effem Foods Pty Ltd* (2005) 66 IPR 387; [2005] ATMO 29 at [42].

⁴⁷ *United Parcel Service of America Inc v United Air Lines Inc* (2006) 69 IPR 663 at [29]-[39] (opposition unsuccessful; applicant's mark used for services that were outside the scope of a worldwide co-existence agreement between the parties and therefore not a breach of that agreement that would amount to a use contrary to law); *San Pelligrino SPA v CSP International Industria Calsze SPA* (2006) 71 IPR 158; [2006] ATMO 90 (request to extend protection of international trademark to Australia refused as use of the mark in Australia would breach an international contract).

⁴⁸ For oppositions based on alleged misapplication of geographical indications protected by the Australia New Zealand Food Standards Code see *Scotch Whisky Assn v Dewitt and Tormey* (2006) 69 IPR 637; [2006] ATMO 43 at [26]-[31] (opposition unsuccessful). For oppositions on the basis of alleged breach of Australian Wine and Brandy Corporation Act 1980 (Cth) (the 'AWBC Act'), see *Re Lawrence* (2005) 67 IPR 455; [2005] ATMO 69 ('First' not used as geographical indication contrary to the AWBC Act; registration allowed). For oppositions based on alleged breaches of Olympic Insignia Protection Act 1987 (Cth), see *Australian Olympic Committee Inc v Thompson* (2000) AIPC ¶91-658; *Australian Olympic Committee Inc v Courier Luggage Pty Ltd* (2002) 54 IPR 419; [2002] ATMO 2 (opposition unsuccessful; OLYMPIA mark unlikely to be mistaken for protected Olympic expression); *Australian Olympic Committee Inc v ERI Bancaire Luxembourg SA* (2006) 69 IPR 135; [2006] ATMO 29 at [19]-[31] (opposition unsuccessful; mere use of the word 'Olympic' in a mark, without more to suggest a connection with the IOC, was not enough to constitute use for commercial purposes in breach of the Act). The argument that registration of a trademark which would result in a loss of equities in an opponent's mark, in contravention of Trade Marks Act 1995 (Cth) s 21(2), would also be contrary to law for the purposes of s 42(b) was raised but not made out on the facts in *Geoffrey Inc v Hoyle* (2004) 63 IPR 196; [2004] ATMO 44 at [26] (comparison drawn with trademark dilution arguments, however any equities the opponent might have relied on were held to have been exhausted in the circumstances of the case). For opposition based on use contrary to prior order of the court, see *R & C Products Pty Ltd v Bathox Bathsals Pty Ltd* (1991) 21 IPR 547; sub nom *Bathox Bathsals Pty Ltd v R & C Products Pty Ltd* (1991) AIPC ¶90-816. For an alleged breach of a prior settlement agreement, see *Levi Strauss & Co v Menaker* (2006) 70 IPR 418; [2006] ATMO 81. See also *Sydney Organising Committee for Olympic Games v Thompson* (2000) AIPC ¶91-657 (opposition based on Sydney 2000 (Indicia and Images) Protection Act 1996 (Cth) (repealed)); *Re Application by Kelly* (1987) 8 IPR 667; (use contrary to Advance Australia Logo Protection Act 1984 (Cth)); *Re*

In considering whether a case of misleading or deceptive conduct or passing off would be made out, the court will consider whether the applicant has established a reputation in the marks which would be appropriated by the respondent. Recent case law indicates that in determining whether use of a mark will breach Australian consumer law, the court will consider whether a “significant proportion” of the general public will be confused by the use, not whether the target market for the impugned product will be confused. Although reputation and confusion amongst the target market may suffice to establish sufficient reputation and deception among the general public.⁴⁹

Further, in considering whether use of a mark would constitute passing off, the party asserting its reputation must establish that it had the requisite reputation in the name or goods in the jurisdiction and that there is a likelihood of deception among consumers or potential consumers resulting from the respondent’s actions. This test appears to be directed at assessing the reputation amongst relevant consumers, not the general public.⁵⁰

For the purposes of section 44 of the Trade Marks Act 1995, in determining substantial identity or deceptive similarity under s 44, it appears from references to “judicial notice” and “consumers generally” in the case law that the relevant reputation must be among the general public at large for a mark to be considered “notoriously ubiquitous”.⁵¹ The significance of distinguishing deception, consumer confusion, and scandalous matter is important from the perspective of Constitutional provisions, and international instruments, including the TRIPS Agreement.⁵²

Application by Slaney (1985) 6 IPR 307 (MEDICARE refused registration as use was contrary to Health Legislation Amendment Act 1984 (Cth) (repealed)).

⁴⁹ Although section 42(b) is rarely invoked by the Trade Marks Office in the registration process, use of a trademark will be contrary to law if it would constitute misleading or deceptive conduct contrary to section 18 of the Australian Consumer Law [hereinafter “ACL”], or the making of false or misleading statements contrary to s 29 of the ACL, or passing off.

⁵⁰ This requires an applicant to prove that there are, within the relevant jurisdiction, a substantial number of persons who were aware of the applicant’s name or product and are possible consumers. It is necessary to show in a practical and business sense a sufficient reputation in the forum and this requires an evaluation of the size and distribution of the population of prospective consumers likely to be affected. See *ConAgra Inc v McCain Foods (Aust) Pty Ltd* [1992] FCA 159 and the discussion in *Hansen*.

⁵¹ Registrar of Trade Marks v Woolworths [1999] FCA 1020, [50] (French J) (stating that “Where an element of a trademark has a degree of notoriety or familiarity of which judicial notice can be taken ... [the element of the applied for mark] cannot be assessed without a recognition of its notorious familiarity to consumers.”) See also, *C A Henschke & Co v Rosemount Estates Pty Ltd* [2000] FCA 1539, [52] (Where the Full Court of the Federal Court (in obiter) restricted the proposition expressed in Woolworths as follows “[I]n assessing the nature of a consumer’s imperfect recollection of a mark, the fact that the mark, or perhaps an important element of it, is notoriously so ubiquitous and of such long standing that consumers generally must be taken to be familiar with it and with its use in relation to particular goods or services is a relevant consideration.”).

⁵² See *infra*, Part I below.

D. Factors used to Determine Whether a Mark is Scandalous

In determining whether a mark is scandalous, in the absence of observing present society, it is inappropriate to rely upon similar earlier decisions to guide a decision maker. Section 2.2 of the ATMO Manual does, however, state that the Registrar must decide what may be considered “scandalous” with very little support from the courts or other decision makers. Evershed J., stated in *La Marquise Footwear, Inc’s Application*:⁵³

I must wholeheartedly accept the proposition that it is the duty of the Registrar (and it is my hope that he will always fearlessly exercise it) to consider not merely the general taste of the time, but also the susceptibilities of persons, by no means few in number who still may be regarded as old fashioned and, if he is of the opinion that the feelings or susceptibilities of such people will be offended, he will properly consider refusal of the registration.⁵⁴

Trademarks containing or consisting of scandalous matter have broadly described as being able to be divided into seven possible categories:⁵⁵

- Those with religious nexus;⁵⁶
- Those consisting of or comprising racial slurs or epithets;⁵⁷
- Those consisting of or comprising profane matter;⁵⁸
- Those consisting of or comprising vulgar matter;⁵⁹
- Those relating to sexuality;⁶⁰
- Those involving innuendo;
- Those suggesting or promoting illegal activity.⁶¹

As mentioned, what is scandalous will be a “matter of opinion”, and that “opinions change over time”.⁶² More useful guidance perhaps comes from Mr. Myall, the deciding officer in *Hallelujah Trademark*,⁶³ where the test was “contrary to morality” rather than “scandalous”.

I conclude that the phrase “contrary to morality” falls to be considered by the generally accepted standards of today and not by those of 1938. The difficulty is to be sure what those are, and more

⁵³ (1947) 64 RPC 27.

⁵⁴ *Id.*, at 30.

⁵⁵ *Re Peter Hanlon* [2011] ATMO 45 at [14] citing Stephen R Baird, *Moral Intervention in the Trademark Arena: Barring the Registration of Scandalous and Immoral Trademarks* (1993) 83 TMR 661, 704 (which considered cases in the United States).

⁵⁶ *See, e.g., Mercy’s Application* (1955) 25 AOJP 938; *Maglificio Calizificio Torinese SpA’s App* (1982) 37 AOJP 1764; *“Hallelujah” Trade Mark* [1976] RPC 605 (UK) [hereinafter, “Hallelujah” case].

⁵⁷ *See, e.g., Re Peter Hanlon* [2011] ATMO 45.

⁵⁸ *See, e.g., Die Hard Pty Ltd* [1995] ATMO 26; *FCUK Trade Mark* [2007] RPC 1 (UK).

⁵⁹ *See, e.g., Kuntstreetwear Pty Ltd’s Trade Mark Application* (2007) 73 IPR 438.

⁶⁰ *See, e.g., Die Hard Pty Ltd* [1995] ATMO 26; *Cosmetic, Toiletry and Fragrance Association Foundation v. Fanni Barns Pty Ltd* [2003] ATMO 10; *La Marquise Footwear Inc’s Application* (1947) 64 RPC 27 (UK); *Ghazilian’s Trade Mark Application* [2002] RPC 33; *FCUK Trade Mark* [2007] RPC 1 (UK). *On analogous issues in UK designs law, see also Masterman’s Design Application* [1991] RPC 89 (UK).

⁶¹ *See, e.g., Re Peter Hanlon* [2011] ATMO 45 at [42] (in the context of racial vilification and assault).

⁶² MARK DAVISON AND IAN HORAK, *SHANAHAN’S AUSTRALIAN LAW OF TRADE MARKS AND PASSING OFF* (5th ed. 2012) 234.

⁶³ [1976] RPC 605.

particularly, where the line is to be drawn between marks whose registration is prohibited by the section and those where it is not. When religious and moral standards are changing, sometimes quite rapidly, it seems to me that the Registrar should only follow where others have given a clear lead. While he must not remain isolated from the day-to-day world, frozen in an outmoded set of moral principles, he must equally not presume to set the standard. He must certainly not act as a censor or arbiter of morals, nor yet as a trendsetter. He must not lag so far behind the climate of the time that he appears to be out of touch with reality, but he must at the same time not be so insensitive to public opinion that he accepts for registration a mark which many people would consider offensive.⁶⁴

The threshold for rejecting a trademark application under s 42(a) of the Act is relatively high. For a trademark to be “scandalous” under s 42(a), it must have an “obvious and up front” scandalous element, rather than a mere suggestion or a vague possibility that the mark may be offensive in some circumstances. Although, marks that are crude or in poor taste will not necessarily be considered “scandalous”. For example, the mark LOOK GOOD + FEEL GOOD = ROOT GOOD was held not to be scandalous, although it was arguably “crude”, “explicit” and in “bad taste”.⁶⁵ However, the mark KUNT was refused registration, due to its obvious visual and phonetic similarity with another English word. More recently, the trademarks NUCKIN FUTS and POMMIEBASHER were granted registration by the ATMO. The trademark NUCKIN FUTS, which was advertised for registration in July 2012, is protected in respect of goods including prepared nuts and potato crisps. The NUCKIN FUTS mark presumably overcame any section 42(a) objection as it does not contain an obvious, “up front” scandalous element, but rather a more subtle play on words.⁶⁶

Australian Culture and Commerce

The rationale behind the ability to potentially register marks not considered scandalous but deemed crude or in bad taste (such NUCKIN FUTS and POMMIEBASHER) is, in part, as a result of cultural influences.⁶⁷ Australia’s cultural heritage is derived from the United Kingdom, but also captures indigenous culture. Reference to “Bong-Bong” may, for example, refer to a place in Australia.⁶⁸ Objections to, or cancellation of, registration would

⁶⁴ *Id.* at 607.

⁶⁵ *Cosmetic, Toiletry and Fragrance Association Foundation v Fanni Barns Pty Ltd* (2003) 57 IPR 594; *Kuntstreetwear Pty Ltd’s Trade Mark Application* (2007) 73 IPR 438; *Re POMMIEBASHER* [2011] ATMO 45.

⁶⁶ See generally, CNN website, available at <http://travel.cnn.com/sydney/visit/10-most-ridiculous-place-names-australia-515758>.

⁶⁷ See, e.g. House of Representatives Hansard (19 October 2006), available at www.hansard.gov.au.

⁶⁸ See Sarah Hinchliffe, *Overlap Between Trademarks and Geographical Indications in Australia* (2009) 21(7) INTELLECTUAL PROPERTY LAW BULLETIN 147 (outlining that a trademark formed wholly by a geographical name (e.g. Adelaide), or a trademark which primarily consists of a geographical name having additional descriptive terms in relation to the specific goods and services that trademark intends to represent (e.g. “Adelaide Plumbing Service” to represent a plumbing service in Adelaide), will be objected to by a Trade Mark Examiner during the examination phase of an application for trademark registration in Australia, pursuant to s 41 of the Trade Marks Act 1995, as being not inherently adapted for distinguishing the goods or services supplied or provided by the applicant from the specific goods or services supplied or provided by other traders. In some special cases, an application for registration of such a trademark may also be objected to by an Examiner pursuant to s 42 of the Act as being contrary to law. This is particularly true in relation to the registration of a trademark including a geographical name where the goods include wines in Class 33, when the grapes used to

be more likely to succeed for either non-use, confusion, or other potential infringement actions, as opposed to being classified as “scandalous”. With respect to confusion actions, it is equally difficult to successfully establish a trademark infringement action for parodic subject matter. Again, this is precipitated as a result of Australia’s cultural history.

Australian culture is also firmly grounded in trade and commerce, and the prevention of misleading or deceptive conduct.⁶⁹ In Australia, for example, satire is considered broadly accepted – provided that it is not misleading or deceptive. Therein, trademarks are also protected in Australia under the *Australian Consumer Protection Act 2011* (Cth) (formerly the *Trade Practices Act 1974* (Cth)) and the equivalent provisions of the State Fair Trading Acts, which prohibit misleading or deceptive conduct or false representations in trade or commerce, as well as under the tort of passing-off. The *Australian Consumer Protection Act 2011* and passing off actions are both based in likelihood of confusion, which may give rise to difficulties in the context of parodies. This makes sense particularly in light of the 1905 Act. Although cases discuss parodic subject matter in the context of “use” for the purpose of infringement, the significance of satire in Australia is noteworthy. Similarly, the fact that a use of a mark is parodic is not sufficient to avoid breach of the *Trade Practices Act*. It has repeatedly been held that even where an alleged infringement involves a parody, the only question is whether the elements of the cause of action have been made out.⁷⁰ Parody seems more acceptable, therefore, in Australia.

Humor and Satire

While not a determination involving scandalous subject matter *per se*, the Crocodile Dundee case illustrates Australia’s acceptance of humor. The case concerned the use of a figure in “Crocodile Dundee”-type attire engaged in a humorous reenactment of the film’s “That’s not a knife” scene to advertise Pacific Dunlop’s shoe products. The Full Federal Court rejected Pacific Dunlop’s claim of parody as an excuse for representations that were held on the evidence to be likely to mislead or deceive. The court also noted that the question of whether the allegedly infringing advertisement amounted to a parody was irrelevant, and that the only question was whether the elements of the causes of action claimed had been established.⁷¹ In any case, it appears that the court regarded the advertisement concerned as a parasitic copy, rather than a successful parody.

produce the wines are not from a location with that geographical name, and that geographical name is a protected geographical name or more commonly known as a geographical indication [hereinafter “GI”]. Further, a trademark including a geographic name may suggest that goods and services bearing that trademark are related to or originate from a location with that geographical name. Accordingly, such a mark would be held likely to deceive or cause confusion under s 43 of the Act, and hence may be objected to during the examination of the application for registration if the goods or services are not in association with a location bearing the geographical name.)

⁶⁹ See, *Australian Consumer Protection Act 2011* Schedule 2 (formerly section 52 of the *Trade Practices Act 1974* (Cth)). See, *Second Reading Speech* available at www.aph.gov.au.

⁷⁰ See, *McLennan v Blue Yonder Holdings Pty Ltd* (1997) 149 ALR 496 and *Pacific Dunlop v Hogan* (1989) 14 IPR 398.

⁷¹ (1989) 14 IPR 398 at 408.

In his Second Reading Speech, former Prime Minister Kevin Rudd, referring to satire as an exception to copyright infringement said that it [satire]:

[P]romotes free speech and Australia's fine tradition of satire by allowing comedians and cartoonists to use copyright material for the purposes of parody or satire.⁷²

Unlike countries such as the United States, under Australian law, there is no constitutional guarantee of freedom of speech. Therefore, Australian courts have approached the question of parody, and what may be deemed to be scandalous matter only incidentally as part of the application of black-letter trademark law. Ironically, however, the relatively stringent requirements of Australian trademark law (and in particular, the requirement for “use as a trademark”, the lack of direct dilution protection and the emphasis on likelihood of confusion) mean that parodies are in fact quite well protected under Australian law.

User generated parodies published online have flourished; so too, the variety of satirical content on radio. For example, Chris Taylor and Andrew Hanson, two members of the Chaser team, created a radio program for Triple J called “The Blow Parade”. This series was a humorous radio show taking the listener through music of the fifties, sixties, seventies and eighties. It was quite obviously a parody and satire of bands such as The Sex Pistols, and Pink Floyd. However, parodies which are ineffective as parodies, and which may be offensive to the relevant section of the public, are more likely to be considered “scandalous” in Australia.⁷³

In fact, marks which lack an obvious “scandalous” element, or which are softened using humor, plays on words, unusual spelling or concealment within a device may be granted registration. This is one major distinguishing factor to the approach taken in the United States. However, marks which are overt phonetic equivalents of obscene words, with little or no modifications in spelling, are likely to be refused registration. However, overt phonetic equivalents of obscene words, with little or no differences in spelling or presentation, are likely to be rejected. Marks which incorporate elements of personal, racial, ethnic or religious abuse will also be considered “scandalous” and refused registration. Some of these are identified below.

Candy and Sports

“Redskins”, for example, is a well-known candy bar, and has been registered as a trademark in Australia since the 1980s.⁷⁴ Redskins are small light red, raspberry-flavored

⁷² House of Representatives Hansard (19 October 2006), available at www.hansard.gov.au.

⁷³ See, *Roche Products* (2007) (concerning an opposition to an application for the VALIUM mark with a device of a ‘relaxed figure’ for clothes was held likely to mislead or deceive, despite being recognized as a parody by the hearings officer of the Trademarks Office, in part because the parody included Roche’s identical mark VALIUM and might not be recognized as a parody by some consumers).

⁷⁴ Trade Mark No. 515688 (Class: 30 Confectionery products; all other goods included in this class). The Redskins candy is manufactured by Nestlé formerly under the brand of “Wonka”, and presently under the “Allen’s” brand of lollies.

chewy candy bars wrapped in paper. They are manufactured in Australia by Nestlé, and sold under their “Wonka” or “Allen’s” brands.

The former packaging featured a featured a picture of a Native American wearing a traditional headdress, which was replaced in the late 1990s by a more neutral red character.

Figure 1: Redskins candy in Australia – circa 1990



This was precipitated by a complaint made to the New Zealand Advertising Standards Complaints Board in 1996 about a Redskins advertisement that aired on New Zealand television. Broadly, the advertisement featured a comedian dressed in American Indian clothing and assuming an accent. A mock drumbeat featured on the soundtrack. Notwithstanding protest from Nestlé New Zealand and Nestlé Australia that the advertisement was inoffensive, the Board upheld the complaint.

Figure 2: Redskins candy in Australia – circa 2000



Figure 3: Redskins candy in Australia – circa 2014



As mentioned above, Australia has a strong Aboriginal indigenous cultural heritage that pre-dates the First Fleet in 1788. Australia is regarded a multicultural nation, as a combined result of government policies in the 20th, and early 21st century that facilitated immigration measures, and their proximity in the Asia Pacific belt. Therefore, notwithstanding a culture incorporating humor and satire, any acts or terms that promote racism are strongly condoned.⁷⁵

Determining what is considered racially sensitive, however, may still be regarded as jurisdictional specific. In June 2013, for example, the USPTO tribunal cancelled six Redskins trademarks because they were considered “disparaging” towards Native Americans.⁷⁶ This follows a previous case that took almost eleven years to conclude in the franchise’s favor.⁷⁷

Figure 4: Washington Redskins NFL logo



Redskins” is considered an oppressive term towards Native Americans. While Australia has no recorded cancellations of marks concerning oppressive towards Aboriginal indigenous culture, there exist a number of culturally offensive terms that

⁷⁵ Compare, e.g., *Immigration Restriction Act 1901* (Cth) (introducing the White Australia Policy, which favored immigration to Australia from certain European countries).

⁷⁶ See, *infra* Part III (discussing the difference between scandalous and disparaging marks in the United States).

⁷⁷ See further, *infra* Part III (outlining the effect of this ruling, which has no effect on the team’s ownership of and right to use the Redskins name and logo).

would be denied registration outright. The mark “All Blacks”,⁷⁸ which relates to a rugby sports team is registered.⁷⁹

Figure 5: [New Zealand] All Blacks logo



As will be discussed, perhaps the initial registration of certain marks for bodies like the USPTO should be more carefully considered – particularly those that *may* disparage individuals or groups, or bring them into contempt or disrepute.

Profanity and Phonetics

Trademarks incorporating words and images that appear to condone and/or promote violence, racism or sociopathic behaviors fall within the ambit of “scandalous” marks. Again the reference needs to be obvious within the trademark before grounds for rejection can be raised. Of interest in respect of the above comments, is a case decided in the Local Court of New South Wales, *Police v Butler*,⁸⁰ which incorporates a discussion of “offensive” language. While it is not a trademark case, the discussion there points to the way community acceptance of this kind of language changes over time.

Whether a word considered by many as offensive language is acceptable as a trademark will depend to some degree on the amount of “invention” and “imagination” used to present it. Phonetic equivalents of strong but commonly used expressions, such as PHAR QUE or FAR KEW, will generally be acceptable if the expression is sufficiently modified by way of humor, thoroughly idiosyncratic spelling (for example, DR PHUQ) or other factors (for example, disguising the word within a device element). Conversely, an overt phonetic equivalent such as FUK M, FUCT or F^UCK where the difference in spelling is minor and it is not softened by anything in the way of humor or subtlety, is still sufficiently scandalous as to require an objection, as is the word concerned spelt out in full.

Similarly, in one of Australia’s neighboring countries, New Zealand, applications incorporating bad language have previously been refused registration, such as “BULLSHIT”.⁸¹

⁷⁸ Trade Mark No. 938550 (Class 25). *See also*, Trade Mark No. 554395 (Class 32), 622050 (Class 25); 622051 (Class 42), 1055997 (Class 18, 28, 41), 139461 (Class 16); Trade Mark No. 1.

⁷⁹ *See also*, Trade Mark No. 1565362 (Class 25, 41 – Maori All Blacks).

⁸⁰ [2003] NSWLC 2.

⁸¹ A trademark is not registrable under New Zealand’s *Trade Marks Act 2002* if it is contrary to New Zealand law, or its use or registration would be likely to offend a significant section of the community, including

Over the last 18 years, however, a number of trademarks which allude to potentially offensive things have been registered. These include “5hit”, “CNUT”, “FCUK”, “WNAK”, as well as several marks incorporating “Bitch”, such as “Stich ‘n’ Bitch”. This suggests allusions to obscenity in ‘witty’ phrases or plays on words may no longer be considered offensive by a substantial number of people and reflects the subjective nature of the offensiveness ground and the increasing prevalence and tolerance of bad language.

It appears that less commonly used expressions, particularly where they also have a double meaning, are far less likely to be offensive to any significant element of society. Calculated concealment of the words, or a clever disguising within a device element may create an acceptable trademark. And clever advertising campaigns may bring words regarded as coarse into almost acceptable usage. An example here is the television campaign bringing the term “BUGGER” into prominence. There are now a number of registrations containing this word, something that would have been unlikely 20 years ago.

Profanity is defined in the Macquarie Dictionary as meaning, in part “*characterized by irreverence or contempt for God or sacred things; irreligious, especially speaking or spoken in manifest or implied contempt for sacred things.*” The Registrar has historically been particularly careful in the handling of trademarks which may have religious connotations. Religion is an issue often surrounded by strong feelings. Particular care needs to be taken with applications incorporating profanity or religious images. Again, the offending words/images need to be obvious within the mark, as grounds for rejection are not appropriate if there is only a vague suggestion that something might be profane. Events post September 2001 have made the public more conscious of issues such as terrorism, and trademarks with suggestions of violence along these lines may cause more public concern than they might have in the past. For example, a trademark application for BIN LADIN or ADOLF HITLER would likely be rejected on the basis that it would glorify terrorism or that it could harm public order and morals.

Violence or Merely In Bad Taste?

Examiners faced with trademark incorporating elements of obscenity, violence or profanity need to decide whether the mark is “scandalous” or only in bad taste. A consideration of the ultimate market for the goods is required here. Words considered as “bad language”, while most likely acceptable on adult surf clothing or party plan goods designed for adults, are unlikely to be acceptable on children’s toys or clothing. However, the fact the examiner finds the mark in bad taste on the adult goods is insufficient reason to apply the provisions of subsection 42(a). For example, applications such as ROOT GOOD or I DON’T GIVE A FLYING F-♦♥■ might be in poor taste but are not “scandalous”. Another example is an application for the word SNUFF for movie studio and/or movie making services in class 41. This would attract a ground for rejection under subsection 42(a), because it is a direct reference to so called “snuff” movies, i.e. those in which people are actually murdered.

Māori. The degree of offensiveness must be enough to cause outrage amongst a substantial number of people, although a trademark may be registrable if it is merely vulgar or in poor taste.

Of particular interest are trademarks for products that themselves promote “bad” behavior. For example, candy that are shaped as cigarettes. Once called “FAGS” (prior to 2003) – itself a controversial and likely offensive term – the mark was amended to “FADS” and granted registration in 2003.⁸² This is of particular relevance in the current tobacco plain packaging debate.⁸³

Figure 6: FAGS Cigarette Candy circa 1995



Figure 7: FADS Cigarette Candy circa 2003



Although, the trademark regime does not go so far as to directly regulate the underlying product, it posits an intriguing investigation into the intercept between marketing and intellectual property and its influence on trademark registration of ‘borderline’ marks.⁸⁴

There are some trademarks which, no matter what the market is, will always be regarded as scandalous and therefore unacceptable to the Registrar. These marks are often those likely to be seen as promoting racial vilification, religious intolerance and personal abuse of an individual. The following examples demonstrate the kinds of phrases which, as subjects of trademark applications, will always attract a ground for rejection under

⁸² Trade Mark No. 959644 (Class 6).

⁸³ See, Sarah Hinchliffe, *Comparing Apples and Oranges in Trademark Law: Challenging the International and Constitutional Validity of Plain Packaging of Tobacco Products* 13 J. MARSHALL REV. INTELL. PROP. L. 130 (2013) (providing a detailed discussion of the present plain packaging debate, and the influence of marketing on intellectual property regimes).

⁸⁴ *Id.*

subsection 42(a):

- Marks with elements of personal abuse (e.g. ROOT YOU, <politician's name>);⁸⁵
- Marks incorporating racial or ethnic abuse (e.g. F**K <country or ethnic group name>);
- Marks incorporating abuse of a national flag (e.g. F**K with the Australian flag forming the stars); and
- Marks incorporating elements of religious intolerance/abuse (e.g. ALL <name of religion>S ARE EVIL).

In the United States, “Root You” takes on a different meaning as is commonly used to refer to “barrack”, or “support” a team. It would not constitute grounds for rejection. A section 42 ground for rejection will apply in relation to trademarks containing images of persons that would clearly be viewed as scandalous. Images can include photographs, portraits, cartoon caricatures and other stylized representations.

If research shows that there are strong community, governmental or other significant concerns then this is relevant information that may support raising a section 42 ground for rejection. However, subsection 42(a) grounds for rejection would *typically* only be raised at examination where:

- The mark itself could be considered scandalizing (e.g. a grossly distorted caricature of a major political leader) or
- The mark contains or consists of an image of a well known person accompanied by a profane suggestion or
- The relationship between the goods and services and a person's image in the mark would clearly scandalize (e.g. an image of the Pope in relation to “contraceptives”).

Section 43 may also be triggered if the image of a person contained in the trademark has some fame, renown or notoriety in relation to the specified goods and services. The relevance of this point is discussed in further detail, below.

E. Summary

Australia has a rigorous examination practice. This gives trademark owners a degree of confidence in the registrations they have or plan to acquire. It grants a high level of protection without trademark owners having to do as much of the work as they may have to in other jurisdictions. The Trademarks Office will examine for prior rights and if conflicting rights are found, it will cite them against the later application. Once a mark has been through the examination process, an Australian registration is typically very strong. It is for this reason that marks are seldom revoked.

It is therefore suggested that to bring some uniformity to assessing the registrability of marks, that there be an international cultural board (perhaps under the banner of the World Intellectual Property Organization) comprising elected members from various

⁸⁵ *But, compare, the US. See infra, Part III, below.*

jurisdictions that is similar to New Zealand.⁸⁶ In our increasingly globalized world, marks may be registered in more than one jurisdiction. And, while the registrability (or otherwise) of a trademark in one jurisdiction can influence the decision to register in another, inconsistencies may arise where (as in the case of Redskins) a mark is registered in one jurisdiction (e.g. Australia, or New Zealand), but denied registration in another (e.g. the United States) due to cultural reasons. A uniform approach to such an assessment would be useful to ensure moral principles are not disregarded in a competitive commercial market.

II. Marks Contrary to Public Policy and Accepted Principles of Morality – The United Kingdom

The United Kingdom is arguably one of the oldest established trademark statutory trademark registration regimes in the world. Registration will be denied under section 3(3)(a) of the Trade Marks Act 1994 if a trademark is “contrary to public policy or to accepted principles of morality.” Unlike Australia and the United States, there is no explicit reference to “scandalous”, or the “public” under the present Act. Rather, the Act refers to “accepted principles of morality”. Broadly, marks which offend section 3(3)(a) fall broadly into three types:

- Those with criminal connotations (such as violence);
- Those with religious connotations; and
- Explicit/taboo signs and designs.

These are explained in cases discussed, below. Reference to “principles of morality” has often been equated with “public policy” – but, these do differ. Therein, marks offending public policy are likely to offend accepted principles of morality, such as illegal drug terminology. Although, the question of public policy may not arise against marks offending accepted principles of morality, such as taboo swear words. The development of the trademark regime in Europe provides an important background behind the present standards to determine trademark registrability in the United Kingdom.

A. A Note in Time ...

Like Australia and the United States, the trademark regime in the United Kingdom is statutorily regulated. The genesis of statutory regulation of trademarks in the United Kingdom was founded in the United Kingdom Trade Marks Registration Act of 1875. At this point, only a system of trademark registry existed. It was not until 1938 that a statutory trademark regime was introduced. The United Kingdom’s need for a system of registry was likely precipitated as a result of the European industrial revolution, which occurred in the

⁸⁶ See Subpart 2 of Part 5 of the *Trade Marks Act 2002* (NZ) (prescribing the appointment of an advisory committee and incorporates sections 177-180).

latter half of the 19th century, and is firmly grounded in European industrial commerce.⁸⁷ During this time, there was an increase in the production of goods, an increase in the distribution of goods facilitated by cheap methods of transportation through the recent inventions of railway trains and the construction of canals, and the introduction of the concept of advertising.⁸⁸

Demand for a registration system swelled immensely with the development of modern advertising and large-scale retailing. Most advertising reached the consumer to buy by product mark or house-name, and products reiterated marketing schemes in the hope of stopping buyers from defecting to rivals. Therein, trademarks and names became more or less the fundament of most market-place competition.⁸⁹ On the base of the industrial revolution, in turn precipitated two legal superstructures – the first granting producers of goods a positive right to sue their competitors upon unfair, deceitful or false representations that their goods were those of their rivals, and the second which sought to rationalize the use of trademarks through a system of registration.⁹⁰

The rationale for and Commerce foundation upon which the statutory trademark system in the United Kingdom (and indeed, Europe) was built is significant from a normative analysis. In particular, justifying rights (property rights and private rights) and interests (economic interests, and legitimate interests) of an owner of a mark, with the rights and interests of the broader public, consumer, or government.⁹¹ Under the rubric of the first legal superstructure, both the courts of common law and equity in England fashioned a remedy to protect a manufacturer from the “passing off” by another of his goods as those of the manufacturer. The basis of legal intervention was founded on the reputation that the manufacturer has acquired in his trademark. Although the courts realized it was the public rather than the proprietor of the trademark who was deceived, as James LJ stated in the 1880 case of *Singer Manufacturing Co. v Logo*:

[W]hat ever name is used to designate goods, anybody may use that name to designate goods: always subject to this, that he must not, as I said, make, directly or through the medium of another person, a false representation that his goods are the goods of another person.⁹²

In 1896, Lord Halsbury had opined that “nobody has any right to represent his goods as the goods of somebody else”.⁹³ The historical conspectus above shows that the genesis of trademarks as a marketing tool, by and large, was essentially a part of the private manufacturing sector, attracting legal protection through *adoption and use*, rather

⁸⁷ See NORMAN DAVIES, *EUROPE: A HISTORY* (1998) Ch. 2; DAVID PARKET, *REVOLUTIONS AND THE REVOLUTIONARY TRADITION: IN THE WEST 1560-1991* (2000).

⁸⁸ See generally, Davies *id.*

⁸⁹ Cornish, “Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights” (1999), 599.

⁹⁰ See Michael A. Stein and Sarah Hinchliffe, *The Shift in Copyright Law! Exposing the true nature of Legitimate Interests in TRIPS* (Working Paper, Harvard Law School, December 2012) (for a discussion of rights and interests in copyright law). See also, Hinchliffe *supra* note 1.

⁹¹ See Hinchliffe *supra* note 1.

⁹² [1880] 18 Ch. D. 395, 412.

⁹³ *Reddaway v Banham* [1896] A.C., 199, 209.

than through any formal intervention by the state.⁹⁴ This had serious ramifications for a society that was industrializing and virtually changing its production methods, and it became clear that a more formal system, regulated through central state authority, was required to assist the development of the trademark system through registration.

Precipitating from this realization came the second legal superstructure, namely the system of trademark registration still in use today, albeit in a modified form to suit the circumstances of our time. This system was based on statute law, which provided for a register of trademarks and for the registration of trademarks as a means of establishing, at least *prima facie*, a right of title in and to a trademark.⁹⁵ A detailed normative account of rights and interests, however, is beyond the scope of the present paper.

B. Standards Denying Registrability in of a Mark in the United Kingdom

The Trade Marks Act 1938 (repealed October 31, 1994) was the first Act to refer to “scandalous” matter. Section 11 outlined that:

It shall not be lawful to **register as a trademark** the use of which of registration would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be **contrary to law or morality, or any scandalous design**.

The Act did not specify what was or could be deemed “scandalous”, and appeared to be limited to special form (e.g. design marks, such as logos), rather than strictly standard character (e.g. word) trademarks. There is no reference to “scandalous” in the present 1994 Act, and it is hypothesized that this is due to the inability to define this broad-sweeping term. Nor is the word ‘scandalous’ of itself essential to the general legislative and political thrust of the provision. The present Act, instead, refers to “public policy” and “accepted principles of morality”. In defining the scope of these references, recent trademark cases in England, including the French Connection Limited case in 2006, look to other regimes including patent and copyright regimes in order to define their scope.⁹⁶ This is discussed below.

First, some governing structural themes should be noted. Trademark law within the European Economic Area is largely harmonized.⁹⁷ The provisions governing the registration of marks contrary to public policy and morality are therefore very similar at national and Community level. The Trade Marks Directive governs national law on this issue⁹⁸ and has been implemented in the United Kingdom by Trade Marks Act 1994, s

⁹⁴ See Sarah Hinchliffe *Mediating Foreign Norms and Local Imperatives – Intellectual Property ‘Law’ as between the East and the West: from Imperial to Modern* (L. and SOC REV., forthcoming Spring 2014).

⁹⁵ See TORREMANS AND HOLYOAK, *INTELLECTUAL PROPERTY LAW*, 1998. 5 (highlighting that, in England, the first statute regulating trademarks was the 1875 Trade Marks Regulations Act, which was followed by the Patents Designs and Trade Marks Act of 1883.)

⁹⁶ *Re Registered Trade Mark No 2184549 in the name of French Connection Ltd* (2006) 70 IPR 438.

⁹⁷ See Hinchliffe *supra* note 68 (discussing the formation of the European Community, and its influence on the trademark and geographical indication regimes)

⁹⁸ Directive 89/104 of 21 December 1988 to approximate the laws of the Member States relating to trade marks (“the Trade Marks Directive”), Art. 3(1)(f):

3(3)(a):

A trade mark shall not be registered if it is (a) contrary to public policy or to accepted principles of morality...⁹⁹

Section 3(3)(a) of the 1994 Act derives from Article 3(1)(f) of Council Directive 89/104/EC of 21 December 1998 to approximate the laws of the Member States relating to trademarks (“the Trade Marks Directive”) which is in essentially identical terms. As required under the Directive, the Act also includes legal mechanisms for ensuring that marks registered in breach of this provision can be declared invalid.¹⁰⁰ Section 3(3)(a) and Article 3(1)(f) of the Directive also correspond to Article 7(1)(f) of Council Regulation 40/94/EEC of 20 December 1993 on the Community trademark.¹⁰¹ Under Article 7(1)(f), the Community Trade Mark Regulation¹⁰² has a parallel provision:

The following shall not be registered: ...

(f) trade marks which are contrary to public policy or to accepted principles of morality...

This exclusion is effective even where the mark for which registration has been applied is contrary to public policy or accepted principles of morality in part only of the Community.¹⁰³ It appears that the expression “public policy” – which is used in the English texts of Article 3(1)(f) of the Trade Marks Directive and Article 7(1)(f) of the CTM Regulation – is an attempt at an idiomatic translation of the expression “*ordre public*” which appears in the French text.¹⁰⁴ A Community Trade Mark registered in breach of Article 7(1)(f) is to be declared invalid on application to the Community Trade Mark Office or on counterclaim to an infringement action.¹⁰⁵ Provisions such as these, ensuring that rights are not granted in signs that contravene public policy or morality, are found in trademark laws around the world.¹⁰⁶ Indeed, they are a feature of intellectual property laws more generally. Legislation establishing registered rights normally provides that rights are not to be granted in respect of subject matter that is contrary to public policy or is immoral¹⁰⁷

The following shall not be registered or if registered shall be liable to be declared invalid;...(f) trademarks which are contrary to public policy or to accepted principles of morality;...

This reflects Article 6 *quinquies*, para B (3) of the Paris Convention. The power to deny registration on morality or public policy grounds is also preserved under the TRIPs Agreement (Art. 15(2)).

⁹⁹ In the United Kingdom, this harmonized morality and public policy exclusion has a series of statutory predecessors – Trade Marks Act 1938, s. 11; Trade Marks Act 1905, s. 11 and Patents, Designs and Trade Marks Act 1883, s. 73.

¹⁰⁰ Trade Marks Act 1994, s. 47(1).

¹⁰¹ [hereinafter “the CTM Regulation”].

¹⁰² Regulation 40/94 on the Community Trade Mark.

¹⁰³ Regulation 40/94, Art. 4(2).

¹⁰⁴ See *Philips Electronics NV v Remington Consumer Products Ltd* [1998] RPC 283 at 310 lines 8-12.

¹⁰⁵ Regulation 40/94, Art. 51(1)(a).

¹⁰⁶ See, e.g., Baird *supra* note 55; T. Davis, *Registration of scandalous, immoral and disparaging matter under s. 2(a) of the Lanham Act; can one man’s vulgarity be another registered trade mark?* (1993) 83 T.M.R. 801; J. Leftin, *Does the First Amendment bar cancellation of Redskins?* (2001) 52 STANFORD L. REV. 665; J. Tessensohn, “Case Comment” [2004] EIPR N-188; J. Tessensohn & S. Yamamoto, “Case Comment” [2006] EIPR N-108.

¹⁰⁷ See, e.g., Registered Designs Act 1949, s 1D; Community Designs Regulation 6/2002, Art. 9; European Patents Convention, Art 53(a); Patents Act 1977, ss. 193), sch. A2; Directive 98/44 on the legal protection of biotechnological inventions; *The Netherlands v. Commission and Council* (C-377/98) [2001] 3 CMLR 49 (ECJ).

Such provisions are themselves a particular reflection of a broader refusal to lend the support of the legal system to those seeking to rely upon interests in anti-social, or otherwise improper, subject-matter.¹⁰⁸

Article 3(1)(f) of the Trade Marks Directive and Article 7(1)(f) of the CTM Regulation in turn have their origin in Article 6*quinquies* paragraph B(3) of the Paris Convention for the Protection of Industrial Property of 1883 (Stockholm Act 1967).¹⁰⁹ This provides:

Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases: ... when they **are contrary to morality or public order and, in particular, of such a nature as to deceive the public**. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.

On first reading, reference to “are contrary to morality or public order...of such a nature as to deceive the public” would appear to confuse consumer protection for the purposes of preventing misleading or deceptive marks, and “scandalous” marks. The rationale behind this, however, may be explained by drawing on a historical account of the development of the statutory trademark regime in the United Kingdom, and Europe.

It appears that the expression “public order” in this official English translation of the authentic French text is a word-for-word translation of *ordre public*. The provision contained in Article 6*quinquies* paragraph B(3) was not new to the Stockholm Act. Its origins derive from Article 6 paragraph 5 of the original Convention of 1883. Prior to the enactment of the 1994 Act, section 11 of the Trade Marks Act 1938 provided:

It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or **would be contrary to law or morality, or any scandalous design**.

Save for the addition of the words “or cause confusion”, this provision repeated section 11 of the Trade Marks 1905. Section 11 of the 1905 Act in turn was in very similar to section 73 of the Patents, Designs and Trade Marks Act 1883 (as amended in 1888) save for the addition of the words “or would be contrary to law or morality”. It appears that those words were inserted into the 1905 Act with a view to the United Kingdom complying with its obligations under the Paris Convention.

Notably, reference to morality appears firmly engrained in European intellectual property regimes other than trademarks. For example, both the copyright and patent

¹⁰⁸ In the United Kingdom, see, for example, *Hyde Park Residence Ltd v. Yelland* [2000] RPC 604; *Gartside v. Outram* (1856) 26 LJ Ch 113; *Initial Services Ltd v. Putterill* [1968] 1 QB 396; *Hubbard v. Vosper* [1972] 2 QB 84 (CA).

¹⁰⁹ See Hinchiffe *supra* note 11 (discussing the role of international instruments on the development of scandalous marks in the UK, US and Australia).

regimes refer to standards of “morality”. Article 2 of the Strasbourg Convention, Article 53(a) of the European Patent Convention of 1973 provides that:

European patents shall not be granted in respect of ... inventions the publication or exploitation of which would be contrary to ‘*ordre public*’ or morality, provided that the exploitation shall not be deemed to be so contrary merely because it is prohibited by law or regulation in some or all of the Contracting States.

The ability of Members of the WTO to deny patentability on this ground is substantially preserved by Article 27(2) of the TRIPs Agreement, which provides:

Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect ***ordre public* or morality**, including to protect human, animal or plant life or health or avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.

Consistently with Article 27(2) of the TRIPs Agreement, Article 6(1) of European Parliament and Council Directive 98/44/EC on the legal protection of biotechnological inventions provides:

Inventions shall be considered unpatentable where their commercial exploitation would be contrary to *ordre public* or morality; however exploitation shall not be deemed to be so contrary merely because it is prohibited by law or regulation.¹¹⁰

While there exists a strong economic justification for granting patent registration (particularly in the EU region), these subsist subliminally to considerations of morality.¹¹¹ Purportedly consistently with Article 27(2) of TRIPs and Article 6(1) of the Biotechnology Directive, section 1(3) and (4) of the Patents Act 1977 provide:

A patent shall not be granted for an invention the commercial exploitation of which would be contrary to public policy or morality. For the purposes of subsection (3) above, exploitation shall not be regarded as contrary to public policy or morality only because it is prohibited by any law in force in the United Kingdom or any part of it.¹¹²

Notably, in these provisions, the term “public policy” has been substituted for the term *ordre public* even though it is the latter, which is used in both TRIPs and the English text of the Biotechnology Directive. Previously, section 1(3)(a) of the 1977 Act provided that:

A patent shall not be granted ... for an invention the publication or exploitation of which would be generally expected to encourage offensive, immoral or anti-social behavior.

¹¹⁰ The European Parliament and Council Directive 98/44/EC of 6 July 1998 [hereinafter “the Biotechnology Directive”].

¹¹¹ See Sarah Hinchliffe, Andre Gyax and Asjeet Lamba, *The Continued Rise of the Business Method Patent as a Competitive Tool – It’s Time to Forge Ahead!* (Working Paper, November 2013) (discussing the economic justifications for business method patents in the United States).

¹¹² As amended by the Patents Regulations 2000, SI 2000 No. 2037.

Much could be said by way of balancing economic rights and property interests in the United Kingdom, the United States and in Australia. These normative considerations in combination with a historical account of the jurisdictions discussed in this paper, justify differences in definitions and rationales for deeming marks as “scandalous” or, in the context of the United Kingdom, “contrary to public morality”.¹¹³ It is to be noted that the legislative formulation described above bears some similarity to the European Patent Office’s Guidelines for Examination Chapter IV Part C paragraph 3.1, which deals with the application of Article 53(a) EPC:

The purpose of this is to exclude from protection inventions likely to induce riot or public disorder, or to lead to criminal or other generally offensive behavior... ; one obvious example of subject-matter which should be excluded is a letter-bomb. This provision is likely to be invoked only in rare and extreme cases. A fair test to apply is to consider whether it is probable that the public in general would regard the invention as so abhorrent that the grant of patent rights would be inconceivable. If it clear that this is the case, objection should be raised under Art. 53(a); otherwise not.

Prior to the 1977 Act, section 75 of the Patents and Designs Act 1907 provided that:

[T]he comptroller may refuse to grant a patent for an invention, or to register a design, of which the use would, in his opinion be **contrary to law or morality**.

Similarly, section 10(1)(b) of the Patents Act 1949 provided:

If it appears to the comptroller in the case of any application for a patent ... that the use of the invention in respect of which the application is made would be **contrary to law or morality** ... he may refuse the application.

It would appear that these provisions were based on section 11 of the 1905 and 1938 Acts. Article 8 of European Parliament and Council Directive of 13 October 1998 on the legal protection of designs provides:

A design right shall not subsist in a design which is contrary to **public policy or to accepted principles of morality**.¹¹⁴

Article 9 of Council Regulation No. 6/02/EC on Community designs is in corresponding terms.¹¹⁵ Insofar as I am aware, these provisions do not originate from any international convention. It is therefore likely that they were inspired by Article 3(1)(f) of the Trade Marks Directive and Article 7(1)(f) of the CTM Regulation. Section 1D of the Registered Designs Act 1949 (as amended by the Registered Designs Regulations 2001, SI 2001 No. 3949) is in essentially identical terms to Article 8 of the Designs Directive. Previously, section 43(1) of the 1949 Act provided:

Nothing in this Act shall be construed as authorizing or requiring the registrar to register a design the use of which would, in his opinion, be contrary to law or morality.

¹¹³ See generally, Hinchliffe *supra* note 1.

¹¹⁴ [hereinafter “the Designs Directive”].

¹¹⁵ Council Regulation No. 6/02/EC of 12 December 2001.

Notably, neither the Berne Convention of 1886 (Paris Act 1971) nor the TRIPs Agreement nor the WIPO Copyright Treaty of 1996 contains any comparable provision with regard to copyright.¹¹⁶ Instead, Article 17 of the Berne Convention provides:

The provisions of this Convention cannot in any way affect the right of the Government of each country of the Union to permit, to control, or to prohibit, by legislation or regulation, the circulation, presentation, or exhibition of any work or production in regard to which the competent authority may find it necessary to exercise that right.

This provision is generally understood to preserve the ability of countries of the European Union to control or prohibit the circulation of works in order to maintain public order.¹¹⁷ Section 171(3) of the Copyright, Designs and Patents Act 1988 provides:

Nothing in this Part affects any rule of law preventing or restricting the enforcement of copyright, on grounds of public interest or otherwise.

There are few reported cases that instigate the relevant part of section 11 of the 1905 and 1938 Acts. Only one known case, the *HALLELUJAH* case, did, however, reject an application to register a trademark on this ground, and provided some guidance to factors considered “contrary to morality”.¹¹⁸ In *HALLELUJAH*, an application to register the mark HALLELUJAH for “articles of clothing for women” was refused on this ground, and also in the exercise of the Registrar’s discretion under section 17(2) of the 1938 Act. It was noted that:

Section 11 of the Trade Marks Act 1938 prohibits, so far as relevant to this case, the registration as a trademark of any matter the use of which would be ‘**contrary to morality**’. I find very little guidance in reported cases for determining what meaning is to be attributed to this phrase. The dictionaries give the meaning of ‘morality’ as ‘Moral principles or rules; moral conduct’ and of ‘moral’ as ‘concerned with the distinction between right and wrong, virtuous, righteous’. At present we live in what is commonly called the ‘permissive age’, where previously accepted moral standards are undergoing change.¹¹⁹

In lieu of a defined scope of what it means to be “contrary to public morality”, decision makers have often hidden behind the veil of their discretion. This is particularly apparent in patent cases. In *A and H’s Patent Application* the examiner refused a patent application pursuant to section 75 of the 1907 Act and section 10(1)(b) of the Patents Act 1949 for an improved contraceptive device on this ground.¹²⁰ The applicants’ appeal to the Solicitor-General was dismissed, but the ground on which Sir Thomas Inskip dismissed the appeal was not that the invention was contrary to morality, as to which he expressed no opinion, but that the Comptroller should refuse to grant a patent for the invention in the exercise of the Crown’s discretion under section 97 of the 1907 Act.¹²¹ The few reported cases concerning trademark that illustrate this are discussed below.

¹¹⁶ See Hinchliffe *supra* note 1.

¹¹⁷ See RICKETSON AND GINSBURG, *INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS* (2nd ed) §§13.88-13.89.

¹¹⁸ *HALLELUJAH Trade Mark* [1976] RPC.

¹¹⁹ *Id.*, at 607 line 28 – 608 line 5.

¹²⁰ [1924] 44 RPC 298.

¹²¹ This practice was still being followed at time of *Riddlesbarger’s Patent Application* (1935) 53 RPC 57.

C. Standards of “Morality” and “Public Policy”

Similar to Australia and the United States, it is well established that the registrability of a trademark must be judged as at the date of its application. The phrase “contrary to morality”, therefore, falls to be considered by the generally accepted standards of today, and not by those of 1938. It has, however, been acknowledged that:

There have been similar periods in the past and no doubt there will follow in due course a return to stricter standards as the historical wheel turns full circle.¹²²

The difficulty is to be certain what those “standards” are, and more particularly, where the line is to be drawn between marks whose registration is prohibited by the section and those where it is not. When religious and moral standards are changing, sometimes quite rapidly, it would appear that the Registrar should only follow where others have given a clear lead. Therein, while he must not remain isolated from the day-to-day world, frozen in an outmoded set of moral principles, he must equally not presume to set the standard. It would be erroneous to act as a censor or arbiter of moral, nor as a trendsetter. Courts have also acknowledged that a Registrar “must not lag so far behind the time that he appears to be out of touch with reality”, but at the same time, not be “so insensitive to public opinion that he accepts for registration a mark which many people would consider offensive.”¹²³

Unlike Australia, the present Act in the United Kingdom does not refer to nor define “scandalous” matter *per se*.¹²⁴ As discussed, the choice of the term “accepted principles of morality” is best explained using a historical account of the European trademark regime. Similarly, there is no reference to denying registration of a mark where there may be disparaging use.¹²⁵ As already outlined, trademarks will, instead, be denied where they are contrary to “public policy” or “accepted principles of morality”. Other statutory intellectual property regimes in the United Kingdom will similarly deny registrability of designs, patents, and copyright on this basis. It is significant to note that the 1994 Act, unlike the 1938 Act, confers no discretion on the Registrar to refuse registration if the requirements

¹²² *HALLELUJAH Trade Mark* [1976] RPC 607 at 607 line 28 – 608 line 5.

¹²³ *See, id.*

¹²⁴ *See Hyde Park Ltd v Yelland* [2001] Ch 143 at [49] (referring to “scandalous” in copyright cases expressing that “there had been a number of cases where the courts had refused to enforce copyright as the works in question were considered libellous, immoral, obscene, scandalous or irreligious, but that it was not necessary to consider those cases”). *See also*, *Beloff v Pressdram Ltd* [1973] 1 All ER 241, *Initial Services Ltd v Putterill* [1960] 1 QB 396, *Hubbard v Vosper* [1972] 2 QB 84, *Fraser v Evans* [1969] 1 QB 349, *Woodward v Hutchins* [1977] 1 WLR 760, *Lion Laboratories Ltd v Evans* [1985] QB 526, *Express Newspapers plc v News (UK) plc* [1991] FSR 36 and *Attorney-General v Guardian Newspapers Ltd (No 2)* [1990] 1 AC 109.

¹²⁵ *See infra*, Part III below (discussing the difference between disparaging use, and scandalous marks in the United States).

for registration are met.¹²⁶ In the absence of clearly defined boundaries of “accepted principles of morality” and “public policy”, therefore, broad discretionary powers may be seen to vest in Examiners and Registrars.

The scope of “public” in this context, for example, is obliquely broad, and has been discussed in the context of patents and, to a lesser degree, trademarks. It could be argued that reference to “public morality” places a higher hurdle for the registrability of marks that contain questionable matter.¹²⁷ Patent and copyright cases have, in this regard, provided well-established guidelines. The cases discussed in this section focus primarily on “morality”.

The definition of “morality” was discussed in Case T356/93 *PLANT GENETIC SYSTEMS/Glutamine synthetase inhibitors*.¹²⁸ This was a patent case concerning Article 53(a) of the Patents Act. The Board stated that:

[T]here was no European definition of morality ... the interpretation of the concept of morality **should be a matter for European institutions** ... The same applied to the concept of ‘*ordre public*’ ... It is generally accepted that the concept of ‘*ordre public*’ covers the protection of public security and the physical integrity of individuals as part of society. This concept encompasses also the protection of the environment ... The concept of morality is related to the belief that some behavior is right and acceptable whereas other behavior is wrong, this belief being founded on the totality of the accepted norms which are deeply rooted in a particular culture ... the culture in question is the culture inherent in European society and civilization.¹²⁹

Marks that are not in conformity with the conventionally accepted standards of conduct pertaining to such culture are to be excluded from registration as being contrary to morality. For example, unlike Australia the United Kingdom places a greater emphasis on freedom of expression, that falls short of recognizing satire. Instilled in the United Kingdom is a strong normative sense of normative accounts of “fruits of labor” and “proprietary rights”. There is also a strong pattern in the United Kingdom of interpreting and applying section 3(3)(a) consistently with Article 10 ECHR.¹³⁰ Therein, it is accepted that the disciplined approach required by Article 10 ECHR is applicable to the determination of objections under section 3(3)(a) – which, as will be discussed, provides some keen guidance in light of the broad discretion granted to Examiners under this section. In that connection, it is sufficient to refer to the summary of the relevant criteria given in Schmidberger:

[I]t nevertheless follows from the express wording of para. 2 of Arts. 10 and 11 of the Convention that freedom of expression and freedom of assembly are also subject to certain limitations justified by objectives in the public interest, in so far as those derogations are in accordance with the law, motivated by one or more of the legitimate aims under those provisions and necessary in a

¹²⁶ *Procter & Gamble Ltd's Trade Mark Applications* [1999] RPC 673 at 675 lines 37-40.

¹²⁷ Contain is referred to loosely here. See however, *supra* Part I above (discussing the difference and significance of “contain” and “comprise”)

¹²⁸ [1995] EPOR 357.

¹²⁹ *Id.* at [5] and [6].

¹³⁰ See, *infra* Part III.D of this paper.

democratic society, that is to say justified by a pressing social need and, in particular, proportionate to the legitimate aim pursued. [emphasis added].¹³¹

It has been recognized that “in a democratic society subscribing to the rule of law, no determination that is arbitrary can ever be regarded as lawful.”¹³² This means that merely because the determination under section 3(3)(a) calls for the exercise of judgment in an area where there may well be room for more than one view does not, of itself, render the decision-taking process arbitrary, nor does the fact that the determination depends on the decision taker’s assessment of the effect that use of the trademark in question is liable to have upon other people. Although, a comprehensive discussion concerning the intercept of Constitutional norms, and inhibition of rights pursuant to section 3(3)(a) of the Trade Marks Act 1994 is beyond the scope of the present paper.¹³³ It follows that registration should be refused only where this is justified by a “pressing social need” and is “proportionate to the legitimate aim pursued”.¹³⁴ It is not enough, however, for the former merely to be present.

It is recognized therein that any real doubt as to the applicability of the objection should be resolved by “upholding the right to freedom of expression”, and thus by permitting the registration.¹³⁵ As already discussed, this reference is heavily tied into international norms, and the industrialized founding of Europe. Unlike Australia and the United States, courts in the United Kingdom and in Europe, as will be discussed, place a greater emphasis on the proprietary nature of intellectual property rights, and the significance of “fruits of labor”. Although, the latter has gained more recognition in the context of patents.¹³⁶

So, then how does an Examiner decipher the audience bounds to deem a mark “contrary to public morality”? Patent and copyright cases, in addition to trademark cases, have attempted to clarify this on a number of occasions. For example, in *Masterman’s Design*¹³⁷ the applicant applied to register a design for a furry doll with what was described as an “apron”. The apron was akin to a sporran, and when lifted up it revealed objects resembling (and clearly intended to resemble) male genitalia. The examiner objected to the application both under section 43(1) of the Registered Designs Act 1949, and in the exercise of the Registrar’s discretion under section 3(3) of that Act.¹³⁸ The hearing officer held that registration of the design was not precluded by section 43(1), but nevertheless held that it should be refused under section 3(3) on ground that “registration would be likely to offend the susceptibilities of a not insubstantial number of persons”.¹³⁹ The applicant’s appeal to the Registered Designs Appeal Tribunal was allowed by Aldous J. In

¹³¹ Case C-112/00 Schmidberger Internationale Transporte und Planzuge v Austria [2003] 2 CMLR 34 at [79].

¹³² Winterwerp v Netherlands (1979) 2 EHRR 387 at [39].

¹³³ See generally, Hinchliffe *supra* note 1.

¹³⁴ Case C-112/00 Schmidberger Internationale Transporte und Planzuge v Austria [2003] 2 CMLR 34 at [79].

¹³⁵ Basic Trademark SA’s Trade Mark Application [2005] RPC 25 at [3]-[6]

¹³⁶ See, e.g., Case T356/93 PLANT GENETIC SYSTEMS/Glutamine synthetase inhibitors [1995] EPOR 357; *Masterman’s Design* [1991] RPC 89.

¹³⁷ [1991] RPC 89.

¹³⁸ Section 3(5) of the Act as subsequently amended by the 1988 Act.

¹³⁹ See *Masterman’s Design* [1991] RPC 89.

his judgment Aldous J first considered whether the Registrar had considerable discretion to refuse the application under section 3(3), even if a design, for example, complied with the requirements for registration, and in particular did not offend against section 43(1).¹⁴⁰

Section 3(3)(a) when read in isolation, confers broad discretionary power on an Examiner to refuse registration of a mark. It, however, provides no guidance as to what an “insubstantial number of persons” refers to. It has been recognized, however, that mere offence to a section of the public, in the sense that that section of the public would consider the mark distasteful, is not enough for section 3(3)(a) to apply.¹⁴¹ It has equally been noted that “the test to be applied cannot be solely whether a section of the public would be offended”. Mere offence to a section of the public, in the sense that that section of the public would consider the mark distasteful, is not enough.

The section of the public... must be sufficiently substantial. A likelihood of offence to a few particularly susceptible people would not suffice, although strong offence to a particular section of the public might do – for example a minority with strong religious beliefs. Poor taste, he accepted, would not suffice.¹⁴²

Such a conclusion would not, otherwise, amount to a proper ground for refusing an applicant the proprietary right given by the Act. Therein, courts have expressed reluctance to interpret statutory subsection so as to “interfere with a private property right without compensation as no clear intention to that effect is expressed.”¹⁴³ Section 3(3)(a) will apply if the use of the mark would justifiably cause outrage, or would be the subject of justifiable censure, amongst an identifiable section of the public as being likely significantly to undermine current religious, family or social values.¹⁴⁴ In assessing this, the personal views of the tribunal are irrelevant.¹⁴⁵

In assessing the scope of “insubstantial number of persons” that are likely to be offended by the requested registration, therefore, an analysis of what “offended” refers to is of central importance. Evershed J in *La Marquise Footwear Inc.’s Application* shed some light on the scope of “not insubstantial section of the public”.¹⁴⁶ In that case, Evershed J overturned the Registrar’s refusal to register the trademark OOMPHIES for shoes. One of the bases on which the Registrar had refused the application was in the exercise of his discretion under section 17(2):

¹⁴⁰ For the purposes of this section, Registrar and Examiner may be used interchangeably.

¹⁴¹ *Masterman’s Design* [1991] RPC 89 at 103 ll. 28-43; *Ghazilian’s Trade Mark Application* [2002] RPC 33 at [20].

¹⁴² *Ghazilian’s Trade Mark Application* [2002] RPC 33 at [25].

¹⁴³ *Hyde Park Ltd v Yelland* [2001] Ch 143

¹⁴⁴ *Ghazilian’s Trade Mark Application* [2002] RPC 33 at [30], *Scranage* at [8]. See also Case T356/93 PLANT GENETIC SYSTEMS/Glutamine synthetase inhibitors [1995] EPOR 357 at [15] (where, in the context of patents, it was held that “[A] survey or an opinion poll showing that a particular group of people or the majority of the population of some or all of the Contracting States opposes the granting of a patent for a specified subject-matter cannot serve as a sufficient criterion for establishing that the said subject-matter is contrary to ‘ordre public’ or morality”).

¹⁴⁵ *Ghazilian’s Trade Mark Application* [2002] RPC 33 at [31]; *Basic Trademark SA’s Trade Mark Application* [2005] RPC 25 at [8], [23]; *Stephens v Avery* at 454B

¹⁴⁶ (1946) 64 RPC 27 at 30, and 32.

I must wholeheartedly accept the proposition that it is the duty of the Registrar (and it is my hope that he will always fearlessly exercise it) to consider **not merely the general taste of the time**, but also the **susceptibilities of persons, by no means few in number, who still may be regarded as old fashioned and, if he is of opinion that the feelings or susceptibilities of such people will be offended, he will properly consider refusal of the registration**. I should certainly hope that, in taking, as I do take in this case, a different view from him, I am in no way debasing the standard which, as a servant of the State, he should exercise and maintain in his jurisdiction....

The judge did not explain what he meant by the word “offended” and had no need to do so, in that he held that the trademark OOMPHIES had a signification of sex appeal, but was acceptable for registration. There is also a suggestion in the decision that registration should be refused, otherwise the act of registration would be seen as giving the design the stamp of approval of the Registrar. The court in *In re French Connection Limited*¹⁴⁷ did not, however, appear to accept this as a valid consideration. The court held that, when exercising discretion, it must be in a judicial capacity, not in an administrative capacity.¹⁴⁸ Thus, a decision to register is a judicial decision that a design or mark is registrable, not that the Registrar *approves* of the design or mark.

Indeed, many marks or designs would give offence to a not insubstantial number of persons, but those persons would consider that such designs or marks should be given the benefit of protection. For instance, a design for a sculpture showing nudity or perhaps a scene involving bull fighting would be considered offensive by some persons, in the sense that they considered the design dolls (as in *Masterman's Design*) made according to that design. In his judgment, Aldous J noted that:

I can see no reason why others should be permitted to copy the design in the form sought to be registered, **nor why the law should not protect the labour and skill involved in producing it**. Courts of Equity have in the past refused to grant injunctions to protect copyright in scandalous and pornographic works, but I cannot envisage that a Court of Equity would refused to grant an injunction to protect the design in question.

I have not been able to identify any reason for refusing registration of the design, save that a section of the public would find it distasteful, and that is not, in my view, a valid reason when weighed against the other matters I have referred to.¹⁴⁹

Further, although discretion may be unfettered, it is required to take into account present norms, bearing in mind the significance of the property right bestowed by registration:

There can be no doubt that many designs, which could have shocked the public in the past, would not do so today and I believe it right that, when exercising my discretion, I should take that into account. That discretion is unfettered, in the sense that it is not limited to any particular type of consideration but **must be exercised on reasonable grounds**. Each case must be considered separately, taking

¹⁴⁷ *In re Registered Trade Mark No. 2184549 in the name of French Connection Limited* (O-137-06).

¹⁴⁸ *Id.* at [28].

¹⁴⁹ *Id.*, at 103 l. 20 - 105 l. 4.

into account all the circumstances. The question to be considered is whether there are **real grounds** for refusing the applicant **the proprietary right which would be given by registration**.¹⁵⁰

Although *Masterman* was a decision under section 3(3) of the Registered Designs Act 1949, it can be seen that Aldous J held that the design should not be refused registration “unless its *use* would be, or at least would be seen by a section of the public to be, contrary to morality”.¹⁵¹ It is clear that he concluded that this would not be the case. His judgment on the exercise of discretion therefore provides guidance on the proper approach to objections on the basis that a design or trademark is contrary to morality. He notes that:

I do not believe that such persons would believe that such designs should be restricted in use nor that they should not be protected by law.

Following from this case, Ghazilian strongly cautioned against an overly cautious interpretation of section 3(3)(a).¹⁵² He proposed instead to apply the reasoning of Aldous J in *Masterman* particularly his direction to consider the concept of right-thinking member of the public when seeking to apply section 3(3)(a). He went on to say that:

Section 3(3)(a) refers to ‘accepted principles of morality’. In any given social group, there are certain standards of behavior or moral principles which society requires to be observed and there are standards of conduct which are widely shared. Society requires this so as to ensure that religious, social or family values are not unreasonably undermined. Accordingly it is right that in an exceptional case where the trademark selected contravenes these standards it should be denied registration. Since **however the primary objective of the system of registration of trademarks is to protect both traders and the public** and since the system does not prevent a trader using a mark but merely denies him the protection of registration, it is only in cases where it is plain that an accepted principle of morality is being offended against that registration should be denied.¹⁵³

It is accepted that there must be a “clearly identified aspect of morality which exists and which would be undermined by the registration.”¹⁵⁴ This is more than merely a “pressing social need”.¹⁵⁵ This indicates a realization by Courts and decision makers in the United Kingdom to prevent the abuse of power to confer or otherwise permit proprietary rights (and correctly so) to vest in an applicant in lieu of established guidelines.¹⁵⁶ It also complements the United Kingdom’s commitment to Article 10 of the ECHR, and the role of “Freedom of Expression” in Europe. This may, in part, explain the rather broad approach taken in the United Kingdom to terms that amount to a play on words.

¹⁵⁰ *Masterman’s Design* [1991] RPC 89 at 104.

¹⁵¹ *Masterman’s Design* [1991] RPC 89 at 105 l.4.

¹⁵² Ghazilian’s Trade Mark Application [2002] RPC 33 at [19] (expressing that “I have concluded that there is a slight difference in approach between Aldous J and Mr Myall in *HALLELUJAH* which drew upon the observations of Evershed J [in] *La Marquise*. I prefer the approach of Aldous J. The interpretation placed by Mr Myall on the language of Evershed J may lead to an over-cautious approach to section 3(3)(a)).

¹⁵³ *Ghazilian’s Trade Mark Application* [2002] RPC 33 at [20] – [21].

¹⁵⁴ *Id.* at [22].

¹⁵⁵ *Id.* at [22].

¹⁵⁶ See Hinchliffe *supra* note 1.

Placing this all in context, courts are also strongly of the view that guidance as to the principles upon which the Registrar must act when exercising his discretion can be derived from the *purpose* of the Act.¹⁵⁷ The Registered Designs Act, and the Trade Marks Act for example, were enacted to encourage innovation and prevent others taking the “fruits of their labor”.

In addition to normative considerations, there are guiding factors that clarify the scope of “contrary to morality”. For example, the requirement for use of the trademark to be “seriously troubling” in terms of the public interest in the “prevention of disorder” or “protection of morals” under Article 10 ECHR appears to provide a proper basis for objective determination of the legal rights of persons applying for registration.¹⁵⁸ Further, while section 3(3)(a) may apply to a mark whose use would not be illegal, the legality or otherwise of use of the mark is a relevant consideration.¹⁵⁹ Recall that Article 3(1)(f) of the Trade Marks Directive and Article 7(1)(f) of the CTM Regulation in turn have their origin in Article 6*quinquies* paragraph B(3) of the Paris Convention for the Protection of Industrial Property of 1883 (Stockholm Act 1967).¹⁶⁰ This provides:

Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases: ... when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. **It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks**, except if such provision itself relates to public order.

Article 6*quinquies* paragraph B(3) of the Stockholm Act 1967 under which Article 3(1)(f) of the Trade Marks Directive and Article 7(1)(f) of the CTM Regulation in turn have their origin contains a qualification “that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks.”. This qualification makes clear that the assessment of whether or not a particular subject-matter is to be considered contrary to either ‘*ordre public*’ or morality is not dependent on any national laws or regulations. Conversely, and by the same token, a particular subject-matter shall not automatically be regarded as complying with the requirements of trademark registrability merely because its exploitation is permitted in some or all of the Contracting States. This, approval or disapproval of the exploitation by national law(s) or regulation(s) does not constitute *per se* a sufficient criterion for the purpose of examination under Article 3(1)(f) of the Trade Marks Directive and Article 7(1)(f) of the CTM Regulation, and therefore section 3(3)(a) of the Trade Marks Act 1994.

Thus, it follows that decision makers should consider whether a mark is of the kind that should be given the protection of the law including whether the design or mark is of such a nature that its “use would offend moral principles of right-thinking members of

¹⁵⁷ *Id.*

¹⁵⁸ Ghazilian’s Trade Mark Application [2002] RPC 33 at [31]; Basic Trademark SA’s Trade Mark Application [2005] RPC 25 at [8], [23]; Stephens v Avery [1988] Ch 449 at 454B.

¹⁵⁹ Masterman’s Design [1991] RPC 89 at 104 ll. 16-17, 38-40.

¹⁶⁰ See Hinchliffe *supra* note 1 (discussing the role of international instruments on the development of scandalous marks in the UK, US and Australia).

the public”, such that it “would be wrong for the law to protect it”. For example, it has been acknowledged that notwithstanding Parliament enacting legislation that restricts certain acts (particularly in a marketing context), such as the dissemination of pornographic material, there exists “no legislation which would restrict the sale goods incorporating this design.”¹⁶¹ While there appears reluctance, for example, to “judge the novelty of the design”, decision makers appear apt to consider the degree of skill and labor to produce the item involved. In light of this, decision makers are unlikely to impose an overtly restrictive interpretation of what is contrary to morality, or public policy where a mark or design is considered merely “distasteful”:

Some members of the public would find ... offensive, in the sense that they would consider that it was distasteful. Others would consider ... to be amusing and in no way offensive. I cannot believe that any reasonable person would believe that ... incorporating the design should not be freely sold.

A normative account, however, is likely to prove insufficient in defining the dividing line between cases where registration should be allowed or refused. Guidelines including the OHIM (The European Trade Mark Registry) Manual created under Article 7(1)(f) of the Regulation have been utilized, in this regard. The Registry Work Manual, for example, suggests that marks which encourage or promote drugs, counterfeiting, pornography, criminal activity, and the like would be refused under the provisions of section 3(3) as being contrary to public policy, whereas fairly mild bad language, fairly, or relatively inoffensive expressions and fairly mild slang expressions would not be considered to be contrary to accepted principles of morality. The OHIM Guidelines provide in paragraph 8.7 further outlines that:

Words or images which are offensive, such as swear words or racially derogatory images, or which are blasphemous are not acceptable. There is a dividing line between this and trademarks which might be considered in poor taste. The latter do not offend.

Examiners that have paid too much attention to a guideline have been strongly criticized, particularly those guidelines which may have been applicable in the past.¹⁶² In making a determination, therefore, guidelines should not be taken as a general rule. Rather, as the above paragraph suggests, guidelines should be set against the facts of each case. Each case must therefore be considered on its merits, taking into account the nature of the design or mark, and all the surrounding circumstances.

There is no reason why the Registry should not have guidelines, but **they must be no more than guidelines**. The discretion given by the Act should not be fettered by such guidelines; each case must be dealt with on its merits. Further, the Superintending Examiner stated that the firm line taken by the Registry was based upon the conclusion that representation[s] of genitalia were considered to offend. That may have been right in the past, but is not necessarily so today. This emphasizes the difficulty of applying a guideline in this sort of case as attitudes change...¹⁶³

¹⁶¹ *Id.*

¹⁶² *Id.*, at 102 line 31-103 line 1.

¹⁶³ *Masterman's Design* [1991] RPC 89 102 line 31-103 line 1.

There is consensus, however, that a mark or design has to be “considered individually” and in the context of what “reasonable use” would be made of it, and it must be judged against the “background of public opinion at the date of application”.¹⁶⁴ It is also necessary to consider the attitude of Parliament as reflected by legislation and also weigh up any conflicting opinions that various sections of the public may have.¹⁶⁵ For instance, a design or mark for which registration is sought would be thought by many members of the public to be a clever and humorous design, giving no offence, whereas others might find a distasteful joke. The extent of that latter view must be weighed against the legitimate views of others and a decision reached as to whether there are real grounds for preventing the an applicant from having the proprietary right given by the Act to protect his work. What is clear, however, is that violence is not tolerated.

[E]ven if seen by children, would not have any adverse effect on them. I suspect that the public would believe harmless, particularly when compared with use[] in violent play.

The United Kingdom has, however, taken what may seem a relaxed view to a play on word. As will be discussed, the rationale for this ties in with the role of “Freedom of Expression” in Europe, and indeed the United Kingdom. Two cases spring to mind, in this regard: the trademark “FCUK”, “CNUT”, and “FOOK”. An examination of these cases provides context to the normative themes discussed above – in particular, the emphasis on proprietary rights, freedom of expression, and “fruits of labor”.

In re French Connection concerned Registration No. 2184549, being one of a number of United Kingdom and Community registrations of the mark FCUK for a variety of goods and services owned by French Connection.¹⁶⁶

Figure 8: FCUK logo

The image shows the FCUK logo, which consists of the lowercase letters 'fcuk' in a bold, sans-serif font, followed by a registered trademark symbol (®).

Figure 9: French Connection trademark

The image shows the French Connection trademark, which consists of the words 'FRENCH CONNECTION' in a bold, sans-serif font.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ *Re Registered Trade Mark No 2184549 in the name of French Connection Ltd* (2006) 70 IPR (French Connection Ltd is the registered proprietor of UK Registered Trade Mark No. 2184549 comprising the mark FCUK registered as of 16 December 1998 in respect of the following goods in Class 14:

Watches, clocks, horological and chronometric apparatus and instruments; watch straps, watch bands; jewellery; costume jewellery; key rings, key holders, key-chains, necklaces, bracelets, earrings, brooches and rings; containers adapted to carry the aforesaid goods; parts and fittings for all the aforesaid goods.

The FCUK case is to be distinguished from cases that lack prior “use” of a mark under question.)

On 20 September 2004, Dennis Woodman applied for a declaration that the registration be declared invalid on the ground that the registration was contrary to section 3(3)(a) of the Trade Marks Act 1994. It is noteworthy to mention that he accepted French Connection's evidence of geographical connotation, namely that FCUK was first used as an internal reference to denote the UK division of the company following its international expansion. In March 1997 French Connection decided, in conjunction with its advertising agency, to launch FCUK as a brand name. The hearing officer noted that it was accepted by French Connection that it "knew at the outset the potential for the FCUK brand as a word play".¹⁶⁷ It was also held that it was clear from the evidence that French Connection had made considerable use of this potential for "word play" in its advertising. It was also noted that French Connection's advertising had generated a number of complaints to the Advertising Standards Authority (ASA), but that there had not been any adjudication in which the ASA had upheld a complaint against "FCUK" on its own. He concluded from this and from two letters from the ASA which are in evidence that the ASA did not consider the use of FCUK on its own to be a problem. In discussing what an "identifiable section of the public" referred to, it was stated that:

There is no evidence that establishes that the trademark FCUK *solus* is seen as the expletive amongst an identifiable section of the public...I do not see that there can be any better barometer of the impact of a mark on the public perception than evidence resulting from the actual use in the market. Respectable traders have been involved in a significant trade in FCUK branded goods with an almost complete absence of adverse reaction from their customers, although again I acknowledge that the actual number of complaints is unlikely to be representative of the number actually offended. However, any offence that has been caused has not been as a result of the use of FCUK *per se*, but rather by **the context in which the trader has chosen to use the letters** in their promotional activities, and for which they have been the subject of censure. On the facts before me I consider that whilst I can understand and appreciate the basis for the objection, I do not consider that this is a sufficient basis on which to declare the trade mark registration invalid, and the application fails.¹⁶⁸

The Court distinguished Cnut Sweinson, a Dane, was King of England from 1016 to 1035. His name (which used to be misspelt as "Canute") is well known to school children because of an incident in which he is supposed to have commanded the tide to turn back, either out of *folie de grandeur* or, more likely, to demonstrate the limits of his powers. CNUT is registered as a trademark in a number of classes, including Class 25.¹⁶⁹ It has been recognized that "while these uses of the word CNUT may evoke another swear word in some readers' minds, it seems ... that they are more likely to bring other connotations to mind."¹⁷⁰

¹⁶⁷ FCUK Trade Mark [2007] RPC 1 (UK) at [67].

¹⁶⁸ *Re Registered Trade Mark No 2184549 in the name of French Connection Ltd* (2006) 70 IPR 438 at [89] – [90].

¹⁶⁹ The registered proprietor of the Class 25 registration, Cnut Ltd, operates a website at www.kingcnut.com from which it sells t-shirts bearing the name "king cnut" together with a symbol of a crown. The website displays the slogan "KING CNUT MAY NOT HAVE BEEN ABLE TO TURN BACK THE TIDE IN 1016. BUT HE DOES MAKE EXCEEDINGLY GOOD T-SHIRTS. PROBABLY THE BEST T-SHIRTS IN THE WORLD."

¹⁷⁰ *Re Registered Trade Mark No 2184549 in the name of French Connection Ltd* (2006) 70 IPR 438 at [88]. See *id.*, at [76] – [81]. Referring to Figure 1 of the *Delete expletives?* Report. Figure 1 provided a table ranking swear words and offensive terms such as "Paki" according to their perceived severity. The word "FUCK" is

This is undoubtedly true, but nevertheless it would be quite easy to imagine “word play” involving CNUT that brought the swear word to mind rather than the English King. It may be objected that the difference between these two cases is that CNUT is an established word with its own meaning whereas FCUK is not. What this example demonstrates is the importance of context. A mark that used in one way is relatively innocuous may become quite offensive if used in a different way and vice-versa. In particular, a mark of the sort under consideration in the FCUK case may provoke quite different responses depending on whether the consumer is led to regard it as an anagram on the one hand or as an acronym (or a set of letters) on the other hand. It was expressed that:

A mark is only objectionable under section 3(3)(a), however, if its use would contravene a generally accepted moral principle by reason of its intrinsic qualities. The reason for this is that, even if the applicant intends to use it in a particular way, his intention may change. Furthermore, the application or registration may be assigned to someone else. Thus the manner in which the mark is subsequently used can neither infect the mark with, nor immunise it from, objectionability....It is not the swear word even though it can be used, and has been used, to evoke the swear word. Accordingly the generally accepted moral principle prohibiting the use of swear words does not apply to it. This conclusion is supported by the evidence that, not only have both the UK Trade Marks Registry and OHIM accepted the mark FCUK for registration, but also none of the regulators who have considered the mark have judged it to be objectionable if used in ways that do not evoke the swear word.¹⁷¹

As previously mentioned, the 1994 Act, unlike the 1938 Act, does not confer any discretion on the Registrar to refuse registration if the requirements for registration are met.¹⁷² In the case of a word mark, it is necessary to consider the applicability of section 3(3)(a) on the basis of *any* usage that the public makes of the word or words of which the mark is comprised.¹⁷³ Thus the slang meaning of a word may lead to an objection even if its normal meaning does not.¹⁷⁴ So, a mark which does not proclaim an opinion, or contain an incitement or convey an insult is less likely to be objectionable than one that does.¹⁷⁵

In *Ghazilian's Trade Mark Application*¹⁷⁶ the applicant applied to register the mark TINY PENIS for various articles of clothing. The hearing officer, having directed herself in accordance with *HALLELUJAH*, held that registration was precluded by section 3(3)(a). The applicant's appeal to the Appointed Person was dismissed by Simon Thorley QC. Mr

ranked third most severe, and the table records that it held the same place in a similar survey conducted in 1997.

¹⁷¹ *Id.* at [88]. Similarly, the ASA has rejected complaints about French Connection advertisements featuring (a) “Vive le FCUK” (b) “eau de FCUK” and (c) FCUK shown on the pocket of a pair of jeans, concluding in each case that the advertisement was unlikely to cause serious or widespread offence. A striking instance of this is Ofcom, which approved the use of the name FCUK FM for a radio station (and even wished it luck).

¹⁷² Procter & Gamble Ltd's Trade Mark Applications [1999] RPC 673 at 675 lines 37-40.

¹⁷³ FCUK Trade Mark [2007] RPC 1 (UK).

¹⁷⁴ Case R 111/2002-4 Dick Lexic Ltd's Application [2005] ETMR 99 at [8].

¹⁷⁵ *Id.*, at [10], Basic Trademark SA's Trade Mark Application [2005] RPC 25 at [11].

¹⁷⁶ [2002] RPC 33.

Thorley observed at [14] that it was unfortunate that the hearing officer had not been referred to *Masterman*.¹⁷⁷

Similar considerations apply to trademarks. As a general rule, a trade is free to adopt whatever trademark he feels is best calculated to enhance the sale of his goods. If that trademark qualifies for registration by reason of its inherent distinctiveness or has become distinctive by reason of its use, prima facie he is entitled to have the mark registered so as to protect his business from the competition of rival traders who adopt similar marks. If the goods are calculated to appeal to a certain section of the community such that the choice of a distasteful mark is, in that trader's view, calculated to enhance sales, then so be it. The trader selects the mark, gains his customers and is entitled to protection.¹⁷⁸

The ambiguous nature of the word "offence" has been noted.¹⁷⁹ In *Masterman's Design*, Aldous J held that some members of the public would find the doll offensive, in the sense that they would consider that it was distasteful. Nonetheless registration was permitted. In *Ghazilian*, it was suggested that the test to determine whether something was "offensive" must be: "That a substantial number of reasonable people will be significantly offended."¹⁸⁰ Whilst that is moving in the right direction, it has been argued that this is not an adequate direction.¹⁸¹ Another test has been proposed which revolved around determining whether or not the words in question were "vulgar".¹⁸² If they were, he contended that there should be a presumption against registration unless the applicant could adduce evidence that, in context, the vulgarity was not such as to cause disproportionate offence whereas if the words used were not vulgar, the contrary would apply. This has, however, not been accepted.

There are a number of well-known euphemisms for a penis which would be considered vulgar; cock, dick, prick, tool, willy. I do not believe that any fundamentally different considerations should apply in assessing whether the mark TINY PENIS should be registered than would apply to the marks TINY TOOL or BIG DICK.¹⁸³

A suggested approach was that:

Each case must be decided on its own facts. The dividing line is to be drawn between offence which amounts only to distaste and offence which would justifiably cause outrage or would be the subject of justifiable censure as being likely significantly to undermine current religious, family or social values. The outrage or censure must be amongst an identifiable section of the public and a higher degree of outrage or censure amongst a small section of the community will no doubt suffice just as lesser outrage or censure amongst a more widespread section of the public will also suffice.¹⁸⁴

¹⁷⁷ See *Masterman's Design* [1991] RPC 89 102 (mistakenly referred to as a decision on section 43(1) of the Registered Designs Act 1949).

¹⁷⁸ *Id.* at [17].

¹⁷⁹ See *Ghazilian's Trade Mark Application* [2002] RPC 33 at [26].

¹⁸⁰ *Id.*

¹⁸¹ See *FCUK Trade Mark* [2007] RPC 1 (UK) at [64].

¹⁸² *Ghazilian's Trade Mark Application* [2002] RPC 33 at [27].

¹⁸³ *Id.* at [29].

¹⁸⁴ *Id.* at [30].

The concept of “right-thinking members of the public” referred to by Aldous J in *Masterman* has been described as a helpful approach. For example, a right-thinking member may himself or herself not be outraged but will be able, objectively, to assess whether or not the mark in question is calculated to cause the “outrage” or “censure” amongst a relevant section of the public.¹⁸⁵ Otherwise there would be a risk that the vociferousness of those with an axe to grind might illegitimately diminish the free speech rights of those whose views they oppose. The “offence” resides in the fact that an accepted social and family value is likely to be significantly undermined.¹⁸⁶ For example, such a value lies in the belief that the correct anatomical terms for parts of the genitalia should be reserved for serious use and should not be debased by use as a smutty trademark for clothing.¹⁸⁷

Section 3(3) is not concerned with political correctness, it is concerned with principles of morality, a different and less readily invoked standard. The Registrar’s hearing officers cannot be expected in all cases to form a view without the assistance of evidence. This does not mean that they must have evidence. They are entitled to draw upon their own knowledge of words and upon their own perception of the way in which those words can be used without offending against public morality. They must however be careful not to allow their personal views to deflect them from approaching the matter on the basis of the “right-thinking” person. What we can glean from cases is that different considerations apply to different categories of marks.¹⁸⁸ The rationale behind this is that they relate to different types of transgression. That is to say, they offend against different moral principles. It is therefore important for Examiners to be clear as to the applicable moral principle. The generally accepted moral principle applied in *Basic Trademark* was that of respect for religious beliefs.¹⁸⁹ The generally accepted moral principle applied in *Scranage* was the prohibition on the use of swear words, and in particular their use in contexts where children may be exposed to them.¹⁹⁰ By contrast, it is less clear that the “social and family value” invoked in *Ghazilian*, namely “the belief that the correct anatomical terms for parts of the genitalia should be reserved for serious use” is a generally

¹⁸⁵ See *id.* at [31].

¹⁸⁶ See *id.* at [33].

¹⁸⁷ See *id.*

¹⁸⁸ *Basic Trademark SA’s Trade Mark Application* [2005] RPC 25 at [12].

¹⁸⁹ See *id.*

¹⁹⁰ *Id. Scranage’s Trade Mark Application* (O/182/05) (The applicant sought to register the mark FOOK in respect of clothing, footwear and headgear. The Registry’s hearing officer refused the application on the ground that the mark consisted exclusively of a word that was phonetically very similar to (or, in some parts of the United Kingdom, identical to) the offensive word FUCK. As such, registration of the mark was contrary to accepted principles of morality. The applicant appealed to the Appointed Person, David Kitchin Q.C., who upheld the decision. Having made extensive reference to the decisions in *Ghazilian* and *Basic Trademark*, he held that registration of the word “Fuck” as a trade mark would be unacceptable because, although commonly employed, its “general use” would be “likely to cause justifiable outrage amongst a significant section of the public”. Use of the mark at issue in this case was likely to be indistinguishable from use of the word, “Fuck” and would therefore cause equal offence and outrage).

accepted moral principle.¹⁹¹ I believe that is for this reason that that decision has proved somewhat controversial.¹⁹²

Moreover, it is clear from the case law reviewed above that the Registrar's hearing officer is entitled to use his own knowledge of words and of the moral principles which are generally accepted in our society. It is also clear, however, that the Registrar is entitled to receive evidence.¹⁹³ This is particularly true in the case of an application for a declaration of invalidity such as the present, where the mark has been in use on a substantial scale for a considerable period of time. In such circumstances the proposition that, viewed as at the application date, the mark was contrary to morality because use of it was liable to cause significant offence can be tested in the light of actual experience.¹⁹⁴

D. A Note About Freedom of Expression

In a series of recent cases concerning the absolute ground for refusal of registration on grounds of immorality or public policy, decision-makers have begun to make explicit reference to the relevance of Article 10. It has increasingly been accepted that any refusal to register a mark on public policy/morality grounds constitutes an interference with the applicant's right to freedom of expression and, therefore, calls for justification under Article 10(2) of the ECHR.¹⁹⁵

In order to demonstrate a violation of Article 10, an applicant must first establish an "interference" with "expression".¹⁹⁶ Where there is such an "interference", the relevant state must establish that the restriction in question is (1) prescribed by law; (2) has been imposed for one of the legitimate reasons listed in Art 10(2) and (3) is "necessary in a democratic society". Such an analytical structure appears, at first sight, to impose strict scrutiny upon all interferences with expression, but the European Court of Human Rights has not, in practice, treated all forms of expression alike. Interferences with expression concerning politics and public affairs have generally been reviewed strictly,¹⁹⁷ particularly where they affect the mass media.¹⁹⁸ On the other hand, states have been allowed greater

¹⁹¹ *Id.*

¹⁹² See JEREMY PHILLIPS, *TRADE MARK LAW: A PRACTICAL ANATOMY* (2003) §4.37 (describing it as "a good example of 'how not to do it'").

¹⁹³ See *FCUK Trade Mark* [2007] RPC 1 (UK) at [62].

¹⁹⁴ *Id.*, at [63].

¹⁹⁵ "(1) Everyone has the right to freedom of expression. The right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This Article shall not prevent States from requiring the licensing of broadcasting, television or cinema enterprises. (2) The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.

¹⁹⁶ See Article 10(1) (the right set out in Article 10(1) is "engaged").

¹⁹⁷ See, e.g., *Lingens v. Austria (No 2)* (1986) 8 EHRR 407; *Thorgeirson v. Iceland* (1992) 14 EHRR 843.

¹⁹⁸ See, e.g., *Sunday Times v. United Kingdom* (1979-80) 2 EHRR 245; *Goodwin v. United Kingdom* (1996) 22

freedom to restrict artistic and commercial expression. In this respect, the doctrine of “margin of appreciation”, under which national authorities benefit from greater latitude in certain situations, has been particularly significant.¹⁹⁹

Many European states have, to one degree or other, incorporated the standards established under the ECHR into national law. The United Kingdom has done so, for example, through the Human Rights Act 1998, which obliges public authorities (including courts, but excluding the legislature) to act compatibly with the ECHR.²⁰⁰ The rights protected under the ECHR also now form an integral part of the structure of fundamental rights underpinning the law of the European Union. The European Court of Justice requires Community measures to be interpreted in accordance with the rights protected under the ECHR.²⁰¹

An argument based on freedom of expression under the UK Human Rights Act was first made before Simon Thorley QC in *Ghazilian*. He was skeptical about the relevance of the right, noting that refusal to register TINY PENIS would not prevent the applicant from using the phrase as a mark. However, he did not “find it necessary to enter this debate.” In his view, the structures of analysis under the Trade Marks Act 1994 and Article 10 were, in any event, identical:

Section 3(3) indicates that the Registrar should refuse registration where the mark is contrary to accepted principals of morality. To redefine this as saying that he should only refuse registration where there is a pressing social need to do so, is, to my mind, merely a matter of words. The same principles are at work. There must be a clearly identified aspect of morality which exists and which would be undermined by the registration...This does not however assist in defining the dividing line between cases where registration should be allowed or refused.²⁰²

He thus satisfied himself that he was entitled to proceed much as he would have done prior to the coming into force of the Human Rights Act because there was, in substance, no distinction between the approach required under Article 10 and that required under s 3(3)(a).²⁰³

A movement away from this rather conservative approach was clearly apparent in the decision of Geoffrey Hobbs QC In *Basic Trademark SA's Application*.²⁰⁴ Indeed, that case could be argued to mark a turning-point in the approach taken to the relationship between Article 10 and the public policy/morality exclusion. The structure of analysis required

EHRR 123.

¹⁹⁹ See, e.g., *Müller v. Switzerland* (1991) 13 EHRR 212; *Wingrove v. United Kingdom* (1997) 24 EHRR 151; *Otto-Preminger Institute v. Austria* (1995) 19 EHRR 34.

²⁰⁰ Human Rights Act 1998, ss. 6, 3(1), 2(1).

²⁰¹ See, e.g., [C-112/00] *Schmidberger Internationale Transporte und Planzüge v. Austria* [2003] 2 CMLR 34, [71]– [74]; Case C-71/02 *Herbert Karner Industrie-Aultionen GmbH v. Troostwijk GmbH* [2005] ETMR 59.

²⁰² [2002] ETMR 57, [22]–[23].

²⁰³ This approach was also taken at first instance in copyright proceedings in *Ashdown v Telegraph Group Ltd* [2001] Ch 685 (Morritt V-C.). Potential incompatibility between copyright law and Article 10 was, however, acknowledged by the Court of Appeal in the same case, *Ashdown v. Telegraph Group Ltd* [2002] Ch 149, (CA) para. 44.

²⁰⁴ [2006] ETMR 24.

under Article 10 was employed in a central role as a framework for the decision. At the very outset, the Appointed Person noted that “it is necessary to interpret and apply the prohibition in s 3(3)(a) of the Act consistently with the provisions of the Convention”, and in particular with Article 10.²⁰⁵ In this respect, he explained that such a consistent and “disciplined”²⁰⁶ interpretation was readily achieved under s 3(3)(a):

Section 3(3)(a) seeks to prohibit registration in cases where it would be legitimate for the “prevention of disorder” or “protection of ... morals” to regard use of the trade mark in question as objectionable in accordance with the criteria identified in Art.10 ECHR. It does so in terms which disclose no intention to prohibit registration in cases where use of the relevant trade mark would not be objectionable under Art.10 on either or both of those bases.²⁰⁷

This general conclusion is similar to Simon Thorley QC’s in *Ghazilian*. However, the tone is quite different. A much stronger role for Article 10 is accepted:

[T]he right to freedom of expression must always be taken into account without discrimination under s.3(3)(a) and any real doubt as to the applicability of the objection must be resolved by upholding the right to freedom of expression, hence acceptability for registration....²⁰⁸

In coming to a final assessment on the facts, the Appointed Person placed explicit reliance on Article 10:

[In] my view, ...the hearing officer was right to conclude that use of the word JESUS as a trade mark would cause greater offence than mere distaste and do so to a significant section of the general public. The use of it as a trade mark should... be regarded as seriously troubling in terms of the public interest in the “prevention of disorder” and “protection of morals” under Art.10 ECHR. It is legitimate to apply the prohibition in s 3(3)(a) of the Trade Marks Act 1994 to branding which is anti-social by reason of its ability to undermine an accepted social and religious value to a significant extent. That is the position here... I consider that the applicant’s right to freedom of expression can and should be taken to require moderation by refusal of registration on the basis of the prohibition against registration contained in s 3(3) (a) of the Trade Marks Act 1994...²⁰⁹

Thus, while Article 10 was undoubtedly engaged, the refusal to register JESUS was a necessary and proportionate response in the legitimate interests of preventing disorder and protecting morals.

The constraints of Article 10 were also accepted in *Scranage’s Trade Mark Application*, in which David Kitchen QC satisfied himself that the approach adopted in *Ghazilian* and *Dick Lexic* was compatible with the right to freedom of expression because, under that approach, only weighty countervailing interests bring the morality/public policy exclusions into operation:

Registration is not to be refused on the grounds of taste. For the prohibition to operate a mark must be one which will justifiably cause outrage or be the subject of justifiable censure as being likely

²⁰⁵ *Id.* at [3].

²⁰⁶ *Id.* at [22].

²⁰⁷ *Id.* [6] – [7].

²⁰⁸ *Id.*

²⁰⁹ *Id.*, [26]-[27] (The use of the “seriously troubling” standard seems to add unjustified complexity to an already difficult assessment).

significantly to undermine current religious, family or social values.²¹⁰

The manner in which an application to register FCUK ought to be resolved was explained with explicit reference to the vocabulary of Article 10:

I have no doubt that it would not be appropriate to allow registration of the word FUCK. Although it may be used commonly it is, nevertheless, a swear word and deeply offensive and insulting to many people. It is more than distasteful or smutty. The general use of the word is likely to cause justifiable outrage amongst a significant section of the public. I can see no justification based on the right to freedom of expression or otherwise to allow such a word to proceed to registration.²¹¹

In *French Connection Ltd's Trade Mark Registration*, the obligation to secure compliance with Article 10 was accepted by Richard Arnold QC as one of the principles to be derived from the case law on s 3(3)(a) and Article 7(1)(f). He confirmed that registration should only be refused where this course of action was justified by a pressing social need and was proportionate to the legitimate aim pursued.²¹² Any doubt as to the applicability of the objection was to be resolved by upholding the right to freedom of expression by permitting registration.²¹³

Within the Community system, it was only with *Application of Kenneth (trading as Screw You)* that the role of Article 10 in the interpretation of Article 7(1)(f) was acknowledged. In that case, however, the Grand Board went further than any decision-making body within the United Kingdom in explaining *why* the failure to register a mark might be regarded as engaging Article 10:

While it is true to say that a refusal to register does not amount to a gross intrusion on the right of freedom of expression, since traders can still use trademarks without registering them, it does represent a restriction on freedom of expression in the sense that 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.²¹⁴

Failure to register a mark may have a “chilling” effect on expression.²¹⁵ The Grand Board also demonstrated a closer awareness of the Strasbourg jurisprudence than has been apparent in the United Kingdom decisions. It explained that, under Article 10:

[F]reedom of artistic expression is regarded as a higher priority than freedom of commercial expression and consequently it is more fiercely protected. The use of profanities in the name of art and literature is circumscribed with great reluctance in democratic and open societies. The same is true in relation to expressing opinions. A militant atheist may write an article for public consumption ridiculing religion, for example, and the State will not intervene. But a trade mark mocking, or exploiting the name of, the founder of a major world religion might nonetheless be kept off the

²¹⁰ O/182/05, 23rd June 2005, [8].

²¹¹ *Id.* at [10].

²¹² [2007] ETMR 8, [60].

²¹³ *Id.*

²¹⁴ [2007] ETMR 7, [15].

²¹⁵ See E. BARENDT, *FREE SPEECH* (2nd ed. 2005) (discussing the significance of “chilling effects” in free speech jurisprudence).

register.²¹⁶

Interferences with commercial expression, including the use of a mark, may thus be more readily justified under the structure of analysis imposed by Article 10 than interferences with creative expression. The fact that the term “Screw you” had occasionally been heard on British television at family viewing times did not therefore mean that the phrase had to be accepted for registration as a trademark.²¹⁷ Nevertheless, despite having gone further in analyzing and explaining the principles governing the relationship between Article 10 and the morality and public policy exclusions than any previous decision-making body, in reaching its decision on the facts, the Grand Board made no explicit reference to the detailed exercise of proportionality required under Article 10. Its conclusion that the insulting and extremely offensive message conveyed by the phrase “Screw you” was covered by Article 7(1)(f) was delivered without overt consideration of the question whether the interference with commercial expression represented a “proportionate” response to a “pressing social need”.

E. Summary of Factors used to Determine Whether a Mark is Scandalous

The term “public policy” and “accepted principles of morality” in section 3(3)(a) is intended to deny protection to marks which could induce public disorder, or increase the likelihood of criminal or other offensive behavior. Cases illustrate that caution will always be required where marks appear to have criminal connotations, e.g. are associated with counterfeiting, illegal drugs or violence, or which exhibit racial, religious or discriminatory characteristics; or appear to be trivializing criminal activity, such as the word “stolen”. Examiners must decide whether such marks should benefit from or be denied the advantages of protection by intellectual property law, and they should refrain from erring on the side of caution if in doubt:

[T]he right to freedom of expression must always be taken into account without discrimination under section 3(3)(a) and any real doubt as to the applicability of the objection must be resolved by upholding the right to freedom of expression, hence acceptability for registration.²¹⁸

It is well established that the applicability of the objection must be decided objectively and non-discriminately,

Otherwise there would be a risk that the vociferousness of those with an axe to grind might illegitimately diminish the free speech rights of those whose views they oppose.²¹⁹

The scope of s 3(3)(a) has been considered briefly in the High Court. In *Philips Electronics NV v Remington Consumer Products*,²²⁰ the defendant argued that s 3(3)(a) prohibited the registration of the shape of a particular three-headed rotary shaver because

²¹⁶ [2007] ETMR 7, [24].

²¹⁷ *Id.* at [25].

²¹⁸ Basic Trademark SA’s Trade Mark Application [2005] RPC 25 at [6] Geoffrey Hobbs Q.C., sitting as the Appointed Person.

²¹⁹ *Id.* at [8].

²²⁰ CASE C-299/99 (18 June 2002).

it was contrary to public policy to protect an article in trademark law where pre-existing patent protection had expired. Jacob J dismissed this argument, holding that the scope of the provision was “confined to matters such as are covered by the French legal term *ordre publique*, a matter involving some sort of question of morality” and was not concerned with “economic grounds of objection”.²²¹

Although “accepted principles of morality” and “public policy” are often referred to interchangeably, they are distinct references each with underlying subtle differences. The term “accepted principles of morality” is somewhat harder to define than that of public policy, and requires examiners to assess the degree of censure involved.²²² One question asked is whether the mark likely to cause offence which amounts only to distaste or is it likely to cause offence which would justifiably cause outrage. If a mark is merely distasteful, an objection under section 3(3)(a) is unlikely to be justified, whereas if it would cause outrage or would be likely significantly to undermine religious, family or social values, then an objection will be appropriate. It is difficult to precisely quantify how much outrage is enough to raise an objection. The outrage must be amongst “an identifiable section of the public”.²²³ A higher degree of outrage amongst a small section of the public will be sufficient to raise an objection, just as a lesser degree of outrage amongst a larger section of the public will also suffice. Of importance is that nothing in the statutory wording of section 37 creates a presumption in favor of or against registration of a mark. Nor is there an onus on the Registrar to justify objections to application.²²⁴ Curiously, it would appear that the combined effect of sections 37(4) and (5) would appear to eliminate the discretion that the Registrar previously had and to put him or her in a position of having to make a judgment upon the materials before him as to the registrability of a mark.²²⁵ Nor is there anything in the nature of a burden for the Registrar to discharge in order to justify his decision to refuse an application.

In order to make this assessment, the examiner must be objective, not subjective. Objectivity means being neither out of date nor a trend setter; not setting some kind of moral standard but also not being insensitive to public opinion. It is insufficient that the examiner finds the mark offensive. But, the fact that the examiner is offended will alert him or her to the need for caution. Examiners are entitled to rely upon their own knowledge of words and their own perception of how they may be used; for example, some goods are traditionally used as message carriers, e.g. T-shirts, caps, banners, badges, mugs, stationery items and bags. They may find it helpful to seek the views of others; for example, women may find some marks offensive, whilst men may find them distasteful, at the most. Similarly, the examiner may not be offended, but must have regard to the likelihood of an identifiable section of the public being offended. Further, the nature of the goods or services can influence the degree of likely offence. For example, a vulgar mark may be acceptable on some goods or services whereas a racially offensive mark will face a blanket objection, regardless of the goods and services. Compared to Australia, there is a lower

²²¹ *Id* at I-5499, and I-5510.

²²² See Ghazilian’s Trade Mark (BL O/538/01)

²²³ *Id.*

²²⁴ See EUROLAMB Trade Mark Case (1997) RPC 279.

²²⁵ See *id.*

tolerance of satire in the UK.

United Kingdom legislation is strongly underpinned by its industrial heritage, and desire to not deceive the public.²²⁶ Section 3(3)(b) of the Act states that:

(3) A trade mark shall not be registered if it is - b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origins of the goods or service).

This section will prevent the registration of deceptive marks (other than geographical indications). In *Elizabeth Emanuel v Continental Shelf 128 Ltd*,²²⁷ the ECJ stated that the application of this provision “presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived”.²²⁸ An objection under section 3(3)(b) should therefore only be raised if in the examiner's view there is a real (as opposed to a purely theoretical) potential for deception of the public.²²⁹ What is clear is that where an obscene or crude mark is concerned, an objection will be certain where the goods or services are primarily or equally aimed at children, such as toys, games, confectionery, soft drinks etc. For goods intended for adults, such as alcohol and contraception, there may be less cause for concern.²³⁰

Similar to Australia, and the United States, there are a large number of different religious beliefs held and practiced in the United Kingdom. Care is taken when examining marks consisting of or containing elements, which have a religious significance (or which is likely to be offensive to religious susceptibilities) and which may provoke greater offence than mere distaste, or even outrage, if used to parody a religion or its values. Where a sign has a very sacred status to members of a religion, mere use as a commercial trade mark may be enough to cause outrage. For example, “The power of the word JESUS to give rise to the relevant concern is not diminished by the nature of the goods in the different categories specified.”²³¹ A mark which is likely to cause serious offence to a minority in the UK is susceptible to an objection under section 3(3)(a) of the Act. This is a contentious point that is discussed in Part III of this paper.

²²⁶ See Hinchliffe *supra* note 1 (discussing the fine balance between economic rights and property rights in the United Kingdom, as compared to Australia and the United States).

²²⁷ Case C-259/04.


²²⁸ *Id.*, at [47].

²²⁹ In that case, “the public” referred to a “significant proportion of the relevant public.”

²³⁰ See Hinchliffe *supra* note 1.


²³¹ Jesus Trade Mark, paragraph 26.


Table 1: Examples of marks considered to be objectionable under section 3(3)(a)

JESUS	Contrary to public policy; offence is caused by the fact that an accepted religious value is likely to be undermined to a significant extent if this word is used as a trade mark. .
WHITE DOVE YOU DON'T NEED WINGS TO FLY	Contrary to public policy as it would be seen as promoting drugs (White Dove is a nickname for a type of drug)
SNUFF MOVIES	Contrary to public policy as it would be seen as promoting pornography and murder. .
	Contrary to accepted principles of morality in view of bad language.
FOOK	Contrary to accepted principles of morality as it is phonetically identical to, and visually similar to the taboo word FU*K in some regional dialects in the UK

Further, while rulings indicate that objection are more likely raised against explicit full frontal nudes and offensive (scandalous) back views, it is less likely that an objection would be raised to outline drawings or photographs of nude figures which are not explicit.

Table 2: Examples of marks which have been *accepted* under 3(3)(a)

Raatz Pizz	This mark was for beer. Fairly mild bad language. Also the words are somewhat hidden as presented.
	Fairly mild bad language
BREWERS DROOP	Fairly inoffensive

	Fairly mild slang word
EROTICA	Not offensive
OLD FARTS	Relatively inoffensive
BAD ASS BOYS FLY BAD ASS TOYS	Relatively inoffensive

III. United States – Scandalous or Disparaging Marks?

The United States has a rich history of preventing registration of scandalous marks.²³² This section provides both a normative and descriptive account of the evolution of the trademark regime in the United States. It articulates how legislatures have attempted to balance the rights of trademark applicants with public protection, compared to other common law jurisdictions.

A. Historical Outliers?

The House of Representatives, in as early as 1860, considered federal legislation to protect the exclusive use of trademarks.²³³ Convinced that the protection of “trade” (in particular regulating the “use” of false trademarks) was a key object of government. In particular, it was purported that it would ensure that a mark’s owner could retain the advantage associated with his own skill or superior quality of goods or services, also to provide the public with a means to judge the quality of the items and distinguish among different manufacturer’s goods.²³⁴

The first federal law to authorize the registration of trademarks was enacted in 1870.²³⁵ The Act, though it omitted to defined “trademarks”,²³⁶ specifically barred from

²³² See Anne G. LaLonde and Jerome Gilson, *Trademarks Laid Bare: Marks that May be Scandalous or Immoral* (2011) 101 T.M.R. 1476 (comprehensively discussing cases considering section 2 of the Lanham Act).

²³³ H.R. REP. NO. 36-527 at 1 (1st Sess. 1860).

²³⁴ H.R. REP. NO. 36-527 at 1.

²³⁵ The Trade-mark Cases, 100 U.S. 82, 92 (1879). The Act of Aug. 14, 1876 (19 Stat. 141) added to the 1870 Act by creating penalties for the fraudulent use, sale, and counterfeiting of registered trademarks. *Id.* at 92.

registration: marks that cannot become a lawful trademark; the name of a person, firm, or corporation that does not have additional distinguishing matter; marks identical to prior registered marks; or marks so similar to prior registered marks as to be likely to deceive the public.²³⁷

As a result of the 1870 Act failing to define trademarks, the first prohibition was interpreted as limiting the federal registry to those symbols that could constitute trademarks under the common law. It has been noted that if the common law prior to 1870 recognized that certain marks are not lawful based upon scandalousness or immorality, then the 1870 Act may have incorporated the scandalous registration prohibition that was later expressly stated.²³⁸ It could also be said that Congress could have incorporated a scandalous prohibition in the 1870 Act, it likely did so by accident. Abdel-Khalik refers to at least one contemporary legal scholar speculating that Congress used general language to incorporate the common law because “[t]he promoters of the bill had very little knowledge of the general common law of the matter.”²³⁹ In 1879, the 1870 Act was struck down by the Supreme Court as unconstitutional.²⁴⁰

Congress appeared to recognize the importance of trademarks to the consuming public and to manufacturing companies, also the importance of having a singular, federal system for protecting trademarks.²⁴¹ In the alternate, a Constitutional amendment to give Congress the power to grant, protect, and regulate the right to adopt and use trademarks was considered, but not adopted.²⁴² By 1881, Congress chose to enact the more limited act (“the 1881 Act”).²⁴³ This Act only permitted registration of trademarks used in commerce with foreign nations or with Native American tribes, and was seen as a conservative response to the Supreme Court’s constitutional concerns.²⁴⁴ Only two prohibitions to

²³⁶ BROWNE I, *infra* note 230, at 247. Marks were refused under the common law if they fell within one of the following categories: (1) are the name of a person, firm, or corporation; (2) are calculated to deceive the public as to the source or character of the good; (3) are generic or descriptive; and (4) are distinctive from other marks in the same class. BROWNE *supra* note, at 105-109, 111, and 240 (discussing in part *In re R.W. English*, Commissioner’s Decisions for 1870 at 142; *Choynski v. Cohen*, 39 Cal. 501 (1870); *Stokes v. Landgraff*, 17 Barb. 608 (N.Y. Sup. Ct. 1853)).

²³⁷ 41 Cong. Ch. 280, 16 Stat. 211 (1870).

²³⁸ See Abdel-Khalik *supra* note 2, at 182 (noting that “it might also support the notion that scandalous and immoral marks cannot be protected under the common law from infringement or misappropriation.”).

²³⁹ *Id.* citing WILLIAM HENRY BROWNE, A TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS 28 (2d ed. 1885) [hereinafter BROWNE II].

²⁴⁰ *Id.* citing *The Trade-Mark Cases*, 100 U.S. at 95-99; H.R. REP. NO. 46-3 at 2 (2nd Sess. 1879). Even though the Supreme Court found the 1870 Act unconstitutional in 1879, the Commissioner of Patents continued to issue federal trademarks registrations. H.R. EXEC. DOC. NO. 46-83 at 1 (3rd Sess. 1881).

²⁴¹ See H.R. REP. NO. 46-3 at 3.

²⁴² H.R. REP. NO. 46-3 at 1. See also, H.R. REP. NO. 46-561 at 1 (2^d Sess. 1880) (Outlining Congress’ intention to pass a more limited trademark registration act).

²⁴³ 46 Cong. Ch. 138, 21 Stat. 502 (1881).

²⁴⁴ H.R. REP. NO. 51-27 at 1 (1890). The Committee on Patents persistently recommended including registration rights for trademarks used in interstate commerce. *E.g.*, H.R. REP. NO. 48-2376 at 1 (1885). However, the Judiciary Committee was equally persistent in its position that Congress did not have the power to regulate trademarks under the Commerce Clause. H.R. REP. NO. 51-1749 at 1 (1890); H.R. REP. NO. 46-561 at 5.

federal registration were noted: first, marks in the name of the applicant; and second, marks for the same class of goods that are identical to another person's registered trademark or that are so similar as to cause a likelihood of confusion, mistake, or deception for the public.²⁴⁵ Courts interpreted the 1881 Act (as they did the 1870 Act) to incorporate common law parameters regarding what symbols could (and could not) constitute a trademark.²⁴⁶

Attempts by various groups to amend the 1881 Act following its passage led to the first suggestion of a "scandalous" registration bar in 1892. Of the many reasons provided to amend the Act was to incorporate a penalty provision (which was passed in 1876),²⁴⁷ also to consolidate the statutory provisions regulating labels with those regulating trademarks.²⁴⁸ The need to provide penalties and clarify the law, in conjunction with pressure to include trademarks used in interstate commerce, led Congress to reevaluate the language of the 1881 Act.²⁴⁹ It was proposed that Section 1 of the statute would limit "registration to marks *and labels* used in foreign *or interstate* commerce or with Indian tribes, *and to such as are not offensive to public sentiment or morals*."²⁵⁰ Abdel-Khalik notes the importance of the suggested language.²⁵¹ First, the absence of Congressional records prior to 1892 where any Committee, Congressman, or other group advocates for a prohibition based upon offensive language, separating this change from the others. Second, she notes that "the Committee did not recommend revising the 1881 Act to preclude registration of trademarks on any of the other, subsequently added grounds in the 1905 Act, such as the prohibition against using national symbols".²⁵² Abdel-Khalik correctly asserts in this fashion that this singular recommendation to preclude registering offensive marks implies the uniqueness of this prohibition. Third, the Committee indicated a need to focus on marks, as opposed to whether the marks were associated with unlawful businesses – a restriction included in another section of the 1870 and 1881 Acts.²⁵³ Thus, the prohibition concerns "trademarks that offend, as opposed to limiting enforcement of "trademarks associated with businesses that offend".²⁵⁴ In the absence of information to

²⁴⁵ See Abdel-Khalik *supra* note 2, at 183 citing 21 Stat. at 503, § 3 (1881). Abdel-Khalik notes that the first registration bar is identical to the second bar in the 1870 Act, and that the second registration bar is almost identical to the last two registration prohibitions in the 1870 Act.

²⁴⁶ *E.g.*, U.S. ex rel Bronson Co. v. Duell, 17 App. D.C. 471, 479-80 (affirming the denial of a registration for EVER-READY for coffee mills as descriptive), *citing* Elgin Nat'l Watch v. Illinois Watch Case, 179 U.S. 665 (1901) (holding that a geographically descriptive term cannot be a valid trademark).

²⁴⁷ The Trade-mark Cases, 100 U.S. at 92 (penalties); S. REP. NO. 49-1188 at VII (1886) (attaching the label law while considering revisions). *See also*, H.R. REP. NO. 52-1860 at 3 (1892); United States v. Koch, 40 F. 250, 252-53 (E.D. Mo. 1889) (finding the 1876 act imposing penalties does not apply to the 1881 Act).

²⁴⁸ H.R. REP. NO. 52-1860 at 3 (The distinction between a trademark and a label was a difficult one to draw or apply, leading to unnecessary confusion regarding how merchants can protect themselves. This nebulous distinction created more confusion than solutions, leading Congress to consider how to consolidate the trademark and label laws into a cohesive, federal statute.). *See also*, Abdel-Khalik *supra* note 2, at 184.

²⁴⁹ Abdel-Khalik *supra* note 2, at 184.

²⁵⁰ H.R. REP. NO. 52-1860 at 3 (emphasis added to substantive changes).

²⁵¹ *See* Abdel-Khalik *supra* note 2, at 184.

²⁵² *Id.*

²⁵³ 41 Cong. Ch. 280, 16 Stat. 212 (1870); 46 Cong. Ch. 229, 138 Stat. 504.

²⁵⁴ *Id.*

the contrary, the Committee may very well have been influenced by the common law and the various international regimes that had similar registration prohibitions.²⁵⁵

The Act of February 20, 1905 (“the 1905 Act”) brought about significant changes to the federal trademark statute.²⁵⁶ The 1905 Act increased the enumerated reasons why a trademark registration may be barred, including any mark that “consists of or comprises immoral or scandalous matter.”²⁵⁷

William Henry Browne, a notable legal scholar of the late nineteenth century, articulated that “any business conflicting with the morals of the time should not be able to enforce trademark and unfair competition rights”.²⁵⁸ According to Browne, a lawful mark “must not transgress the rules of morality or public policy.”²⁵⁹ He essentially recommends that in choosing a mark, avoid shocking the sensibilities of anyone in the world based on moral, religious, or political grounds by “the perversion of an emblem sacred in their eyes.”²⁶⁰ Abdel-Khalik asserts that the structure of the 1905 Act puts to rest any indication that Congress referred to, or intended to include, deceptive trademarks in the immoral portion of the scandalous registration prohibition. This factor is one that could be perceived as differing subtly to the position in Australia. Therefore, if immoral trademarks were assumed to encompass deceptively descriptive trademarks, then the inclusion of both provisions in the 1905 Act may have been superfluous.²⁶¹ Abdel-Khalik goes on to note that by amending the scandalous registration prohibition to add in specific language prohibiting deceptive trademarks, Congress reaffirmed that the immoral trademark prohibition was not intended to include deceptively descriptive trademarks.²⁶²

It is worth noting at this point that since 1905, Congress has revised the trademark registration statute several times. The most significant restructuring was introduced by Representative Fritz G. Lanham in 1938, and subsequently enacted as the Act of July 5, 1946 (“the Lanham Act”).²⁶³ The expressed purpose of the Lanham Act amendments was to:

[P]lace all matters relating to trademarks in one statute and to eliminate judicial obscurity, to simplify registration and to make it strong and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple, and relief against infringement prompt and effective.²⁶⁴

²⁵⁵ See Abdel-Khalik *supra* note 2, at 186.

²⁵⁶ 58 Pub. L. No. 84, 58 Cong. Ch. 592, 33 Stat. 724.

²⁵⁷ See Abdel-Khalik *supra* note 2, at 186 *citing* 58 Pub. L. No. 84, 58 Cong. Ch. 592, 33 Stat. 724.

²⁵⁸ See Abdel-Khalik *supra* note 2, at 186 *citing* WILLIAM HENRY BROWNE, A TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS (FIRM-NAMES, BUSINESS-SIGNS, GOOD-WILL, LABELS, & C.) 342 (Boston, Little, Brown, and Co. 2d ed. 1885).

²⁵⁹ *Id.* (citing *Ainsworth v. Walmesley*, L.R. 1 Eq. 518 (1866)) (noting that no man has property in a mark per se but only rights in the mark in association with his trade).

²⁶⁰ Browne, *id.* at 263-264.

²⁶¹ 15 U.S.C. § 1052(a) (2006) (emphasis added).

²⁶² See Abdel-Khalik *supra* note 2, at 194.

²⁶³ Pub. L. No. 489, 60 Stat. 427. See Abdel-Khalik *supra* note 2, at 185.

²⁶⁴ S. RES. NO. 79-1333 at (1946). See also, Abdel-Khalik *supra* note 2, at 185.

Discounting this purpose, the Lanham Act omitted to spell out the purpose, the scope, or the applicable standard for the scandalous mark registration prohibition. The language for the scandalous mark registration prohibition did not change until 1994, when it noted the following: “consists of or comprises immoral, *deceptive*, or scandalous matter.”²⁶⁵ Thus, the numerous Congressional bodies that have amended the Lanham Act over the decades have not been troubled by lack of definition or parameters for what constitutes “scandalous matter”. Instead, they have (for a century) merely replicated the phrasing concerning scandalous matter with minimal alteration.²⁶⁶

To acquire a mark, the claimant need only: (1) be the first to use the mark in trade and (2) continue to use it thereafter. Thus, a claimant seeking to establish a mark need only place a mark not already in use on the product or service it is selling and then market that product or service to consumers. If the claimant does this, it automatically has an enforceable right of exclusivity in the geographic area in which the mark is in use;²⁶⁷ no formal procedures need be followed.²⁶⁸ However, often a claimant will want to claim use of the mark in a geographic region greater than that in which it currently operates, particularly if the claimant has plans for expansion. This is where federal registration under the Lanham Act becomes important.

The Lanham Act is a federal statute, which was enacted by Congress in 1946.²⁶⁹ Its dual objective includes the protection of the consuming public from deception and protecting the mark holder from misappropriation.²⁷⁰ The Act permits persons who own common law marks to register those marks on the Principal Register.²⁷¹ While mark

²⁶⁵ 15 U.S.C. § 1052(a).

²⁶⁶ See Abdel-Khalik *supra* note 2, at 186.

²⁶⁷ See *Allard Enters. Inc. v. Advanced Programming Res., Inc.*, 58 U.S.P.Q.2d (BNA) (BNA) 1710, 1715 (6th Cir. 2001) (“The first to use a mark in the sale of goods or services is the ‘senior user’ of the mark and gains common law rights to the mark in the geographic area in which the mark is used.”).

²⁶⁸ See *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 372 (1st Cir. 1980) (“[R]egistration does not create the underlying right in a trademark. That right, which accrues from the use of a particular name or symbol, is essentially a common law property right . . .”).

²⁶⁹ Pub. L. No. 79-489, 60 Stat. 427 (1946) (codified as amended at 15 U.S.C. §§ 1051-1127 (2000)).

²⁷⁰ See *Oswald supra* note 2. See also, S. REP. NO. 79-1333, at 3 (1946), *reprinted in* 1946 U.S.S.C.A.N. 1274, 1274:

The purpose underlying any trademark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trademark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trademark owner.

See also S. REP. NO. 79-1333, at 4 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1275: Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trademarks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trademarks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.

²⁷¹ The Lanham Act also provides for the creation and maintenance of a Supplemental Register for marks that are capable of distinguishing their owners’ goods and services, but do not yet do so. *See* 15 U.S.C. §§ 1091-96

owners are not required to federally register their mark, federal registration confers several important benefits, including: (1) assistance from the U.S. Customs Service in preventing importation of goods with an infringing mark;²⁷² (2) nationwide constructive notice of the use and ownership of the mark;²⁷³ (3) original jurisdiction in federal courts over disputes involving the mark;²⁷⁴ (4) prima facie evidence of the validity of the mark under certain circumstances;²⁷⁵ and (5) nationwide rights to the mark even if the mark is not yet in nationwide use.²⁷⁶

Evaluation of the mark is encompassed within the federal registration process. First, the claimant files an application with the PTO based upon either a bona fide intention to use the mark in commerce or actual use in commerce.²⁷⁷ An examining attorney then reviews the application to determine whether the mark conforms to the formal requirements of the application process,²⁷⁸ as well as whether it avoids the Lanham Act's statutory barriers to registration.²⁷⁹ These statutory bars arise under Section 2 of the Lanham Act,²⁸⁰ which provides for a number of grounds on which marks can be denied

(2000). The Lanham Act does not provide for opposition of registrations on the Supplemental Register. *See id.* at § 1092 ("Marks for the supplemental register shall not be published for or be subject to opposition . . ."). Marks on the Supplemental Register are subject to cancellation challenges, however. *See id.* (permitting "any person" who "believes that he is or will be damaged" by placement of a mark on the Supplemental Register to petition for cancellation of such registration). In addition, every state has adopted its own trademark statute and registration scheme. Most of these statutes are based upon the Model State Trademark Act. *See* INT'L TRADEMARK ASSOC., STATE TRADEMARK AND UNFAIR COMPETITION LAW app. 5-1 to 5-4 (1989) (rel. no. 28, Nov. 2002) (indicating which states follow the Model State Trademark Act).

²⁷² 15 U.S.C. § 1125(b) (2000).

²⁷³ *Id.* at § 1072.

²⁷⁴ *Id.* at § 1121.

²⁷⁵ *Id.* at § 1115.

²⁷⁶ *Id.* at § 1072.

²⁷⁷ *Id.* at § 1051. *See also*, Oswald *supra* note 2.

²⁷⁸ *Id.* at § 1062(a). *See also*, Oswald *supra* note 2.

²⁷⁹ 15 U.S.C. § 1070 (2000). *See also*, Oswald *supra* note 2.

²⁸⁰ *See* Oswald *supra* note 2. 5 U.S.C. § 1052 (2000). Section 2 provides in its entirety:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it--

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after one year after the date on which the WTO Agreement (as defined in section 3501(9) of title 19 [section 2(9) of the Uruguay Round Agreements Act]) enters into force with respect to the United States.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and

registration. Proscribed marks include marks that comprise (or consist) the flag, coat of arms, or insignia of any state, municipality, or nation;²⁸¹ the name, portrait or signature of a particular living person (unless authorized by that person) or of a deceased President of the United States during the lifetime of his widow (unless she consents);²⁸² certain misleading marks;²⁸³ marks that are merely geographic descriptions, general descriptive terms, or surnames,²⁸⁴ unless they have acquired a secondary meaning;²⁸⁵ and functional marks.²⁸⁶ The most controversial of these grounds is Section 2(a)'s prohibition against

limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Director when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Director shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, (4) is primarily merely a surname, or (5) comprises any matter that, as a whole, is functional.

(f) Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. Nothing in this section shall prevent the registration of a mark which, when used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.

A mark which when used would cause dilution under section 1125(c) of this title may be refused registration only pursuant to a proceeding brought under section 1063 of this title. A registration for a mark which when used would cause dilution under section 1125(c) of this title may be canceled pursuant to a proceeding brought under either section 1064 of this title or section 1092 of this title.

²⁸¹ *Id.* at § 1052(b).

²⁸² *Id.* at § 1052(c).

²⁸³ *See id.* at § 1052(d) (barring registration of marks "likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive"). This is the most common ground for denying an application for registration on the Principal Register. *See* 3 MCCARTHY *supra* note, § 19.75, at 19-66.

²⁸⁴ 15 U.S.C. § 1052(e).

²⁸⁵ *See In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1371 (Fed. Cir. 1994) (in an *ex parte* hearing, "[t]he PTO has the burden of proving that a trademark falls within the prohibition of section 1052").

²⁸⁶ *See Oswald supra* note 2. *See also*, *Hoover Co. v. Royal Appliance Mfg. Co.*, 238 F.3d 1357, 1360 (Fed. Cir. 2001) ("In opposition proceedings, the opposer bears the burden of establishing that the applicant does not have the right to register its mark.").

registration of marks that are scandalous or disparaging.²⁸⁷ The basis for these two bars against federal registration are discussed further below.²⁸⁸

There are three points in the registration process in which registration of a mark can be challenged on the ground that the mark is “scandalous”, or “disparaging”. First, the examiner can refuse the registration of the mark during the examination process. Second, once the mark has been published, a third party can file an opposition to the registration. Third, a third party can challenge the registration in a post-registration cancellation proceeding. These third party oppositions and challenges are the focus of this Paper. Where the registrability of a mark is at issue, the courts and Board prefer that the examiner publish the mark for opposition rather than denying registration during the examination process. Their concern is that the government not be in the position of censoring marks without public input.²⁸⁹ The Federal Circuit has explained that:

[W]e have commended the practice of resolving the issue of whether a mark comprises scandalous matter by first permitting the mark to pass for publication, and then allowing interested members of a composite of the general public who consider the mark to be scandalous to bring opposition proceedings. By doing so, the PTO avoids the risk of pre-judging public attitudes toward a proposed registration based on *ad hoc* responses by government officials, while at the same time affording the affected public an opportunity to effectively participate in the question of whether the registration is proper. Thus, the policy behind the procedure for determining whether a mark is scandalous encourages, if not requires, participation by members of the general public who seek to participate through opposition proceedings.²⁹⁰

In this sense, policy regarding publication for opposition of potentially scandalous or disparaging marks diverges from standard practice. In most other instances, the examiner, as the representative of the public at large, is supposed to initially resolve registration problems in *ex parte* proceedings with the applicant, rather than leaving the issues to be challenged (or not) by a third party in an opposition proceeding. As the Federal Circuit has stated, “[t]he opposition procedure is intended to remedy oversight or error,

²⁸⁷ See Oswald *supra* note 2. See *Cerveceria Centroamericana, SA v. Cerveceria India, Inc.*, 892 F.2d 1021, 1023 (Fed. Cir. 1989) (“Because a trademark owner’s certificate of registration is ‘prima facie evidence of the validity of the registration’ and continued use of the registered mark, the burden of proof is placed upon those who seek cancellation.”) (citation omitted).

²⁸⁸ See Oswald *supra* note 2. See, e.g., *Dep’t of Justice, FBI v. Calspan Corp.*, 578 F.2d 295, 300-01 (C.C.P.A. 1978) (in cancellation proceedings, “burden is on petitioner to show by a preponderance of the evidence that it is or will be damaged by continued registration of the mark”). Most cancellation and opposition actions are premised on Section 2 of the Lanham Act, although other sections of the Act permit these actions as well. See, e.g., *Young v. AGB Corp.*, 152 F.3d 1377, 1380 (Fed. Cir. 1998) and cases cited therein.

²⁸⁹ See Oswald *supra* note 2. See, e.g., *In re Over Our Heads, Inc.*, 16 U.S.P.Q.2d (BNA) 1653, 1654-55 (T.T.A.B. 1990) (“Because the guidelines are somewhat vague and because the determination is so highly subjective, we are inclined to resolve doubts on the issue of whether a mark is scandalous or disparaging in favor of applicant and pass the mark for publication with the knowledge that if a group does find the mark to be scandalous or disparaging, an opposition proceeding can be brought and a more complete record can be established.”); *In re Mavety Media Group, Ltd.*, 33 F.3d 1367, 1374 (Fed. Cir. 1994) (“commending” the Board’s practice of publishing potentially scandalous marks for opposition rather than unilaterally determining whether a mark is scandalous); *In re Hines*, 32 U.S.P.Q.2d (BNA) 1376, 1377 (T.T.A.B. 1994) (stating that the Board would pass a mark that allegedly disparaged Buddhists for publication because the Board wanted “to avoid interposing its own judgment for that of Buddhists”).

²⁹⁰ *Ritchie v. Simpson*, 170 F.3d 1092, 1094 (Fed. Cir. 1999) (citations omitted).

not to substitute for the examination process.”²⁹¹ Presumably, it is the content-based nature of Section 2(a)’s restrictions that leads to the contrary process here.

While the Lanham Act bars the *registration*, it does not prohibit the *use* of scandalous and disparaging marks.²⁹² Claimants can, therefore, continue to use marks that have been denied federal registration and to claim the common law rights that might attach to them.²⁹³ The claimant simply cannot obtain the benefits that flow from federal registration. This is a significant disadvantage, however, and one that is likely to discourage many mark holders from using an unregistered (and unregistrable) mark.

The legislative history of Section 2(a) is diagonal as to why the Lanham Act denies registration to scandalous, or disparaging matter. Two general theories have been offered by courts and commentators: First, the government should not waste its resources on protecting unseemly marks;²⁹⁴ and, second, the government should not provide official sanction to unseemly marks.²⁹⁵ Such explanations are mere speculation, however, as

²⁹¹ *In re Shell Oil Co.*, 992 F.2d 1204, 1209 (Fed. Cir. 1993) (citing 2 MCCARTHY *supra* note, § 20.01[1] (3d ed. 1992)) (in a case challenging a mark under section 2(d)’s prohibition against registration of marks likely to confuse consumers). Thus, the examiner is *not* “the guardian of public virtue when making determinations under Section 2(a) of the Lanham Act,” as suggested by one commentator. See Baird *supra* note 55, at 750.

²⁹² See Hinchliffe *supra* note 1.

²⁹³ See Oswald *supra* note 2. See *Estate of P.D. Beckwith, Inc. v. Comm’r of Patents*, 252 U.S. 538, 546 (1920) (“refusal to register a mark does not prevent a former user from continuing its use, but it deprives him of the benefits of the statute”); 74 AM. JUR. 2D *Trademarks and Trade Names* § 70 (“the denial of an application for registration of a mark does not, of itself, prevent the continued use thereof by the applicant; it merely deprives him of the benefit of the protection accorded to the registered marks”). The Restatement (First) of Torts 726 (1938), however, provides that a “designation cannot be a trade-mark or trade name if it is scandalous or indecent, or otherwise violates a defined public policy.” In addition, 47 states have statutes denying registration to scandalous, immoral, and disparaging marks. Only Hawaii, Maine, and Wisconsin do not. See Justin G. Blankenship, Case Note, *The Cancellation of Redskins as a Disparaging Trademark: Is Federal Trademark Law an Appropriate Solution for Words that Offend?*, 72 U. COLO. L.REV. 415, 451-52 & nn. 231-232 (2001) (collecting statutes).

²⁹⁴ See Oswald *supra* note 2. See, e.g., *In re McGinley*, 660 F.2d 481, 486 (C.C.P.A. 1981) (“We do not see [Section 2(a)] as an attempt to legislate morality, but, rather, a judgment by the Congress that such marks [should] not occupy the time, services, and use of funds of the federal government.”). But see *id.* at 487 (Rich, J. dissenting) (“More ‘public funds’ are being expended in the prosecution of this appeal than would ever result from the registration of the mark.”); Jendi B. Reiter, *Redskins and Scarlet Letters: Why “Immoral” and “Scandalous” Trademarks Should be Federally Registrable*, 6 FED. CIR. B.J. 191, 199 (1996) (arguing that because the PTO’s trademark operations are entirely funded by application and maintenance fees, it is the PTO’s opposition to a mark, rather than its approval, that is more likely to cause expenditure of federal funds”). These arguments ignore the potential deterrence effect of the PTO denying registrations to allegedly scandalous and disparaging marks, however.

²⁹⁵ See Oswald *supra* note 2. See, e.g., Bruce C. Kelber, “*Scalping the Redskins: Can Trademark Law Start Athletic Teams Bearing Native American Nicknames and Images on the Road to Racial Reform?*”, 17 HAMLINE L.REV. 533, 560-61 (1994) (“[T]he government has a substantial interest in prohibiting certain marks from carrying the implied approval of the federal government” and “does not want to encourage these marks by granting exclusive ownership.”). But see *In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d (BNA) 1216, 1220 n.3 (T.T.A.B. 1993) (“the act of registration is not a government imprimatur or pronouncement that the mark is a ‘good’ one in an aesthetic, or any analogous, sense”).

Other commentators, however, argue that *all* marks should be registered, regardless of their content, and that the marketplace should decide what is or is not acceptable commercial behavior. See *infra* notes 260-61 and accompanying text.

Congress has given no signal of its intent in enacting the prohibitions of Section 2(a).

B. Identifying and Evaluating “Scandalous” and “Disparaging” Marks

Section 2(a) of the Lanham Act endorses refusal by the PTO of any mark that is scandalous or disparaging.²⁹⁶ Specifically, Section 2(a) states:

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it (a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.²⁹⁷

²⁹⁶ 15 U.S.C. § 1052(a) (2000). Two prohibitions in Section 2(a) – that against registration of “scandalous” marks and that against registration of “immoral” marks – can be treated as a single category. As a practical matter, no reported decision has barred registration of a mark on the sole grounds that it is immoral, *see, e.g., McGinley*, 660 F.2d at 484 n.6 (C.C.P.A. 1981); *Mavety Media*, 1993 TTAB Lexis 25, at *1 n.2 (T.T.A.B. 1993); rather, the issue of “immorality,” where it arises at all, is subsumed into the analysis of whether the mark is “scandalous.” *See, e.g., id.* at *1, n.2. (“Where refusals have been made for both reasons, the cases seem to focus almost exclusively upon the issue of whether a mark is scandalous.”). For a listing of the relevant state statutes, see John V. Tait, Note, *Trademark Regulations and the Commercial Speech Doctrine*, 67 *FORDHAM L. REV.* 897 (1998), at 907 n.74.

²⁹⁷ 15 U.S.C. § 1052(a). The specific language of Section 2(a) states that registration shall be refused if the mark consists of matter that: (1) is scandalous; (2) is immoral; (3) is deceptive; (4) may disparage persons (living or dead), institutions, beliefs, or national symbols; (5) may bring persons (living or dead), institutions, beliefs, or national symbols into contempt or disrepute; or (6) may falsely suggest a connection with persons (living or dead), institutions, beliefs, or national symbols. Thus, while the first three categories ban registration of any mark that “is” scandalous, immoral, or deceptive; the latter three categories, on the other hand, ban registration of any mark that “may” fall within one of the proscribed categories. *See infra* note 116 (discussing the significance of the word “may” in this context). In addition, once a mark has been placed on the Principal Register, it can be canceled or opposed in an *inter partes* proceeding under the same standard. 15 U.S.C. § 1063-64 (2000). Registration of matter that is “deceptive” is also barred under the Lanham Act, as a public policy matter, the Act does not permit registration of marks that deceive the public. Section 2(a)’s prohibition against registration of deceptive marks is distinct from Section 2(e)’s ban against registration of “deceptively misdescriptive” marks, 15 U.S.C. § 1052(e)(1) (quoted *supra* note) unless they have become distinctive of the applicant’s goods or services. 15 U.S.C. § 1052(f) (quoted *supra* note). The focus here is on the prevention of deception to the public – one of the two basic objectives of the Lanham Act, *see supra* note and accompanying text, as opposed to the content-based basis of other parts of Section 2(a). Section 2(a) prohibits registration of marks that disparage: (1) persons; *see* *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 888 (C.C.P.A. 1969); (2) institutions; *see* *Gavel Club v. Toastmasters Int’l*, 127 U.S.P.Q. (BNA) 88, 89 (T.T.A.B. 1960) (unincorporated fraternal-type associations); *Frederick Gash, Inc. v. Mayo Clinic*, 461 F.2d 1395 (C.C.P.A. 1972) (professional organizations); *In re NAFTA*, 43 U.S.P.Q.2d (BNA) 1218 (T.T.A.B. 1998) (NAFTA is an institution); (3) beliefs; and (4) national symbols. *See In re Anti-Communist World Freedom Congress, Inc.*, 161 U.S.P.Q. (BNA) 304, 305 (T.T.A.B. 1969) (case law indicates that national symbols of other countries are also protected by Section 2(a)). While the Act also prohibits registration of marks that may bring living or dead persons, institutions, beliefs, or national symbols into “contempt” or “disrepute,” I could find no reported decision that relied solely on those grounds in denying registration of a mark; rather, this ban seems to be subsumed into the ban against “disparaging” marks. In *Greyhound Corp. v. Both Worlds, Inc.*, 6 U.S.P.Q.2d (BNA) 1635, 1641 (T.T.A.B. 1988), for example, the Board stated:

[T]he offensiveness of the [challenged] design becomes even more objectionable because it makes a statement about opposer itself, and holds opposer up to ridicule and contempt.

Prevention of registering scandalous marks first appeared in the Trademark Act of 1905,²⁹⁸ and was repeated in Section 2(a) of the Lanham Act of 1946. Notably, the statutory prohibition against registration of disparaging marks did not appear in the 1905 Act, and was first enunciated in the 1946 Act. The legislative history of Section 2(a) is scant and sheds very little light on the meaning of “scandalous” and “disparaging.” The courts and Board have struggled in this arena to define these terms and to create standards to apply and the Board itself has noted that the determination of whether a mark is scandalous or disparaging is “highly subjective.”²⁹⁹ More definitive tests for evaluating marks under Section 2(a) have emerged in recent years.³⁰⁰ Although, the tests have been described as controversial, and the specific nature and content of these tests have been the subject of much analysis and debate by both commentators and courts.³⁰¹ For purposes of this paper, these tests are articulated by the Board and the Federal Circuit. I do not attempt to evaluate either the efficacy of the tests or the sagacity of denying registration to scandalous or disparaging marks at first instance.³⁰² Rather, it is accepted that Congress has made a public policy determination to deny registration to such marks, and that the courts and the Board have attempted to fill in the interstices of the Section 2(a) statutory bars as best they can.

Oswald notes that “scandalous” and “disparaging” have very different meanings within the context of the Lanham Act.³⁰³ It is noted that the prohibition against registration of scandalous marks, for example, is intended to protect the public as a whole, and the mark is evaluated from the perspective of the general public.³⁰⁴ Disparaging marks, by contrast, are viewed from the perspective of a particular person, group, set of beliefs, institution, or symbol which is allegedly being damaged by the mark.³⁰⁵

The Act also prohibits registration of marks consisting of or comprising matter that may falsely suggest a connection with living or dead persons, institutions, beliefs, or national symbols. This section is quite similar to Section 2(d)’s ban against registration of marks that are likely to confuse, *see* 15 U.S.C. §1052(d), and the two grounds are often pled together as alternative grounds for opposing a mark registration. *See, e.g.*, *Ritz Hotel Ltd. v. Ritz Closet Seat Corp.*, 17 U.S.P.Q.2d (BNA) 1466 (T.T.A.B. 1990).

²⁹⁸ Act of Feb. 20, 1905, ch. 592, §§ 1-30, 33 Stat. 724 (1905) (repealed 1946) (previous version at 15 U.S.C. § 81-109 (repealed 1946). Section 5(a) of the Trade-Mark Act of 1905, 15 U.S.C. § 85(a) (1905) provided:

That no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless such mark – (a) consists of or comprises immoral or scandalous matter.

See also, *Harjo v. Pro Football, Inc.*, 50 U.S.P.Q.2d (BNA) 1705, 1737 (T.T.A.B. 1999); *In re Hershey*, 6 U.S.P.Q.2d (BNA) 1470, 1471 (T.T.A.B. 1988) (the standards for determining whether a mark is scandalous are “somewhat vague” and the determination of the issue “necessarily. . . highly subjective”).

²⁹⁹*See Oswald supra* note 2, at 4.

³⁰⁰ *Harjo v. Pro Football, Inc.*, 50 U.S.P.Q.2d (BNA) 1705, 1737 (T.T.A.B. 1999); *see also In re Hershey*, 6 U.S.P.Q.2d (BNA) 1470, 1471 (T.T.A.B. 1988) (the standards for determining whether a mark is scandalous are “somewhat vague” and the determination of the issue “necessarily. . . highly subjective”).

³⁰¹ *See, e.g.*, M. Christopher Bolan et al., *When Scandal Becomes Vogue: The Registrability of Sexual References in Trademarks and Protection of Trademarks From Tarnishment in Sexual Contexts*, 39 IDEA 435 (1999); Jack Achiezer Guggenheim, *The Indians’ Chief Problem: Chief Wahoo as State Sponsored Discrimination and a Disparaging Mark*, 46 CLEV. ST. L. REV. 211 (1998)

³⁰² *See Hinchliffe supra* note 1.

³⁰³ *See Oswald supra* note 2, at 4.

³⁰⁴ *Id.*

³⁰⁵ *Id.*

Yet, many courts have conflated the terms “scandalous” and “disparaging,” making it unclear whether the mark at issue is being denied registration because it is scandalous, because it is disparaging, or perhaps because it is both, and making it difficult for a coherent body of jurisprudence to develop. Courts time and time again intermingle these terms – thus, confusing their intended scope. In the case of *In re Reemtsma Cigarettenfabriken GmbH*,³⁰⁶ for example, the Board upheld the examiner’s refusal of registration of the mark SENUSSI for cigarettes on the grounds that the tenets of the Moslem Senussi sect prohibit the use of cigarettes. The Board stated:

The application of the name of any religious order or sect to a product whose use is forbidden to the followers or adherents of such sect or order is an affront to such persons and tends to disparage their beliefs.³⁰⁷

The Board then concluded that the use of the mark was “scandalous.” Similarly, four years later, the Board determined that the use of the mark AMISH (accompanied by a drawing of a bearded, hatted man smoking a cigar) was not “scandalous” when used on cigars because it did not “disparage [the] religious or moral beliefs” of members of the Amish sect, whose religion does not ban the use of tobacco.³⁰⁸ On both occasions, the Board used the terms “scandalous” and “disparaging” as though the two grounds for denying registration were somehow either identical or inevitably linked.

It has been noted that these two terms touch on distinct types of injury – they point to a discrete caste of potential plaintiffs.³⁰⁹ In 1999, the Board finally explicitly recognized the importance of this distinction in *Harjo v. Pro-Football, Inc.*,³¹⁰ stating:

Considering the ‘ordinary and common’ meanings of the words ‘scandalous’ and ‘disparage,’ we find that distinct differences in these meanings dictate that we apply different standards for determining disparagement from those enunciated by the Court and Board for determining scandalousness...³¹¹

These standards are discussed below. It is worth noting that the problem may very well be that that scope cannot actually be determined, nor is it definitive. Perhaps this is why other common law jurisdictions like the United Kingdom and Australia have not adopted a “disparaging” standard.

³⁰⁶ 122 U.S.P.Q. (BNA) 339 (T.T.A.B. 1959).

³⁰⁷ *Id.*

³⁰⁸ *In re Waughtel*, 138 U.S.P.Q. (BNA) 594, 595 (T.T.A.B. 1963).

³⁰⁹ See Oswald *supra* note 2, at 4.

³¹⁰ 50 U.S.P.Q.2d (BNA) 1705 (T.T.A.B. 1999).

³¹¹ *Id.* at 1738 (citations omitted). The *Harjo* Board emphasized that these two terms implicate two separate grounds for refusing or canceling a registration under Section 2(a), “notwithstanding the fact that a number of older decisions appear to consider scandalous and disparagement under Section 2(a) as a single issue wherein the questionable matter is determined to be scandalous, or not, because it is, or is not, disparaging.” *Id.* at 1737.

C. The Test for Determining Whether a Mark is “Scandalous”

Notwithstanding that the Lanham Act directs the USPTO to refuse registration to scandalous marks, nowhere does the Act define “scandalous.”³¹² Oswald notes that in light of the “paucity of legislative history” on the meaning of “scandalous” for purposes of Section 2(a),³¹³ the courts and administrative bodies have generally looked to dictionaries for a definition of the term.³¹⁴ In the case *In re Riverbank Canning Co.*,³¹⁵ for example, the Court of Customs and Patent Appeals (CCPA), the predecessor to the Federal Circuit,³¹⁶ quoted from two well-known dictionaries in defining “scandalous” as:

[S]hocking to the sense of truth, decency, or propriety; disgraceful; offensive; disreputable; giving offense to the conscience or moral feelings; ... [or] calling out [for] condemnation.³¹⁷

Similarly, in *Bromberg v. Carmel Self Service, Inc.*,³¹⁸ the Board relied upon dictionary definitions in stating that “scandalous” means “that which offends established moral conception or disgraces all who are associated or involved” and “to horrify or shock the moral sense.”³¹⁹ The CCPA has also held that “the threshold for objectionable matter is lower” for scandalous matter under Section 2(a) than for “obscene” matter under the First Amendment.³²⁰

³¹² See Oswald *supra* note 2, at 4 (noting that although the Act also refers to “immoral” marks, very few cases have focused on this term and indeed, most cases that address the term seem to treat the term as synonymous with “scandalous.”) See, e.g., *In re McGinley*, 660 F.2d 481, 484 n.6 (C.C.P.A. 1981) (“Because of our holding that appellant’s mark is ‘scandalous,’ it is unnecessary to consider whether appellant’s mark is ‘immoral.’ We note that the dearth of reported trademark decisions in which the term ‘immoral’ has been directly applied.”).

³¹³ *In re McGinley*, 660 F.2d 481, at 485.

³¹⁴ See Oswald *supra* note 2, at 4.

³¹⁵ 95 F.2d 327 (C.C.P.A. 1938).

³¹⁶ See Oswald *supra* note 2, at 4 (noting that prior to the creation of the United States Court of Appeals for the Federal Circuit on October 1, 1982, appeals from the TTAB were heard by the Court of Customs and Patent Appeals (C.C.P.A.)). The CCPA merged with the United States Claims Court to form the Federal Circuit. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (1982). See *South Corp. v. United States*, 690 F.2d 1368, 1369 (Fed. Cir. 1982) (en banc) (The Federal Circuit promptly established that all decisions of the C.C.P.A. are binding precedents in the Federal Circuit).

³¹⁷ *In re Riverbank Canning Co.*, 95 F.2d at 328 (quoting FUNK & WAGNALLS NEW STANDARD DICTIONARY and WEBSTER’S NEW INTERNATIONAL DICTIONARY (1932) in interpreting predecessor statute to Lanham Act).

³¹⁸ 198 U.S.P.Q. (BNA) 176 (T.T.A.B. 1978).

³¹⁹ *Id.* at 178 (quoting WEBSTER’S NEW COLLEGIATE DICTIONARY (2d ed)).

³²⁰ See Oswald *supra* note 2, at 4 citing *In re McGinley*, 660 F.2d 481, 485 n.9 (C.C.P.A. 1981) (where the court also held that dictionary definitions of the term “scandalous” were precise enough to satisfy due process requirements. *Id.* at 485). See also, *Harjo v. Pro-Football, Inc.*, 57 U.S.P.Q.2d (BNA) 1140, 1143 (D.D.C. 2000), (where the district court noted that no court had yet ruled on whether the definition of “disparaging” was so vague as to deny due process, but declined to decide the issue, stating that the avoidance doctrine required federal courts to exhaust all non-constitutional avenues for resolving a case before turning to constitutional arguments. The *McGinley* court also determined that a refusal to register a trademark on the grounds that it is scandalous does not violate First Amendment free speech rights (at 484)). A number of commentators disdain the ruling in *McGinley*, arguing that Section 2(a) does violate First Amendment rights. See, e.g., Baird *supra* note 55, at 685-86; Theodore H. Davis, Jr., *Registration of Scandalous, Immoral, and Disparaging Matter Under Section 2(a) of the Lanham Act: Can One Man’s Vulgarity Be Another’s Registered Trademark?* 54 OHIO

The extrusive 1999 decision, *Harjo v. Pro Football, Inc.*,³²¹ attempted to clarify the tests for both disparaging and scandalous marks. The Board examined an objection brought by several Native Americans alleging that the mark REDSKINS for a football team was both scandalous and disparaging. The Board ultimately determined that the mark was not scandalous, but was disparaging.³²²

The Board noted a two-part test for determining whether a mark is scandalous. First, the court or administrative body must determine what the likely meaning of the mark is. Second, the court or administrative body must determine whether, given the likely meaning of the mark, the mark is perceived as scandalous by “a substantial composite of the general public.”³²³ In determining the meaning of the mark, as required under the first part of this test, the court or administrative body must look to the relationship between the challenged subject matter and the mark in its entirety, the nature of the goods and services on which the mark is used, and the manner in which the mark is used in the marketplace.³²⁴

The second limb of scandalousness test expounded in *Harjo* looks to whether a “substantial composite of the general public” would find the mark scandalous. This

ST. L.J. 331, at 345-47; Tait *supra* note 296, at 936. *See also*, Hinchliffe *supra* note 1.

³²¹ 50 U.S.P.Q.2d (BNA) 1705 (T.T.A.B. 1999) (Ultimately, the Board found that the Redskins marks were disparaging to Native Americans, but were not scandalous to the general public).

³²² The Board stated that the public’s acceptance of the word “Redskins” was “inconsistent with the sense of outrage by a substantial composite of the general population that would be necessary to find this word scandalous in the context of the subject marks and the identified services.” 50 U.S.P.Q.2d (BNA) at 1749.

³²³ 50 U.S.P.Q.2d (BNA) at 1736.

³²⁴ *Id. cited in Oswald supra* note 2, at 4 (outlining that the Board determined that the mark “BIG PECKER BRAND” was not scandalous when used on t-shirts when accompanied by a picture of a rooster. *In re Hershey*, 6 U.S.P.Q.2d (BNA) 1470, 1472 (T.T.A.B. 1988)). *See also*, *In re Hepperle*, 175 U.S.P.Q.2d (BNA) 512 (T.T.A.B. 1972) (where the use of the mark “ACAPULCO GOLD” was not held to be scandalous when used on suntan lotion, even though the term is often used as slang for marijuana). *But see*, *In re Wilcher Corp.*, 40 U.S.P.Q.2d (BNA) 1929 (T.T.A.B. 1996) (where the Board rejected the applicant’s argument that “dickhead” was simply a reference to the applicant’s nickname, noting that the mark “consists of the words DICK HEADS’ positioned directly underneath a caricature of a human head composed primarily of a graphic, readily recognizable representation of male genitalia, in which the scrotum serves as the chin, the penis as the nose, and the pubic hair as the hair on the head.” *Id.* at 1933.). *See also*, *Doughboy Indus., Inc. v. The Reese Chem. Co.*, 88 U.S.P.Q. (BNA) 227, 228 (Pat. Off. 1951) (where the mark “DOUGH-BOY,” when used as a mark for “a prophylactic preparation for the prevention of venereal disease” and accompanied by a picture of soldiers was considered scandalous, as the term was a nickname for World War I soldiers). Commentators have debated whether marks can ever be held scandalous per se, as opposed to being evaluated in the context of the good or service in connection with which it is used. *See, e.g.*, Baird *supra* note 55, at 769-73 (arguing that because a mark has no meaning separate from its association with the goods or services it identifies, a per se test is “probably an inappropriate standard in the context of scandalous and immoral determinations under Section 2(a)”); Ethan G. Zlotchew, “Scandalous” or “Disparaging”? It Should Make a Difference in Opposition and Cancellation Actions: Views on the Lanham Act’s Section 2(a) Prohibitions Using the Example of Native American Symbolism in Athletics, 22 COLUM.-VLA & THE LAW THE ARTS 271, 239, 241-42 (1998) (arguing that a per se test should be used in certain instances for evaluating scandalous or disparaging marks). A few cases could be read that as suggesting that certain marks, consisting of profanity or religious symbols or words, may be considered per se scandalous. *See In re Tinseltown*, 212 U.S.P.Q. (BNA) 863 (T.T.A.B. 1981) (suggesting that the mark BULLSHIT was scandalous per se); *Ex parte Summit Brass & Bronze Works, Inc.*, 59 U.S.P.Q. (BNA) 22, 23 (Comm’r 1943) (suggesting that the mark AGNUS DEI with a pictorial representation was scandalous per se).

language was first enunciated by the CCPA in *In re McGinley* in 1981.³²⁵ Both courts and the Board have emphasized that in evaluating a potentially scandalous mark, it must look to the standards of the general public, and not to the standards of the particular group that might purchase the goods or services on which the mark is used.³²⁶ This distinction appears logical, as one need not be a consumer of the goods or services on which the mark appears in order to be shocked or offended by the mark. Although, this seems debatable in light of the goods marketed. For example, there have been “catchy” albeit “shocking” marks registered for use in the wine industry.³²⁷ Consider, the mark “Fat Bastard”:

³²⁵ 660 F.2d 481, 485 (C.C.P.A. 1981) *in Oswald supra* note 2, at 4.

³²⁶ See Oswald *supra* note 2, at 4 referring to *In re Tinseltown, Inc.*, 212 U.S.P.Q. (BNA) 863, 865 (T.T.A.B. 1981) (“[W]e reject applicant’s argument that the question is whether its mark is scandalous should be evaluated in the setting of its posh clientele [I]t seems to us that we are required to apply a broader standard ... [W]e could not possibly apply a standard of public policy to the question before us which would be limited to a particular stratum of society, defined by its level of ‘sophistication,’ or, as others might perceive it, its level of vulgarity.”). Similarly in *In re Riverbank Canning Co.*, 95 F.2d 327, 329 (C.C.P.A. 1938), the CCPA stated: “[W]e feel certain that [the] use [of the mark MADONNA] upon wine for beverage purposes would be shocking to the sense of propriety of nearly all who do not use wine as a beverage, and also to many who do so use it; therefore, we think such use of the word “Madonna” would be scandalous and its registration prohibited under [the 1095 Trade-Mark Act].” However, in *In re Hershey*, 6 U.S.P.Q.2d (BNA) 1470 (T.T.A.B. 1988), the Board suggested, whether deliberately or inadvertently through inartful drafting, that purchasers *were* the relevant subgroup to consider in determining whether a mark was scandalous. In reversing the examiner’s denial of registration to the mark BIG PECKER BRAND as being scandalous, the Board stated that “the inclusion of the bird design would make it less likely that purchasers would attribute any vulgar connotation to the word mark...”. *Id.* at 1472. Similarly, in a concurrence, Board Member Cissel wrote in that “To suggest that a significant number of potential purchasers of applicant’s shirts would be offended by applicant’s trademark for them is ... unfounded ...” *Id.* at 1472 (Cissel, concurring).

³²⁷ See Hinchliffe *supra* note 1 (proposing a test to determine a mark “contrary to accepted principles of morality” for marks, and for scandalous geographical indications). For example, in *In re Lebanese Arak Corp* the court found that using the mark KHORAN in connection with wine was disparaging to Muslims because the mark was likely to be understood as a “variation or misspelling” of the Koran, the Muslim holy book, which prohibits the consumption of alcohol (94 USPQ 2d (BNA) 1215, 1218-19, 1221 (TTAB 2010)). The applicant attempted to downplay the relationship between the Koran and its mark KHORAN, arguing that the mark referred to an Armenian word for ‘altar’ (*id* at 1218). The TTAB was unconvinced, in particular noting that consumers were unlikely to know the applicant’s intended meaning and would instead interpret the mark as a reference to the Koran (*id* at 1220). While the applicant’s sample trade dress included the phrase “Armenian wine”, the court noted that there was no requirement that the mark be used on Armenian wines or be identified as such (*id*). However, this suggestion raises the possibility that altering the mark to include this additional material (ie, KHORAN ARMENIAN WINE) could potentially have changed the analysis by rendering the applicant’s non-disparaging meaning more likely. Applicants must be aware of all potential interpretations of their marks and consider whether their proposed use in the marketplace conflicts with any of those interpretations. This is particularly true if the mark raises issues that are culturally sensitive. Applicants must then consider whether their preferred interpretation is sufficiently well known to overcome potentially disparaging interpretations. Adding additional material or designs to a mark to attempt to lead consumers to view a mark’s non-offensive meaning might help, but is no guarantee (see *Fox*, 702 F 3d at 639).

Figure 10: Trademark “Fat Bastard”



The “substantial composite” test is not, however, universally and ardently embraced by the courts. The dissenting judge in *McGinley*, for example, expressed his dissatisfaction with the majority’s language, stating:

I am at a loss to know what it means or how one can have a ‘composite’ of a class such as ‘the general public.’³²⁸

The Federal Circuit also conveyed its ferment with the test expounded in the 1994 case *In re Mavety Media Group Ltd.* They, nevertheless, noted that they were “duty bound” to apply the precedent.³²⁹ Despite such judicial compunctions, the substantial composite persists and is the controlling test for evaluating scandalousness of marks today.³³⁰ The *Harjo* Board explained that a mark that scandalizes a substantial composite of the general public “violates the mores of American society;” thus, the evaluating tribunal must examine the reaction of “American society as a whole.”³³¹ As Oswald correct asserts, contemporary mores and standards are critical in determining whether a mark is scandalous.³³² The Board in the *In re Old Glory Condom Corp.*³³³ case has stated that:

What was considered scandalous as a trademark or service mark twenty, thirty, or fifty years ago may no longer be considered so, given the changes in societal attitudes. Marks once thought scandalous may now be thought merely humorous (or even quaint).³³⁴

³²⁸ 660 F.2d at 487 (Rich, J., dissenting).

³²⁹ 33 F.3d 1367, 1371 (Fed. Cir. 1994) (“While we recognize the inherent difficulty in fashioning a single objective measure like a substantial composite of the general public from the myriad of subjective viewpoints, we are duty bound to apply the standard set forth by our predecessor court.”) (citing *McGinley*, 660 F.2d at 487 (Rich, J., dissenting)).

³³⁰ See also, Abdel-Khalik *supra* note 2.

³³¹ *Harjo*, 50 U.S.P.Q.2d (BNA) at 1738 cited in Oswald *supra* note 2, at 5.

³³² See *In re Thomas Labs., Inc.*, 189 U.S.P.Q. (BNA) 50, 52 (T.T.A.B. 1988) cited in Oswald *supra* note 2, at 5. (stating that “it is imperative that fullest consideration be given to the moral values and conduct which contemporary society has deemed to be appropriate and acceptable”).

³³³ 26 U.S.P.Q.2d (BNA) 1216 (T.T.A.B. 1993).

³³⁴ *Id.* at 1219. See also *In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1371 (Fed. Cir. 1994) (“[W]e must be mindful of ever-changing social attitudes and sensitivities. Today’s scandal can be tomorrow’s vogue. Proof

Thus, depending upon changing societal views, what was deemed scandalous in the past may not be so in the present and vice-versa.³³⁵

In a diverse and progressive society such as the United States, divergent opinions as to whether a particular mark is scandalous inevitably exist.³³⁶ This impasse is resolved by requiring that only a *significant* portion of the general public, *not* the entire public (or even a majority), be “offended” by the mark.³³⁷ While it may be disconcerting to envisage such a dubious standard – whether a substantial composite of the general public would be shocked or offended by registration of a mark – the alternative of allowing the PTO to make a determination of scandalousness in lieu of public input is even less satisfactory.

As already noted, the Federal Circuit discourages the PTO from assuming it knows with certainty the views of a substantial composite of the public. Rather than the PTO unilaterally denying a mark registration because of “scandalousness”, the PTO is encouraged to publish the mark for opposition, thus avoiding the specter of the PTO acting as a censor, and thus ensuring that members of the public have an opportunity to weigh in on the issue.³³⁸

D. Is a Mark “Disparaging”?

Disparaging marks are ones that “may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into

abounds in nearly every quarter, with the news and entertainment media today vividly portraying degrees of violence and sexual activity that, while popular today, would have left the average audience of a generation ago aghast.”).

³³⁵ In the 1930s, for example, the mark “Queen Mary” for women’s underwear was rejected as being scandalous because it was disrespectful of the former queen. *See* *Ex parte Martha Maid Mfg. Co.*, 37 U.S.P.Q. (BNA) 156 (Comm’r Pat. 1938). It is highly debatable, however, whether the mark would be rejected today, when few Americans could identify the queen being referenced by the mark. Similarly, the mark “Madonna” was rejected for registration for use on wine in 1938 and again in 1959 as being scandalous when used in that context. *See In re P.J. Valckenberg, GmbH*, 122 U.S.P.Q. (BNA) 334 (T.T.A.B.1959); *In re Riverbank Canning Co.*, 95 F.2d 327 (C.C.P.A. 1938). In 1988, however, the Board allowed registration of “Madonna” as a stage name for a pop singer. *See* Federal Trademark Registration No. 1,473,554 (1988) (date issued).

Similarly, as discussed *supra* note and accompanying text, many marks incorporating racial or ethnic stereotypes were deemed acceptable in the past, but are not acceptable today.

³³⁶ *See* Hinchliffe *supra* note 1.

³³⁷ *McGinley*, 660 F.2d at 485 (“Whether or not the mark, including innuendo, is scandalous is to be ascertained from the standpoint of not necessarily a majority, but a substantial composite of the general public.”). *See also* *Ritchie v. Simpson*, 170 F.3d 1092, 1094 (Fed. Cir. 1999) (“Whether a mark comprises immoral and scandalous matter is to be ascertained in the context of contemporary attitudes, and the relevant viewpoint is not necessarily that of a majority of the general public, but of a ‘substantial composite.’”) (quoting *In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1371 (Fed. Cir. 1994)).

³³⁸ *Oswald supra* note 2, at 5. The Federal Circuit has suggested (without deciding) that where the Board does make such a determination, “a standard dictionary definition and an accompanying editorial designation of vulgarity” alone may not be sufficient to demonstrate the belief of a substantial composite of the general public, *Mavety Media*, 33 F.3d at 1374, though “evidence such as consumer surveys” would suffice. *Id.*

contempt, or disrepute.”³³⁹ “Persons” includes both natural and “artificial” persons, such as corporations.³⁴⁰ Despite the numerous cases on scandalous marks, only a select few have involved disparaging marks.³⁴¹

Like the term “scandalous”, “disparage” is not defined in the Lanham Act. It is questionable as to whether this undefined standard poses as presently relevant, or whether the United States should, like Australia and the United Kingdom, limit the standard to “scandalous”. Intriguingly, legislative history sheds very little light on what Congress intended this prohibition to encompass.³⁴² Courts have, however, appeared to give “disparage” its “ordinary and common” meaning as stated in dictionaries contemporaneous with the passage of the 1946 Act.³⁴³ For example, content that “may dishonor by comparison with what is inferior, slight, deprecate, degrade or affect or injure by unjust comparison.”³⁴⁴ This is unlike scandalousness, which looks to the conscience or moral feelings of a substantial composite of the general public, “disparagement has an identifiable object.”³⁴⁵

The Board in *Harjo* similarly attempted to clarify a two-part test for determining whether a mark is disparaging under Section 2(a).³⁴⁶ In its most rudimentary form, this test curiously similar to that articulated by the Board in that case for evaluating whether a mark is scandalous: First, the court or administrative body has to determine what the likely meaning of the mark is.³⁴⁷ Second, the court or administrative body must determine whether that likely meaning may be disparaging to a substantial composite of the persons or institutions at issue.³⁴⁸ In its particulars, though, the disparagement test may be seen to differ from the scandalousness test – although, I would not go so far as to observe that it differs “substantially”.³⁴⁹ While “scandalous” looks to the mores of the general public, disparagement necessitates some sort of an identifiable object, defined under Section 2(a) as “persons, living or dead, institutions, beliefs or national symbols.”³⁵⁰

³³⁹ 15 U.S.C. § 1127 defines “person” as including “a juristic person as well as a natural person.”

³⁴⁰ See, e.g., *Order Sons of Italy in Am. v. Profumi Fratelli Nostra Ag*, 36 U.S.P.Q.2d (BNA) 1221, 1223 (T.T.A.B. 1995) (granting standing to a fraternal order of Italian Americans to challenge a mark with Mafia connotations).

³⁴¹ See *supra* note and accompanying text.

³⁴² See *Harjo*, 50 U.S.P.Q.2d (BNA) at 1737-38 & n.78.

³⁴³ *Id.* at 1738.

³⁴⁴ *Id.*

³⁴⁵ 50 U.S.P.Q.2d (BNA) 1705 (T.T.A.B. 1999).

³⁴⁶ *Id.* at 1737.

³⁴⁷ For example, would it be understood as referring to persons in an identifiable group?

³⁴⁸ 15 U.S.C. § 1052(a) (quoted in *Harjo*, 50 U.S.P.Q.2d (BNA) at 1738). In addition, while Section 2(a) prohibits registration of matter that “is” scandalous, it prohibits registration of matter that “may be” disparaging. The *Harjo* Board explained the difference as follows:

The use of the term *may* is necessary in connection with disparage in Section 2(a) to avoid an interpretation of this statutory provision that would require a showing of intent to disparage [on the part of the mark holder]. Such a showing would be extremely difficult in all except the most egregious cases. Rather, this provision, as written, shifts the focus to whether the matter may be perceived as disparaging.

³⁴⁹ Compare, e.g. Oswald *supra* note 2, at 5.

³⁵⁰ U.S.P.Q.2d (BNA) at 1738. The Board went on to state that “the intent, or lack thereof, to ensure that the

The first limb of the disparagement test in *Harjo* requires the court or administrative body to identify the likely meaning of the mark at issue. Oswald has correctly observed that as with scandalous marks, this requires the tribunal to examine “the relationship between the subject matter in question and the other elements that make up the mark in its entirety; the nature of the goods and/or services; and the manner in which the mark is used in the marketplace in connection with the goods and/or services.”³⁵¹ Testimony about the meaning of the mark preferably should come from a linguistics expert or other disinterested witness.³⁵²

With regard to the second prong of the test, the Board in *Harjo* emphasized that where the matter at issue is found to refer to persons or institutions in an identifiable group, the inquiry then becomes whether a substantial composite of the persons in that group view the matter as disparaging.³⁵³ The relevant group must be determined on a case-by-case basis.³⁵⁴ The Board identified a number of tools by which petitioners could demonstrate the beliefs of a substantial composite of the target group, including surveys,³⁵⁵ resolutions by the affected group,³⁵⁶ and personal testimony by petitioners.³⁵⁷ Where the object of the purported disparagement is an individual or commercial entity, the “substantial composite” test is nonsensical. In that instance, the Board has suggested that the applicable test may be “the perception of a reasonable person of ordinary sensibilities.”³⁵⁸

disparaging connotation of matter in a mark is so perceived is merely one factor to consider in determining whether a mark may be disparaging. It is not dispositive of the issue of disparagement.” *Id.*

³⁵¹ Oswald *supra* note 2 at 5 citing *id.* at 1739.

³⁵² Oswald *supra* note 2 at 5 citing *id.* at 1728-32. *Compare* Order Sons of Italy in American v. Memphis Mafia, Inc., 52 U.S.P.Q.2d (BNA) 1364, 1369 (T.T.A.B. 1999) (rejecting testimony of three active members of the opposer’s organization as being “less probative” than the opinion of a disinterested expert).

³⁵³ Oswald *supra* note 2 at 5 citing *Harjo*, 50 U.S.P.Q.2d (BNA) at 1739 (“[B]ecause the portion of Section 2(a) proscribing disparaging marks targets certain persons, institutions or beliefs, only the perceptions of those referred to, identified or implicated in some recognizable manner by the involved mark are relevant to this determination.”) (quoting *In re Hines*, 31 U.S.P.Q.2d (BNA) 1685, 1688 (T.T.A.B. 1994), *vacated on other grounds*, 32 U.S.P.Q.2d (BNA) 1376 (T.T.A.B. 1994)). In *Harjo*, surveys indicated that approximately 37 percent of Native Americans found the word “Redskins” offensive, *id.* at 1745; while this was less than a majority, it was sufficient to satisfy the “substantial composite” test.

³⁵⁴ Oswald *supra* note 2 at 5 citing *Harjo*, 50 U.S.P.Q.2d (BNA) at 1739 ([I]f the alleged disparagement is of a religious group or its iconography, the relevant group may be the members and clergy of that religion; if the alleged disparagement is of an academic institution, the relevant group may be the students, faculty, administration, and alumni; if the alleged disparagement is of a national symbol, the relevant group may be citizens of that country.”)

³⁵⁵ *Id.* at 1745-46.

³⁵⁶ *Id.* at 1724-25.

³⁵⁷ *Id.* at 1723-24.

³⁵⁸ See Oswald *supra* note 2 at 5 citing *id.* See also, *Greyhound Corp. v. Both Worlds, Inc.*, 6 U.S.P.Q.2d (BNA) 1635 (T.T.A.B. 1981) (where the Board adopted a similar test in 1988, in holding that the use of a silhouette of a defecating dog as a mark disparaged Greyhound’s running dog mark. The Board adopted a two-part test for disparagement: (1) whether the communication is reasonably understood to refer to the petitioners; and (2) whether the communication is “considered offensive or objectionable by a reasonable person of ordinary sensibilities.” *Id.* at 1639).

IV. Conclusion

History has played a grand role in understanding the differences between prohibitions to trademark registration in the United Kingdom, the United States and Australia. All refer to the importance of culture, and the need to define the scope of references to scandalous, public, and morality, as the case may be. Yet, it is arguable whether any of these jurisdictions have done so to the full degree possible. Little in the legislative history, however, describes the scope of the scandalous registration prohibition, and the precise degree that this differs to the disparaging standard to justify its continued inclusion in the United States.

In defining these terms, the normative foundations of the trademark regime as well as constitutional considerations, must be borne in mind. For example, the main purpose in creating trademark protection was to protect the general public from unscrupulous entities engaged in unfair competition. Thus, any protection should extend “only insofar as is necessary to prevent customer confusion as to who produced the goods and to facilitate differentiation of the trademark owner’s goods.”

The findings in the paper have implications for property rights the vest under other intellectual property regimes, including Geographical Indications. This paper identifies themes relevant to comprehensively explore the Constitutional basis for a positive right to deny and revoke registration of a mark, and how this differs to the Plain Packaging of Cigarettes debate – explored in a subsequent paper. In particular, with respect to the ability of governments to “acquire” and “use” trademarks already registered. An examination of the latter two points, it is argued, is necessary if the issue of registrability (or cancellation) is ever brought to the attention of the WIPO.

In an age of fluctuating social permissiveness, it does not seem fair to charge decision makers, or anyone, really, with interpreting and applying the terms “scandalous”, “immoral”, or even “disparaging” in lieu of consistent, clear and defined boundaries. It is time, therefore, to redefine this ambiguous reference in light of international norms. The public and purported rights holders alike deserve thoughtful, coherent treatment of even those trademarks that are not appropriate dinner party conversation.