



Study Guidelines

by Anne Marie VERSCHUUR, Reporter General
Ari LAAKKONEN and Ralph NACK, Deputy Reporters General
Guillaume HENRY, Linda LECOMTE and Lena SHEN,
Assistants to the Reporter General

2021 – Study Question

Registrability of trade marks against public order or morality

Introduction

- 1) This Study Question concerns the registrability of trade marks contrary to public order or morality, and will explore the implementation and application of these grounds for refusal and invalidity.

Why AIPPI considers this an important area of study

- 2) The implementation and application of the above grounds differ throughout the world, reflecting different cultural, religious and political values. As a result, trade marks unobjectionable from the point of view of one jurisdiction may be refused in another. This may result in uncertainty when registering a trade mark globally.
- 3) Recent years have seen relevant case law in various jurisdictions. This includes both decisions illustrating different outcomes for the same trade mark in different jurisdictions, and decisions of the highest courts regarding important underlying principles.
- 4) Although different jurisdictions may as mentioned have different values, AIPPI believes that it is worthwhile to study whether elements of these grounds for refusal and invalidity can be harmonized.

Previous work of AIPPI

- 5) In the Resolution on Q92C/96 “Absolute grounds of refusal of registration of trademarks. What may constitute a registrable trademark?” (Amsterdam, 1989), AIPPI resolved that *“in order to protect public interest or morality, certain signs should not be registrable, notwithstanding their distinctive character. It should be left to each country to decide which signs are subject to this prohibition, but the criteria to be applied should be restricted in order not to add prohibitions that are irrelevant to the public”*.
- 6) In the Resolution on Q188 “Conflicts between trade mark protection and freedom of expression” (Berlin, 2005), AIPPI considered that trade mark protection may conflict with the freedom of expression under certain circumstances and among others resolved that it should be possible to invoke freedom of expression as a defence in trade mark cases in exceptional circumstances, e.g. in the context of critical speech, satire, political discussion and artistic expression.
- 7) Several sessions at recent AIPPI Congresses addressed the topic of this Study Question, namely: the panel session “Funny, bad taste or out of order? Morality and public order in trade marks” (Sydney, 2017), the keynote lunch session by the American band The Slants in Cancun in 2018 and most recently the panel session “The Role of Fundamental Rights in Trade Mark Law” at the AIPPI Virtual Congress in 2020.

Scope of this Study Question

- 8) This Study Question will explore the implementation and application of morality and public order as grounds for refusal and invalidity of trade mark registrations and trade mark applications. Grounds of refusal or invalidation that cover the same concepts, such as immoral and scandalous marks under U.S. law, are also covered by this Study Question.
- 9) Morality and public order in the context of trade mark use is out of the scope of this Study Question, except insofar as the use is deemed relevant for the assessment of registrability. Thus, e.g. whether the use in practice of a trade mark in a manner contrary to public order or morality can be prohibited, is out of the scope. However, if e.g. use is deemed relevant for assessing (in)validity in helping to establish how the trade mark will be perceived, it is within the scope of this Study Question.

- 10) The judgment or evaluation of what cultural, religious and moral values as such entail, is out of the scope of this Study Question, as these are not legal concepts.
- 11) Whether a trade mark is deceptive or misleading is also out of the scope of this Study Question. While not included in the original Paris Convention of 1883, wording in this respect was added to the Convention later. Including the issue of deceptive or misleading marks would further broaden the scope of this Study Question though, which already has much ground cover.

Discussion

- 12) According to Article 6quinquies(B)(3) of the Paris Convention for the Protection of Industrial Property, trade marks, even if registered in the country of origin, may be denied registration or may be invalidated when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It also stipulates *“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 a provision itself relates to public order.”*
- 13) In many jurisdictions, a trade mark may indeed be refused or invalidated if it is deemed against morality or public order.
- 14) In China, such a principle is embodied in Article 10¹ of its Trademark Law which mainly covers four types of signs that should not be registered or used, including official signs, signs of ethnic discrimination, deceptive signs and signs of ill effects. The last type is an open provision (*“those detrimental to socialist morality and custom or having other ill effects”*), which may be interpreted with certain flexibility in different occasions.
- 15) A recent Chinese case involving the issue of morality or public order is regarding a trade mark application for the mark “Going Down”² in class 10 for “condoms,

¹ Article 10 of Trademark Law of China: The following signs shall not be used as trademarks: (1) Those identical with or similar to the State name, national flag, national emblem, national anthem, military flag, army emblem, army songs or medals of the People's Republic of China; and those identical with the names or emblems of Central State organs, the names of the specific locations that are the domiciles of the Central State organs, or the names or designs of landmark buildings; (2) Those identical with or similar to the State names, national flags, national emblems or military flags of foreign countries, except with the consent of the governments of the countries involved; (3) Those identical with or similar to the names, flags or emblems of international inter-governmental organizations, except with the consent of the organizations concerned or except where the likelihood of misleading the public is slim; (4) Those identical or similar to official signs or hallmarks indicating control or warranty, except as otherwise authorized; (5) Those identical or similar to the name or sign or mark representing "Red Cross" or "Red Crescent"; (6) Those with a nature of national discrimination; (7) Those that are deceptive and are likely to cause public confusion in terms of the quality, other characteristics or place of production of relevant goods; (8) Those detrimental to socialist morality and custom or having other ill effects.

² (2019) Jing Xing Zhong No. 1512 (京行终 1512 号).

love dolls [sex dolls], non-chemical contraceptives, etc.”. CNIPA³ refused this trade mark application holding that this trade mark was of the same pronunciation as the Chinese phrase “够淫荡” (meaning: lascivious enough) and it would cause detriment to the social morality and bring other ill effects to the society when being used on the designated goods. The Beijing High Court affirmed CNIPA’s decision, ruling:

"Although the literal meaning of "going down" is "descending and sinking", it may have uncivilized (unhealthy) meaning when being used on the designated goods. In order to guide the Chinese public to establish positive mainstream culture and values and stop catering to the vulgar behaviors, there is nothing wrong with the decision of the Trademark Office that this mark is of negative meaning and low level and therefore should be refused."

- 16) In the EU, Art. 4(1)(f) of the EU Trade Mark Directive provides that trade marks which are contrary to public policy or to accepted principles of morality, shall not be registered or, if registered, shall be liable to be declared invalid. This also applies to EU trade marks, according to Art. 7(1)(f) of the EU Trade Mark Regulation (2017/1001)). The ratio of the exclusion is, according to the SCREW YOU decision of the (then named) OHIM, as follows:

"the rationale of the provision is that the privileges of trade mark registration should not be granted in favour of signs that are contrary to public policy or the accepted principles of morality. In other words, the organs of government and public administration should not positively assist people who wish to further their business aims by means of trade marks that offend against certain basic values of civilised society."⁴

- 17) The *Guidelines* of the EUIPO provide an overview with several illustrative examples. Thus, for example BIN LADIN, FUCK CANCER and LA MAFIA were not accepted. However, e.g. DE PUTA MADRE and FACK JU GÖHTE were accepted.⁵ Of these examples, the General Court of the EU ruled in the *La Mafia* case⁶ that the trade mark applied for (shown below) was against public policy.

³ China National Intellectual Property Administration.

⁴ Decision Grand Board OHIM 6 July 2006, R 495/2005-G (*Screw You*), para. 14.

⁵ Guidelines for Examination of European Union Trademarks, Part B, Section 4, Chapter 7, 2020, p. 441 ff.

⁶ General Court EU 15 March 2018, ECLI:EU:T:2018:146 (*La Mafia/EUIPO*).



Among other things, it considered:

"47. (...) the contested mark, considered as a whole, refers to a criminal organisation, conveys a globally positive image of that organisation and, therefore, trivialises the serious harm done by that organisation to the fundamental values of the European Union (...). The contested mark is therefore likely to shock or offend not only the victims of that criminal organisation and their families, but also any person who, on EU territory, encounters that mark and has average sensitivity and tolerance thresholds."

The General Court further considered that the exclusion ground refers to the intrinsic qualities of the mark in question (para. 40). This is in line with earlier case law quoted by the General Court in this same paragraph. Furthermore, in the *Skykick* case the CJEU ruled that the concept of public policy does not relate to characteristics concerning the trade mark application other than the sign itself, such as the clarity and precision of the terms used to designate the goods or services.⁷

- 18) Also the decision on the FACK JU GÖHTE mark is very relevant. In this case, relating to trade marks against accepted principles of morality, the CJEU among others ruled:

"As regards that ground for refusal, it should be noted that, since the concept of 'accepted principles of morality' is not defined (...), it must be interpreted in the light of its usual meaning and the context in which it is generally used. However, as the Advocate General observes (...), that concept refers, in its usual sense, to the fundamental moral values and standards to which a society adheres at a given time. Those values and norms, which are likely to change over time and vary in space, should be determined according to the social consensus prevailing in that society at the time of the assessment. In making that determination, due account is to be taken of the social context, including, where appropriate, the cultural, religious or philosophical diversities

⁷ CJEU 29 January 2020, ECLI:EU:C:2020:45 (*Sky/Skykick*) paras. 66-67.

that characterise it, in order to assess objectively what that society considers to be morally acceptable at that time."⁸

The CJEU also considered that it is not sufficient for the sign concerned to be regarded as being in bad taste. It should be established if, at the time of the examination, it is perceived by the relevant public as contrary to the fundamental moral values and standards of society as they exist at that time. And this perception is that of:

*"a reasonable person with average thresholds of sensitivity and tolerance, taking into account the context in which the mark may be encountered and, where appropriate, the particular circumstances of the part of the Union concerned. To that end, elements such as legislation and administrative practices, public opinion and, where appropriate, the way in which the relevant public has reacted in the past to that sign or similar signs, as well as any other factor which may make it possible to assess the perception of that public, are relevant."*⁹

The CJEU furthermore states in para. 51 that while it is the mark itself that must be examined, this does not mean that contextual elements capable of shedding light on how the relevant public perceives that mark can be disregarded. And in yet another important paragraph of the decision, para. 56, the CJEU states that freedom of expression must be taken into account.

- 19) In the *Vigeland* decision¹⁰, the EFTA Court gave its view on the difference between the morality and public order exclusions:

"85. The Court notes that, whilst these two limbs may in certain cases overlap (compare, inter alia, the judgment in Couture Tech v OHIM, T-232/10, EU:T:2011:498), it is possible to consider each on its own merits.

86. In this regard, refusal based on grounds of "public policy" must be based on an assessment of objective criteria whereas an objection to a trade mark based on "accepted principles of morality" concerns an assessment of subjective values."

- 20) In the USA, according to 15 U.S.C. § 1052 (a), a trade mark shall be refused registration if it consists of or comprises immoral, deceptive, or scandalous

⁸ CJEU 27 February 2020, ECLI:EU:C:2020:118 (*Constantin/EUIPO*), para. 39.

⁹ CJEU 27 February 2020, ECLI:EU:C:2020:118 (*Constantin/EUIPO*), para. 42.

¹⁰ EFTA Court 6 April 2017, E-5/16 (*Vigeland*).

matter or matter which may disparage any person or group. Two cases in which this provision was applied received great attention from the public, the first being the *Slants* case,¹¹ the second the *FUCT* case. In the *Slants* case, the USPTO had refused an Asian-American rock band's application to register the name "The Slants" as a trade mark because the mark was disparaging of Asian people. The U.S. Supreme Court however ruled that the provision justifying the refusal was unconstitutional because it infringed the First Amendment's free speech guarantee. In the *FUCT* case, the provision regarding scandalous or immoral marks was similarly held unconstitutional as an abridgement of the freedom of speech, guaranteed by the First of Amendment to the U.S. Constitution.¹²

- 21) In the UAE, Article 3/2 of its Trade Mark Law provides that "*The following may not be registered as a trade mark or as an element of a trade mark: (...) Any mark that contravenes public morals or public order*". In practice, applications which relate to goods or services contrary to Islamic values may also be refused. Thus, the principles of morality and public order are not only applied to the mark per se but may also be applied to the goods and services.

You are invited to submit a Report addressing the questions below.

Questions

I. Current law and practice

Please answer the below questions with regard to your Group's current laws and practice.

- 1) a) Are trade marks contrary to public order refused or invalidated under your law?
Please answer YES or NO.
- b) Are trade marks contrary to morality refused or invalidated under your law?
Please answer YES or NO.
- c) Please state any applicable legal provisions.
- 2) a) Is there an explicit definition of public order and/or morality under your law?
Please answer YES or NO.

¹¹ U.S. Supreme Court 19 June 2017, *Matal v. Tam*, 137 S. Ct. 1744 (2017).

¹² U.S. Supreme Court 24 June 2019, 18–302, *Iancu v. Brunetti*, 139 S.Ct. 2294 (2019).

- b) If your answer is YES, please state the definition. If your answer is NO, please still indicate what you believe to be the definition.
- c) What is the difference between morality and public order?
- 3) a) Is this ground applied to the trade mark per se, i.e. to the intrinsic qualities of the trade mark in question?¹³ Please answer YES or NO.
- b) Please explain.
- 4) a) What is the relevant date for applying the ground of public order or morality ?
- (i) date of application of the trade mark
 - (ii) date of the examination/assessment by the office or the court
 - (iii) date of filing of the proceedings (e.g. when the invalidation request is filed)
 - (iv) other, namely _____
- b) Bearing in mind that views regarding morality and public order can be dynamic and change over time, which of the following is possible?
- (i) refile a trade mark that has been refused or declared invalid for being contrary to public order or morality
 - (ii) file a new action against a trade mark that previously survived a challenge on this ground
 - (iii) other, namely _____
- c) Must this ground apply in the entire territory¹⁴ covered by the trade mark? Please answer YES or NO.
- 5) From whose perspective is it judged whether or not a trade mark is contrary to public order or morality?
- (i) the relevant consumer
 - (ii) the general public

¹³ The answer should be NO if e.g. also the use of the mark in practice is taken into account (e.g. if it is used for hard drugs), or if the goods or services for which the trade mark is applied for or registered are considered illegal. If circumstances are taken into account that help establish how the public will perceive the trade mark itself, the answer should however be YES; in that case, these circumstances are used to help establish if the mark itself is contrary to public order or morality.

¹⁴ This question aims to establish if e.g. in the EU the trade mark should be contrary to public order or morality in every member state, or if in a country with multiple languages and other differences it should be contrary to public order or morality in the entire country.

- (iii) a reasonable person with average thresholds of sensitivity and tolerance, taking into account the context in which the mark may be encountered
 - (iv) other, namely _____
- 6) What factor or factors are taken into account when assessing whether a trade mark is contrary to public order or morality?
- (i) the meaning of the words or other elements contained in the mark
 - (ii) the background or origin of the words or other elements contained in the mark
 - (iii) the identity or origin of the applicant/registrant
 - (iv) the designated goods and/or services
 - (v) the goods and/or services for which the mark is used in practice by the applicant/registrant
 - (vi) fundamental rights (e.g. freedom of speech/expression)
 - (vii) other, namely _____
- 7) In what types of proceedings can the morality and/or public order ground be invoked?
- (i) examination (i.e. ex parte examination by the trade mark office)
 - (ii) opposition proceedings (i.e. inter partes proceedings before the trade mark is approved for registration, or after registration in jurisdictions with post-registration oppositions)
 - (iii) invalidation/cancellation proceedings before the trade mark office (i.e. inter partes proceedings after the trade mark is approved for registration)
 - (iv) invalidation/cancellation proceedings before a court (i.e. inter partes proceedings after the trade mark is approved for registration)
 - (v) other, namely _____

II. Policy considerations and proposals for improvements of your Group's current law

- 8) Can your Group's current laws or practice relating to the registrability of trade marks contrary to public order or morality be improved? Please explain.
- 9) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

III. Proposals for harmonisation

Please consult with relevant in-house / industry members of your Group in responding to Part III.

- 10) Do you believe that there should be harmonisation in relation to the registrability of trade marks contrary to public order or morality?

If YES, please respond to the following questions without regard to your Group's current law or practice.

Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.

- 11) a) Should trade marks contrary to public order be refused or invalidated? Please answer YES or NO.

b) Should trade marks contrary to morality be refused or invalidated? Please answer YES or NO.

- 12) a) Should there be an explicit definition of public order or morality? Please answer YES or NO.

b) If your answer is YES, please state the definition.

c) What should be the difference between morality and public order?

- 13) a) Should this ground be applied to the trade mark per se, i.e. to the intrinsic qualities of the trade mark in question?¹⁵ Please answer YES or NO.

b) Please explain.

- 14) a) What should be the relevant date for applying the ground of public order or morality?

- (i) date of application of the trade mark
- (ii) date of the examination/assessment by the office or the court
- (iii) date of filing of the proceedings (e.g. when the invalidation request is filed)
- (iv) other, namely _____

¹⁵ See also footnote 13 above.

- b) Bearing in mind that views regarding morality and public order can be dynamic and change over time, which of the following should be possible?
- (i) refile a trade mark that has been refused or declared invalid for being contrary to public order or morality
 - (ii) file a new action against a trade mark that previously survived a challenge on this ground
 - (iii) other, namely _____
- c) Should this ground apply in the entire territory¹⁶ covered by the trade mark? Please answer YES or NO.
- 15) From whose perspective should it be judged whether or not a trade mark is contrary to public order or morality?
- (i) the relevant consumer
 - (ii) the general public
 - (iii) a reasonable person with average thresholds of sensitivity and tolerance, taking into account the context in which the mark may be encountered
 - (iv) other, namely _____
- 16) What factor or factors should be taken into account when assessing whether a trade mark is contrary to public order or morality?
- (i) the meaning of the words or other elements contained in the mark
 - (ii) the background or origin of the words or other elements contained in the mark
 - (iii) the identity or origin of the applicant/registrant
 - (iv) the designated goods and/or services
 - (v) the goods and/or services for which the mark is used in practice by the applicant/registrant
 - (vi) fundamental rights (e.g. freedom of speech/expression)
 - (vii) other, namely _____
- 17) In what types of proceedings should it be possible to invoke the morality and/or public order ground?
- (i) examination (i.e. ex parte examination by the trade mark office)

¹⁶ See also footnote 14 above.

- (ii) opposition proceedings (i.e. inter partes proceedings before the trade mark is approved for registration, or after registration in jurisdictions with post-registration oppositions)
 - (iii) invalidation/cancellation proceedings before the trade mark office (i.e. inter partes proceedings after the trade mark is approved for registration)
 - (iv) invalidation/cancellation proceedings before a court (i.e. inter partes proceedings after the trade mark is approved for registration)
 - (v) other, namely _____
- 18) Please comment on any additional issues concerning any aspect of the registrability of trade marks contrary to public order or morality you consider relevant to this Study Question.
- 19) Please indicate which industry sector views provided by in-house counsel are included in your Group's answers to Part III.