The Right to Speak a Brand: Rethinking the Interaction between Trade Marks and Freedom of Expression in the Age of Expressive Branding

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ABSTRACT

Trade marks no longer serve solely a source-identifying function, but rather have evolved to perform a plethora of functions. These range from signalling information about quality or reputation to conveying complex and varied meanings that can be relied upon by different individuals for expressive purposes. Because marks can be used expressively, courts and scholars are devoting increased attention to elucidating the relationship between marks and speech. An analysis of European and US case law reveals that the conceptual frameworks employed to date have a tendency to oversimplify their relationship. This is due, at least in part, to the widespread misconception that the interaction between marks and speech operates unidirectionally, in the sense that the protection afforded under freedom of expression advances solely the interests of one type of mark user. In infringement litigation involving use of recoded (i.e. modified) marks for expressive purposes (usually for parody or commentary), invocation of free speech is understood to advance only the expressive interests of recoders. By contrast, in litigation dealing with the validity of refusals to register marks or of measures encroaching on trade mark use, freedom of expression is conceived of as advancing solely the interest of trade mark applicants or owners, respectively. This view, however, fails to take into consideration the expressive richness involved in the use of trade marks –an expressive richness that allows individuals other than recoders and applicants/owners to make expressive use of marks to pursue their preferred identity projects. By factoring in all the expressive interests involved in trade mark use, this thesis advances a reconceptualization of the interaction between marks and speech that has the potential to bring more nuance and clarity to the adjudication exercise. Perhaps more importantly, it ensures adequate enforcement of human rights guarantees in interaction cases. In combination, these improvements can lead to better balanced, fairer outcomes, as well as increased consistency.

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A Jorge Blanco Urzaiz y Robin J. Lockwood

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LIST OF ABBREVIATIONS

A1P1	Article 1 Protocol No. 1 European Convention on Human Rights
AG	Advocate General
BGH	Bundesgerichtshof (Federal Court of Justice of Germany)
BoA	Board of Appeal
CJEU	Court of Justice of the European Union
CLP	Current Legal Problems
CUP	Cambridge University Press
DSB	Dispute Settlement Body
EBR	European Business Review
ECDR	European Copyright and Design Reports
ECHR	European Convention on Human Rights
ECtHR	European Court of Human Rights
EIPR	European Intellectual Property Review
ETMR	European Trade Mark Reports
EU	European Union
EUIPO	European Union Intellectual Property Office
EWCA	England and Wales Court of Appeal
EWHC	England and Wales High Court
FCTC	Framework Convention on Tobacco Control
FDA	Food and Drug Administration
FTDA	Federal Trademark Dilution Act
GC	General Court
IIC	International Review of Intellectual Property and Competition Law
ILM	International Legal Materials
IP	Intellectual Property
IPPR	Institute for Public Policy Research
IPQ	Intellectual Property Quarterly

JAMA	Journal of the American Medical Association
JIPITEC	Journal of Intellectual Property, Information Technology & Electronic Commerce Law
JIPL	Journal of Intellectual Property Law
JIPLP	Journal of Intellectual Property Law and Practice
LJ	Law Journal
LQR	Law Quarterly Review
LR	Law Review
MLR	Modern Law Review
MRR	Management Research Review
NYU	New York University
OUP	Oxford University Press
PPL	Plain Packaging Legislation
SMU	Southern Methodist University
SPTPR	The Standardised Packaging of Tobacco Products Regulations
TDRA	Trademark Dilution Revision Act
TMR	The Trademark Reporter
TPPA	Tobacco Plain Packaging Act
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TTAB	Trademark Trial and Appeal Board
UCLA	University of California Los Angeles
UKSC	Supreme Court of the United Kingdom
UNTS	United Nations Treaty Series
USPTO	United States Patent and Trademark Office
WHO	World Health Organization
WTO	World Trade Organization

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TABLE OF CASES

EUROPE

EUIPO

EUROPEAN COURT OF HUMAN RIGHTS

EUROPEAN UNION

FRANCE

GERMANY

THE NETHERLANDS

UNITED KINGDOM

UNITED STATES

OTHER JURISDICTIONS

AUSTRALIA

SOUTH AFRICA

WTO DSB

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‘If this were a sci-fi melodrama, it might be called
Speech-Zilla meets Trademark Kong.’[1]

[1] *Mattel Inc v MCA Records Inc* 296 F3rd 894 (9th Cir 2002), opening line.

INTRODUCTION

Trade marks are (distinctive) signs, i.e. 'a symbol or word used to represent a […] concept or object'.[2] As such, they convey meaning. The core meaning conveyed by a mark is the commercial origin of goods or services. One can think of the mark 'Apple', used to differentiate electronics goods originating from the company Apple Inc. from the like products of its competitor Samsung Electronics Co. Ltd., marketed under the 'SAMSUNG' mark. When used for this purpose, marks are said to fulfil their essential, source-identifying function. But marks can perform other functions. For instance, marks perform an advertising function when they convey a given image of a product, e.g. the use by Apple Inc. of its 'Apple' mark on advertisements featuring renowned artists working on 'Apple'-branded computers to convey an image of high quality, creativity and style. And they perform an expressive function when they are used to express allegiance to a certain idea, e.g. when consumers associate 'Apple'-branded products with a creative and stylish lifestyle, and use the mark to express their adherence to such lifestyle.

The expressive dimension of marks allows individuals to express themselves through their use. Different people use marks in diverse ways to communicate their preferred messages. A subset of consumers can express their adherence to a creative and stylish lifestyle through the purchase and use of 'Apple'-branded goods. Similarly, Apple Inc. expresses its belief in the desirability of leading such a lifestyle by manufacturing, branding and offering for sale electronics goods that maximise creativity without compromising on design. In contrast to these types of expressive uses, a third

[2] The Oxford English Dictionary <www.oed.com> accessed 5 September 2019.

party may modify (or 'recode') Apple Inc.'s 'iPhone' mark to read 'iClone', altering its original meaning to comment on the deceitful marketing practices of multinational companies such as Apple Inc., which is often said to employ sophisticated communication strategies to magnify the innovative features of its newly-released goods to lure consumers into buying them.[3] Consumers who identify with this recoded meaning might, in turn, wish to purchase goods bearing the recoded mark with a view to expressing their critical views on the dark sides of capitalism. Furthermore, for marks whose expressive meanings have permeated into the language, the public might use them in everyday conversations, e.g. by describing a technology-oriented, design-conscious individual as an '"Apple" kind of person'. As a result, the same mark might be put to use by different individuals to pursue different expressive interests.

Thus, so long as a given trade mark conveys expressive meaning, all individuals are potentially able to express themselves through its use. However, legal barriers may prevent certain individuals from using marks for expressive purposes. Trade mark rights constitute the most obvious barrier to expressive use of marks by non-owners, and often are invoked by right holders seeking an injunction before the courts. This is particularly true where the third party has engaged in recoding for parodic or critical purposes, which easily lends itself to infringement actions on likelihood of confusion and –more often– dilution grounds. This begs the question of the extent to which trade mark rights are intended to prevent expressive use of marks by non-owners, especially in light of the fundamental right to freedom of expression enshrined in constitutional and human rights instruments. The tension between marks and speech has led commentators and

[3] The term 'recode' is borrowed from Justin Hughes, '"Recoding" Intellectual Property and Overlooked Audience Interests' [1999] 77 Texas LR 923.

decision makers to ponder how the law should determine who ought to be entitled to engage in expressive use of a mark, and in what circumstances.

This has proved to be a complex endeavour. Courts are split on the role that freedom of expression plays, if any, in trade mark law. In the registration context, for instance, the EUIPO, the UK Appointed Person and the General Court have reached contrasting outcomes in similar scenarios involving challenges to refusals of registration. While the first two have, in most instances, admitted that freedom of expression is implicated in refusals to grant registration of marks,[4] most decisions from the General Court have denied this possibility.[5] And even courts willing to factor in expressive interests in adjudicating trade mark disputes are unsure as to when, and how, both sets of interests interact. In Europe, courts from different EU Member States have reached different outcomes in recoding litigation as a result of the adoption of divergent thresholds for determination of what amounts to expressive use of a mark that is deserving of protection under Article 10 ECHR. The stricter threshold imposed in the UK has often led the courts to side with plaintiffs after a finding that defendants' uses were not expressive,[6] while the more generous threshold applied by the courts of Germany and The Netherlands has shielded defendants from infringement after a finding that their uses were indeed expressive.[7] In the US, similar expressive uses of marks by

[4] Amongst others: *R 495/2005-G, Application of Jebaraj Kenneth (trading as Screw You)* (2006) [2007] ETMR 7 (EUIPO Grand Board of Appeal); *French Connection Ltd's Trade Mark Registration* [2007] ETMR 8 (Lord Chancellor's Appointed Person), respectively.

[5] For instance: Case T-69/17, *Constantin Film Produktion v EUIPO* (2018) ECLI:EU:T:2018:27. The sole exception to this is Case T-232/10*, Couture Tech Ltd v OHIM* (2011) ECR II-06469, where the GC seemed ready to accept applicant's free speech argument.

[6] *Ate My Heart Inc (AKA Lady GaGa) v Mind Candy* (2011) 2741 EWHC (Ch); *Miss World Ltd v Channel 4 Television Corp* (2007) 66 ETMR (Patents Court).

[7] Respectively: *Nadia Plesner v Louis Vuitton* (2011) case LJN BQ3525 (The Hague District Court); *Violet Postcard (Lila-Postkarte)* (2007) 38 IIC 119 (BGH, 3 Feb 2005).

recoders have sometimes been found to infringe owners' exclusive rights, and sometimes not. This is most salient in the recent cases involving the sale of pet toys parodying well-known marks, where two different courts have applied the antidilution provisions of the Lanham Act differently to reach opposing outcomes.[8] These examples illustrate the degree of fragmentation that currently governs this area of the law, and its ensuing uncertainty.

In cases involving recoded use of marks for expressive purposes, invocation of free speech by defendant has often translated into courts engaging in a balancing exercise whereby the right to freedom of expression of the recoder is pitted against the right to (intellectual) property of the mark owner. In such cases, speech is understood to operate as a defence to the exclusive rights granted to right holders, shielding most unauthorized expressive uses from liability. Regrettably, the litigious –and contentious– nature of third party recoding has had the unintended consequence of neglecting other scenarios where marks and speech interact. Because the vast majority of cases addressing the interaction between marks and speech to date involve expressive use of marks by third party recoders, conventional wisdom posits that trade mark rights necessarily chill expression. Scholars have greatly contributed to this phenomenon. Eager to avoid the severe repercussions that unbridled enforcement of trade mark rights could have on recoders' freedom of expression, their analyses and proposals for reform have for the most part been limited to recoding cases. Speech claims, however, need

[8] *VIP Products LLC v Jack Daniel's Properties* 291 F.Supp.3d 891 (D. Ariz. 2018); *Louis Vuitton Malletier SA v Haute Diggity Dog LLC* 507 F.3d 252 (4th Cir. 2007) (to avoid confusion with other cases where Louis Vuitton is also plaintiff, defendant's name will be used hereinafter).

not operate as a limit to owners' exclusive rights in any and all instances where marks interact with freedom of expression.

We find precedents in case law where free speech has been invoked to validate trade mark rights. These are instances where the constraints imposed on expressive use of marks stem not from owners' exclusive rights, but rather from measures of public law encroaching on trade mark use or registration. In so doing, they erect legal barriers preventing trade mark owners and applicants, respectively, from making use of marks to express their preferred messages. For instance, in recent years, refusals to register signs pursuant to the statutory ground of refusal of marks that are contrary to public policy or morality (most often unsavoury terms such as 'The Slants, 'Screw You' or 'Tiny Penis') have been challenged on grounds that they contravene applicants' speech rights.[9] Furthermore, restrictions on trade mark use having an impact on their expressive function not only stem from trade mark statutes, but sometimes also from public measures seeking to regulate consumption of certain goods. This is the case, most notably, of legislation aimed at preventing use of marks that can mislead consumers as to the characteristics of the goods bearing them and/or induce them, through the positive images conveyed by the marks, to purchase such goods, when they pose a risk to health. For instance, measures restricting the use of marks in relation to tobacco products, such as health warnings or, in more recent years, standardised packaging. Right holders have challenged the validity of such measures on the basis that they effect an unjustified interference with, amongst others, their right to freedom of expression.

[9] Respectively: *Matal v Tam* 137 S Ct 1744 (2017) (*Tam*); *R 495/2005-G, Application of Jebaraj Kenneth (trading as Screw You)* (n 4); *Ghazilian's Application* [2002] ETMR 57 (Lord Chancellor's Appointed Person).

Against this backdrop, it would appear that cases addressing the interaction between marks and speech have adopted two different postures: (a) 'recoding' cases, where freedom of expression is invoked by the recoder as a defence to an infringement claim; and (b) 'ownership' cases, where speech is invoked by the owner or applicant to validate trade mark rights. Surprisingly, the principles that operate in one type of case have not permeated to the other. Put differently: the recognition, in ownership cases, of right holders' speech interests has not transferred to recoding cases, where courts only take into consideration the expressive interests of third party recoders. Similarly, the speech rights of non-owners (notably third party recoders) have not been factored in by courts hearing ownership cases. This has led to the interaction between marks and speech being conceptualized in unidirectional terms, in the sense that speech either advances the interests of right holders in ownership cases or of third party recoders in recoding cases.

This has been echoed in the literature. There is no comprehensive study covering all instances where owners' exclusive rights interact with speech. This is surprising given that the topic of marks and speech has attracted so much scholarly attention over the past three decades. An overview of this literature reveals the tendency to focus on recoding cases, with little attention devoted to cases where the expressive interests of owners have been at the forefront of the judicial inquiry. Furthermore, even the handful of commentators that have cautioned against neglecting right holders'/applicants' expressive interests, have done so without questioning the prevailing unidirectional conceptualization of the interaction between marks and speech. The unduly narrow emphasis placed on one subset of expressive users at a time (i.e. owners/applicants in ownership cases and recoders in recoding cases) has led to an impoverished understanding of the expressive richness involved in trade mark use.

Current judicial and scholarly approaches to the interaction between marks and speech thus fail to acknowledge the diversity of expressive interests involved in use of trade marks. As a result, courts are adjudicating interaction disputes in suboptimal conditions that could explain the degree of fragmentation and ensuing uncertainty that currently governs this area of the law.

This thesis aims to remedy these shortcomings by reconceptualizing the interaction between marks and speech in the light of the expressive richness involved in use of marks. A wide variety of individuals use marks expressively to pursue their preferred identity projects. Furthermore, constitutional and human rights instruments require courts to adjudicate disputes with a view to guaranteeing respect for the diversity of rights at stake, and not only those of one subset of expressive users of marks. Courts must factor in the expressive interests of individuals other than third party recoders (in recoding cases) and right holders/applicants (in ownership cases) . This will result in a rebalancing of fundamental rights in both recoding and ownership cases.

In recoding cases, this rebalancing exercise will require courts to pit defendant's right to freedom of expression against both the rights to property and to freedom of expression of the right holder. Moreover, and to the extent that marks can be used by a plurality of individuals for expressive purposes, balancing the competing interests at stake in horizontal disputes will also require the court to take into consideration the expressive interests of users other than the third party recoder and the right holder, to include those of consumers (of both branded and recoded branded goods) and of the public. Similarly, the proposed reconceptualization will entail broadening the scope of the judicial inquiry in ownership cases to factor in the expressive interests of non-owners. These can also be affected when: (a) the mark can no longer be used as a result of measures of public law, for its meanings will erode over time until they disappear, including its expressive meanings; or (b) the applied-for sign fails to be registered, for it will not be able to develop more complex meanings (at least not as a result of its use in exclusive terms by a right holder), including expressive meanings.

In addition to allowing for adequate enforcement of human rights guarantees, the proposed reconceptualization can contribute to more nuanced adjudication by factoring in the plurality of expressive interests involved in trade mark use. Combined, these improvements will lead to better balanced, fairer outcomes, as well as increased consistency. This does not imply that refinement of the conceptual frameworks currently employed by courts will do away with all instances of fragmentation in interaction cases. Far from that. It would be unrealistic to suggest, in view of the sophisticated balancing exercises that are called for in interaction cases, that the refinement of one element in these complex schemes can put an end to all the shortcomings identified. The proposed reconceptualization is thus best understood as a –much-needed– step towards increased clarity and consistency in interaction cases.

To this end, Chapter 1 will explore the plethora of functions that marks are called upon to perform in the contemporary marketplace, notably their expressive function allowing individuals to express themselves through trade mark use. This will be followed by the development of a typology of expressive users of marks that reflects the plurality of speech interests involved in trade mark use. By ensuring that no category of expressive user is disregarded or subsumed into another, the typology will help bring clarity and consistency to the field.

Building on this typology, Chapter 2 will guide the reader through the most relevant legal barriers that can prevent individuals from making expressive use of marks. This will showcase the diversity of scenarios in which marks and speech interact, dispelling the common notion that interaction cases are limited to third party recoding of marks. In an attempt to better navigate the complexity underlying the interaction between marks and speech, Chapter 2 will then propose a categorization of interaction cases according to the different roles that freedom of expression can play in the use of trade marks.

Cases from both Europe and the US will then be analysed following this categorization. Chapter 3 will guide the reader through instances of third party recoding, where freedom of expression has been relied upon by European and –more often– US courts as a defence against an infringement action. Chapter 4 will analyse ownership cases, where right holders'/applicants' speech rights have been invoked on both sides of the Atlantic to validate trade mark rights. This will be followed by a discussion of the theoretical foundations underpinning the claim that freedom of expression can be relied upon to sustain trade mark rights. The comparative exercise will allow identifying the shared strengths and shortcomings of existing approaches to the interaction between marks and speech. As regards the latter, special emphasis will be placed on the pervasive notion that the relationship between marks and speech is unidirectional (i.e. as either advancing the interests of right holders in ownership cases or of third party recoders in recoding cases).

Finally, Chapters 5 and 6 will propose improved ways of thinking about the interaction between marks and speech that can assist courts in striking a better balance in both recoding and ownership cases. To this end, the proposed rebalancing exercises will be put to the test by means of case studies involving: (a) the validity of plain packaging legislation in Chapter 5; and (b) parodic use of marks in the course of trade in Chapter 6. These cases will showcase the potential of the proposed reconceptualization for more nuanced adjudication in this area of the law, which can, in turn, lead to fairer, more consistent outcomes.

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CHAPTER 1

TRADE MARKS AS EXPRESSIVE ARTEFACTS

1.1. Preliminary Considerations

The arguments developed in this thesis lie at the intersection between trade marks and freedom of expression. Proper engagement with this topic requires that we begin by exploring the ability of modern-day marks to convey meaning beyond source-identification and product quality, in particular, complex meanings involving lifestyle choices, even values, that can be relied upon by individuals for expressive purposes. To this end, the first sections of this chapter will introduce the reader to the diversity of functions that marks perform in the contemporary marketplace, including the legal tools that are being developed in Europe to safeguard them. Special emphasis will be placed on the ability of marks to convey expressive meaning and the ways in which different individuals are using them to pursue their preferred identity projects. This will lead to a discussion, towards the end of the chapter, of the adequacy of existing legal doctrines to protect the value that these new meanings can bring to the market while ensuring access to non-trade mark owners.

1.2. The Core Function of Trade Marks: Signalling (Commercial) Origin

As a form of intellectual property, trade marks are legal constructs devised to grant ownership over a particular type of intangible, i.e. a distinctive sign allowing a trader to distinguish its products from those of its competitors in the market. Take, for instance, the sign 'BMW', which is used by the company Bayerische Motoren Werke AG (BMW) to distinguish its cars from the like products of other automobile manufacturers, such as Daimler AG or Audi AG, who use the signs 'Mercedes-Benz' and 'Audi', respectively, to identify their products. When distinctive signs are used/registered in this manner, i.e. in connection with a particular product so as to distinguish it from competing products, they become trade marks.[10]

Trade marks are afforded protection under intellectual property laws to ensure that they may perform their fundamental function in the market: to distinguish goods. This function advances both traders' and consumers' interests. They allow traders to differentiate their goods from those of their competitors in the course of trade which, in turn, allows them to invest in improving their quality and in building a positive reputation for their mark without fear of having a third party take advantage of their efforts. This is a fundamental aspect of trade mark protection, as confirmed by the CJEU in *SA Cnl-Sucal NV v Hag GF*: 'enterprises must be able to gain customers by the quality of their products or services, which can be done only by virtue of the existence of distinctive signs permitting identification of those products and services'.[11]

At the same time, marks allow consumers to identify the commercial origin of the products that are available in the market, tracing them back to their manufacturers and to the reputation that their brands enjoy. This explains why marks are said to fulfil an origin, or source-identifying function. By facilitating consumers' process of identifying and choosing the product that best adapts to their needs, marks reduce their search costs and promote market efficiency.[12] In the automobile manufacturers' example,

[10] Depending on the jurisdiction, use or registration of a sign to distinguish goods or services will be constitutive of a trade mark.

[11] Case C-10/89, *SA Cnl-Sucal NV v Hag GF* [1990] ECR I-3711, para 13. Add (*HAG II*)

[12] William Landes and Richard Posner, 'Trademark Law: An Economic Perspective' (1987) 30 Journal of Law and Economics 265.

BMW's interest in using the 'BMW' marks to distinguish its cars from those of Audi AG serves the correlative function of allowing consumers to identify those cars originating from BMW, as opposed to those originating from Audi AG, and to associate them with the reputation conveyed by the 'BMW' brand. That marks benefit both traders and consumers has been consistently held by courts. For instance, in *HAG II*, AG Jacobs explained that:

> [T]rade marks reward the manufacturer who consistently produces high-quality goods and they thus stimulate economic progress. […] [In addition,] they act as a guarantee, to the consumer, that all goods bearing a particular mark have been produced by, or under the control of, the same manufacturer and are therefore likely to be of similar quality.[13]

Imagine two parents wishing to buy a new car that can accommodate their growing family while at the same time maximising safety on the road. Friends and family recommend that they buy a station wagon manufactured by the company AB Volvo, whose 'Volvo'-branded automobiles are known to be extremely reliable and safe. Guided by this reputation, they go to a Volvo car dealer, choose the station wagon that best adapts to their budget, and buy it –satisfied that it will meet their safety needs relying on the reputation of the 'Volvo' brand. Now let us imagine how this same process would have unfolded in a trade mark-less scenario. Unable to rely on the reputation conveyed by a mark, nor on other people's purchase experiences, their decision would be dependent on the information provided by each seller, and in relation to each particular car. Even if they are diligent enough to inquire at each car dealer, it will still be extremely hard for them to ascertain which car meets their safety requirements, not

[13] Case C-10/89, *HAG II* (n 11) Opinion of AG Jacobs [18].

least since safety standards enter into play only in case of an accident. Consequently, when they finally buy a car: (a) their certainty of having bought the safest car will be low; and (b) they may have invested their time and money only to discover, in an accident years later, that it was not as safe as they had expected, putting their lives at risk and those of their loved ones.

1.3. Other Trade Mark Functions

1.3.1. The Functions Theory in European Trade Mark Law

Although essential, indication of commercial origin is by no means the sole function that trade marks perform in modern-day economies. In the global and highly sophisticated marketplace in which marks are called upon to operate, economic actors demand that they perform a plethora of functions, ranging from signalling information about quality or reputation to conveying complex meanings that can be relied upon by individuals for expressive purposes.[14] As persuasively argued by AG Colomer in *Arsenal v Reed*:

> It seems to me to be simplistic reductionism to limit the function of the trade mark to an indication of trade origin. […] The trade mark acquires a life of its own, making a statement, as I have suggested, about quality, reputation and even, in certain cases, a way of seeing life.[15]

The CJEU has also recognised this by granting protection:

> [N]ot only [to] the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also [to] its other functions, in

[14] The ability of contemporary trade marks to convey very diverse meanings and, thus, to perform functions other than source-identification has been widely acknowledged in the literature and case law. See, amongst others: David A Aaker, Matt Reback and Jerre B Swann, 'Trademarks and Marketing' (2001) 91 TMR 787; Jerre B Swann, 'An Interdisciplinary Approach to Brand Strength' [2006] TMR 943; Alex Kozinski, 'Trademarks Unplugged' (1993) 68 NYU LR 960.

[15] Case C-206/01, *Arsenal Football Club v Reed* [2002] ECR I-10273, Opinion of AG Colomer [46].

> particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.[16]

In so doing, the court has tried to keep pace with changing market realities, in particular, the growth of branding as the core communication vehicle between firms and consumers in the contemporary marketplace,[17] to the point that brands are often a valuable (if not the most valuable) selling point for the goods they identify. Some commentators go as far as to claim that '[a] brand may be viewed as a company's most important asset'.[18] Although difficult to delimitate precisely, Keller's classic definition of a brand remains popular: 'a brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service'.[19] Building on brand value, Kapferer claims that 'the value of a brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers'.[20]

[16] Case C-487/07, *L'Oréal v Bellure* [2009] ECR I–05185 [58]. For a more detailed exploration of the CJEU's recognition of the diversity of functions that marks are called upon to perform in the contemporary marketplace, see Dev S Gangjee, 'Property in Brands' in Helena Howe and Jonathan Griffiths (eds), *Concepts of Property in Intellectual Property Law* (CUP 2013). In his view, 'Contemporary EU trade mark law […] protects the more expansive brand dimension associated with a successful trade mark.' ibid 29. See also Luke McDonagh, 'From Brand Performance to Consumer Performativity: Assessing European Trade Mark Law after the Rise of Anthropological Marketing' (2015) 42 Journal of Law and Society 611.

[17] Some scholars have argued to the contrary. In their view, the CJEU's efforts to insulate brand image from third party appropriation through the progressive expansion of the scope of protection afforded to marks ought to be seen as a failure, from the part of the court, to properly identify the changes in brand usage that have taken place in the market in the last three decades. According to these authors, brand image is, to a very large extent, the result of consumers' engagement with the brand. Therefore, concentration of power by right holders through, *inter alia*, the functions theory fails to properly account for the way in which meaning in marks is created in the contemporary marketplace. This argument will be further explored towards the end of the chapter. Gangjee (n 16); McDonagh (n 16).

[18] Fiona Harris, 'Brands, Corporate Social Responsibility and Reputation Management' in Aurora Voiculescu and Helen Yanacopulos (eds), *The Business of Human Rights: An Evolving Agenda for Corporate Responsibility* (Zed Books Ltd 2011).

[19] Kevin L Keller, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (Pearson 1998), cited by Harris (n 18).

[20] Jean-Noël Kapferer, *Strategic Brand Management: Creating and Sustaining Brand Equity Long Term* (Kogan Page 1997), cited by Harris (n 18).

The traditional form of protection afforded by trade mark statutes to ensure respect for the origin function proves ill-suited to secure a brand's ability to acquire such positive meanings in the first place, and to maintain them over time. The confusion rationale seeks to protect the origin-signalling meaning of a mark. In so doing, it allows both traders and consumers to rely on a mark as providing genuine information as to its commercial source. However, the confusion rationale can do little to protect a sign from being misappropriated in instances where the meaning affected is not commercial source, but rather, say, the reputation conveyed by the mark. This is where protection of trade mark functions other than origin comes into effect, i.e. quality, advertising, investment and communication. The 'functions theory' (as is commonly known) can thus be said to represent the CJEU's efforts to systematise the protection afforded to marks in their 'brand incarnations'.[21] This is done in recognition of the role they play in promoting innovation and investment, which is deserving of protection. In the words of AG Poiares Maduro in *Google France v LVMH*:

> [T]he Court […] [has] confirmed that, alongside the aim of preventing consumers from being misled, trade marks also serve to promote innovation and commercial investment. A trade mark protects the investment that the trade mark proprietor has made in the good or service associated with it and, in so doing, creates economic incentives for further innovation and investment. The other functions of the trade mark [i.e. advertising, investment and communication], as named by the Court, relate to that promotion of innovation and investment.[22]

[21] This expression is borrowed from Gangjee (n 16).

[22] Joined Cases C-236/08 to C-238/08, *Google France v Louis Vuitton et al* (2010) ECR I-2417, Opinion of AG Maduro [96].

Hailed by some and criticised by most, the functions theory is not without controversy.[23] In its early stages, the vernacular of trade mark functions was devised as a doctrinal mechanism to narrow the scope of protection afforded by European trade mark law in double identity cases. The recitals in both the Trade Mark Directive and the EU Trade Mark Regulation provide that the protection to be afforded in such cases is 'absolute'.[24] It soon came to the attention of the CJEU that this language barred any flexibility upon interpretation and application of (now) Articles 10(2)(a) of the Directive and 9(2)(a) of the Regulation, dealing with double identity infringement. It could, thus, prove problematic in instances where use by defendant of an identical sign on identical goods was not liable to cause any damage to plaintiff's proprietary interests. In *Hölterhoff v Freiesleben*, the CJEU instructed the referring court to deny injunctive relief in a case involving defendant's use of signs identical to plaintiff's marks 'Spirit Sun' and 'Context Cut' in relation to goods covered by the registration, more precisely, diamonds and precious stones.[25] According to the court, defendant's use of plaintiff's mark had been

[23] The volume of literature on trade mark functions is vast. Relevant contributions include: Ansgar Ohly, 'Keyword Advertising or Why the ECJ's Functional Approach to Trade Mark Infringement Does Not Function (Case Comment)' (2010) 41 IIC 879; Dev Gangjee and Robert Burrell, 'Because You're Worth It: L'Oréal and the Prohibition on Free Riding' (2010) 73 MLR 282; Audrey Horton, 'The Implications of L'Oréal v Bellure – a Retrospective and a Looking Forward: The Essential Functions of a Trade Mark and When Is an Advantage Unfair?' [2011] EIPR 550; Max Planck Institute, *Study on the Overall Functioning of the European Trade Mark System* (2011); Tobias Cohen Jehoram, 'The Function Theory in European Trade Mark Law and the Holistic Approach of the CJEU' (2012) 102 TMR 1243; Gangjee (n 16); Annette Kur, 'Harmonization of Intellectual Property Law in Europe: The ECJ Trade Mark Case Law 2008-2012' (2013) 50 Common Market LR 773; Martin Senftleben, 'Function Theory and International Exhaustion: Why It Is Wise to Confine the Double Identity Rule in EU Trade Mark Law to Cases Affecting the Origin Function' (2014) 36 EIPR 518; Annette Kur, 'Trade Marks Function, Don't They? CJEU Jurisprudence and Unfair Competition Practices' (2014) 45 IIC 434; Luis H Porangaba, 'A Contextual Account of the Trade Mark Functions Theory' [2018] IPQ 230.

[24] Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States Relating to Trade Marks (Trade Mark Directive), Recital 16; Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark (EU Trade Mark Regulation), Recital 11.

[25] Case C-2/00, *Hölterhoff v Freiesleben* [2002] ECR I-905.

purely descriptive, i.e. had been used solely for purposes of describing the types of cuts available to the client for the ornamental stones it wished to purchase. In the words of AG Jacobs: '[u]se of that kind [i.e. descriptive] is in my view simply too far removed from the essential function of a trade mark to entitle a trade mark proprietor to prevent it under Article 5(1) of the Trade Mark Directive'.[26]

Hölterhoff thus became the first case to discuss the need to restrict the scope of protection afforded to right holders by double identity provisions. Other cases would follow suit. In both *Arsenal* and *Adam Opel v Autec*, the CJEU provided further guidance, formulating the applicable test in clearer terms and referring for the first time to *functions* (in the plural).[27] According to the court, the judicial inquiry has to focus on whether defendant's use of the allegedly infringing sign 'affects or is liable to affect the functions of the trade mark'.[28] Despite the efforts to narrow the scope of protection afforded to right holders in double identity cases through the functions theory, the decision in *Arsenal* already signalled the court's reluctance to apply it too strictly, i.e. to weigh too much against the proprietary interests of trade mark owners. In this case, the CJEU found the origin function to be negatively affected by Mr Reed's sale of scarves bearing signs identifying Arsenal Football Club, despite the disclaimer that they were not official Arsenal merchandise. According to the court, the origin function would be affected not so much at the point of sale, where it had been proved that consumers would not be confused as to the source of the goods, but rather after sale.[29]

[26] ibid, Opinion of AG Jacobs [39].

[27] Case C-206/01*, Arsenal Football Club* (n 15); Case C-48/05, *Adam Opel AG v Autec AG* [2007] ECR I-1017.

[28] Case C-206/01, *Arsenal Football Club* (n 15) [51].

[29] ibid [57].

Next in line would be *L'Oréal v Bellure*.[30] By confirming that trade mark functions other than origin ought to be protected in double identity cases, this decision appeared to tip the scales too obviously in favour of right holders' proprietary interests. This gave rise to a wave of criticisms from scholars and decision makers alike,[31] concerned about the unpredictability that the functions theory was bound to bring to European trade mark law.[32] An unpredictability that could potentially lead to the grant of too wide a scope of protection for trade marks in Europe. In Gangjee's words:

> Given their role in delimiting the scope of liability, there is concern that these brand-inspired functions have not been adequately theorised or delimited. If doubts persist about the content of the advertising or investment functions, how should we determine when they are harmed? Ill-defined functions tend to lead to overbroad protection, uncertainty and a chilling effect on third party activities in practice.[33]

Amongst other criticisms, Senftleben pointed out that the functions theory was unnecessary to begin with, since adequate protection for marks in their brand incarnations was already available in EU trade mark law under antidilution provisions.[34]

[30] Case C-487/07, *L'Oréal* (n 16).

[31] Ohly (n 23); Gangjee and Burrell (n 23); Horton (n 23); Max Planck Institute (n 23); Jehoram (n 23); Gangjee (n 16); Senftleben (n 23); Kur, 'Trade Marks Function, Don't They?' (n 23); Case C-46/10, *Viking Gas A/S v Kosan Gas A/S* [2011] ECR I-06161, Opinion of AG Kokott.

[32] It is relevant to note that much of the criticism stemmed from the CJEU's interpretation of free riding in *L'Oréal*. By holding that a reputed mark can be infringed irrespective of harm to the mark itself or to any of its functions, the court's decision was deemed to broaden the scope of protection afforded by EU antidilution provisions in an unprecedented manner. If confirmed in future cases (as we have seen since *L'Oréal*), this all-too generous interpretation of free riding could have severe repercussions for the promotion of competition in the marketplace. See, in this regard, Gangjee and Burrell (n 23); Darren Meale and Joel Smith, 'Enforcing a Trade Mark When Nobody's Confused: Where the Law Stands after L'Oréal and Intel' (2010) 5 JIPLP 96; Jonathan Turner, *Intellectual Property and EU Competition Law* (2nd edn, OUP 2015); *L'Oréal v Bellure* (2010) 535 EWCA (Civ) (Jacob LJ's decision in *L'Oréal* once it went back to the referring court). Some of the criticisms aimed at the (mis)interpretation of free riding seem, however, to have permeated to the CJEU's recognition of the additional functions that marks perform alongside signalling origin, further muddying this area of law.

[33] Gangjee (n 16) 44.

[34] Senftleben, 'Function Theory and International Exhaustion' (n 23).

There is merit to this criticism. By protecting reputed marks in instances not involving consumer confusion, antidilution statutes are often said to insulate them precisely from the sort of unauthorised third party use that can erode (or free ride on) their uniqueness and selling power, i.e. their brand image. Accordingly, there is hardly a justification for the creation of this doctrine by the CJEU.[35] It could be counter argued that the functions theory purports to provide protection to the brand dimension of all marks, regardless of whether or not they enjoy a reputation in the marketplace.[36] However, this still begs the question of whether non-reputed marks have a sufficiently developed brand dimension susceptible of protection. In this regard, Gangjee and Burrell wonder 'why such broad protection for all marks, be they humble or renowned? Many marks will lack content for the image or advertising functions'.[37]

Calls for the CJEU to 'push the genie back in the bottle' were arguably partially fruitful in light of later decisions in the keyword advertising saga.[38] In both *Google France v Louis Vuitton et al* and *Interflora v Marks & Spencer*, the court made a conscious effort, after defining the content of the advertising and investment functions, to interpret them narrowly with a view to restoring the balance in double identity cases.[39] It remains doubtful, however, the extent to which this has been the case. The functions theory is still heavily contested by commentators and domestic courts.[40] Quite apart from the

[35] ibid 519.

[36] See, in this regard, Case C-46/10, *Viking Gas* (n 31), Opinion of AG Kokott.

[37] Gangjee and Burrell (n 23) 286 fn 19.

[38] Kur, 'Trade Marks Function, Don't They?' (n 23) 1.

[39] Joined Cases C-236/08 to C-238/08, *Google France* (n 22); Case C-323/09, *Interflora Inc v Marks & Spencer plc* [2011] ECR I-08625. Commenting on these decisions, see Kur, 'Harmonization of Intellectual Property Law' (n 23).

[40] Ohly (n 23); Gangjee and Burrell (n 23); Horton (n 23); Jehoram (n 23); Gangjee (n 16); Senftleben, 'Function Theory and International Exhaustion' (n 23).

widespread scepticism as to the need for this doctrine in the first place, ten years into the decision in *L'Oréal* the functions theory remains far too underdeveloped to provide the required degree of legal certainty.[41] Out of the four additional functions – advertising, investment, quality and communication–, only the first two have been defined to date.[42] And even for these two functions there still remains much uncertainty, since it is unclear how they would apply in double identity scenarios not involving keyword advertising, let alone how they would map to dilution.[43]

Despite these shortcomings, the functions theory has several advantages. Firstly, it represents a much-needed effort to adapt European trade mark law to the changing economic landscape, in particular, to the growing role of branding in the contemporary marketplace. Marks are now widely used for a variety of purposes other than source-identification, including by economic actors other than right holders –for instance, by third party recoders, who increasingly use modified versions of marks for expressive purposes. Acknowledging the changing role of marks in the market and in society at large, and developing a doctrinal apparatus to ensure adequate protection of the new functions they are called upon to perform is surely a welcome development in trade mark law. Secondly, and in line with its initial aim of providing a safety valve in double

[41] Some authors are less critical of the state of development of the functions theory. In their view, the CJEU has provided enough guidance to allow for embryonic articulation of the doctrine. Amongst others: Kur, 'Harmonization of Intellectual Property Law' (n 23) 790–91.

[42] As will be explained in the following sections, the CJEU has provided guidance on the advertising function in *Google France* and *Interflora*, and on the investment function in *Interflora*. AG Kokott attempted to give content to the quality and communication functions in Case C-46/10, *Viking Gas* (n 31), Opinion of AG Kokott. The lack of a working definition of the quality and communication functions has been noted by scholars, for instance: Kur, 'Trade Marks Function, Don't They?' (n 23) 12.

[43] Antidilution protection in the EU is provided for in Article 10(2)(c) of the Directive and 9(2)(c) of the Regulation. Regarding the uncertainty as to how the functions theory ought to map to dilution, see Robert Burrell and Michael Handler, 'Reputation in European Trade Mark Law: A Re-Examination' (2016) 17 ERA Forum 85, 88.

identity cases, the functions theory can bring flexibility to the judicial inquiry. Quite apart from allowing circumventing the strictures imposed by rigid application of the law, whether trade mark or otherwise, flexibility ensures, in the complex institutional setting of the European Union, respect for national differences. As regards flexibility, Porangaba has recently pointed out that the functions theory is best understood methodologically, as a doctrine that allows infusing the infringement assessment with market realities by requiring that courts adopt a contextual approach to determination of whether any of the functions of plaintiff's mark is negatively affected by defendant's use.[44] Under this approach, trade mark infringement is ultimately contingent on context, i.e. on the specific circumstances surrounding defendant's use of plaintiff's mark. This is a persuasive argument, not least since it allows us, perhaps for the very first time, to reconcile the case law of the CJEU in this area, so often held to be contradictory.[45] Other scholars have proposed, as a way to systematise the case law of the CJEU, interpreting the functions theory as a balancing mechanism allowing courts to take into consideration opposing interests when adjudicating infringement disputes.[46] In so doing, courts are able not only to avoid the strictures imposed by too literal a reading of the 'absolute' protection afforded in double identity cases, but may also expand on the closed list of limitations provided under (then) Article 6 of the Trade Mark Directive (now

[44] Porangaba (n 23).

[45] A full understanding of Porangaba's theory requires, alongside the proposed contextual approach to the functions theory, discussion of the CJEU's interpretation of 'use' as an autonomous concept under EU trade mark law. According to this author, the seeming contradiction in the case law can be easily avoided by distinguishing between trade mark use that will not give rise to an infringement inquiry (for it does not meet the requirement of use as interpreted under EU law), such as was the case for the search engine Google in *Google France*, and trade mark use that gives rise to an infringement inquiry, with the final determination hinging around a contextual interpretation of the functions theory. ibid.

[46] Ohly (n 23); Kur, 'Harmonization of Intellectual Property Law' (n 23).

Article 14). According to Ohly, *Google France* should be read as requiring courts to consider:

> [N]ot whether trade mark functions are affected but whether the adverse effect is counterbalanced by competing interests. In [this case] the ECJ seems to apply a normative concept of "adverse effect": adverse effects which are outweighed by other considerations will more or less tacitly be left out of account.[47]

In a similar vein, Annette Kur has argued that:

> By adopting a rather strict approach towards assessing the adverse effect that nonconfusing use must have on the advertising or investment functions so as to find for infringement, the [CJEU] invites an open, interest-based balancing exercise, which operates as a complement to the restricted and non-expandable catalogue of limitations contained in Article 6 [Trade Mark Directive].[48]

Against this backdrop, it would appear that the success of the functions theory and, hence, its viability in the long run, are heavily dependent on the CJEU's ability to provide further guidance on the way that it ought to be interpreted and applied by European courts. There is far from a consensus in the literature as to how this would be best achieved. Most authors, however, propose that the court begin by providing a clear definition of all the functions it has so far identified, placing special emphasis on both the quality and communication functions, on which it has remained completely silent for over a decade. Let us now turn to each of these functions.

[47] Ohly (n 23) 880–81. As Ohly himself acknowledges, his proposition is heavily influenced by the Opinion of AG Maduro Poiares in *Google France*. In the latter's view, the protection that the law affords to economic activity, including marks, 'is never absolute [but rather] must be balanced against other interests'. Joined Cases C-236/08 to C-238/08, *Google France* (n 22), Opinion of AG Maduro [102].

[48] Kur, 'Harmonization of Intellectual Property Law' (n 23) 790.

1.3.2. The Quality Function

As we have seen, the CJEU has failed to engage with this function in depth, leaving the Advocate General, domestic courts and scholars to speculate about their content. In *Parfums Christian Dior v Evora*, AG Jacobs defined it as the ability of a mark to 'offer a guarantee that all goods bearing it have been produced under the control of a single undertaking which is accountable for their quality'.[49] He then went on to emphasise the inextricable link that exists between the quality and origin functions, going as far as holding that the former 'can be regarded as part' of the latter.[50] This likely explains why the AG did not even attempt to suggest how the quality function may be affected independently of the origin function –this is in contrast with his analysis of the advertising, investment and communication functions, which he acknowledges may be affected in instances where the origin function is not.[51]

Several years later, in *Viking Gas A/S v Kosan Gas A/S*, AG Kokott authored an opinion that constitutes, even to this date, the most relevant effort to give content to the quality function.[52] After acknowledging that this function 'goes hand in hand with

[49] Case C-337/95, *Parfums Christian Dior v Evora* [1997] ECR I-6013, Opinion of AG Jacobs [41], quoting the decision of the CJEU in Case C-10/89, *HAG II* (n 11) [13].

[50] Case C-337/95, *Parfums Christian Dior* (n 49) [41]. This was also noted in Case C-487/07, *L'Oréal* (n 16), Opinion of AG Mengozzi [53]. In similar terms, the High Court of England and Wales has held that '[t]his representation of responsibility for quality is inseparable from the mark's function as an indication of source'. *Glaxo Group v Dowelhurst* (2000) 415 ETMR (Ch) [425]-[426]. Commenting on the opinion of AG Jacobs in *Parfums Christian Dior*, Andrew Griffiths has argued that the quality function of a mark can, despite being inextricably linked to the origin function, assist in the interpretation of what amounts to adverse effect to the origin function. Andrew Griffiths, 'The Trade Mark Monopoly: An Analysis of the Core Zone of Absolute Protection under Art. 5(1)(a)' [2007] IPQ 312, 322.

[51] With the caveat that the AG is very sceptical that any of the additional functions of a mark may ever be adversely affected where the origin function is not. In this regard, he is clearly of the view that the adverse effect to these functions should be construed very narrowly in such cases, since 'they [are] merely derivatives of the origin function'. Case C-337/95, *Parfums Christian Dior v Evora* (n 49), Opinion of AG Jacobs [42].

[52] Case C-46/10, *Viking Gas* (n 31), Opinion of AG Kokott.

the function of guaranteeing […] origin', she went on to define it as the ability of a mark to 'indicate […] that the goods satisfy the quality standards of the recognisable proprietor of the trade mark'.[53] Fortunately, her analysis of the quality function did not end there. The AG went on to propose a theory of adverse effect to this function in the following terms: 'as a rule, the function in relation to quality is adversely affected, if goods not attaining those quality requirements are commercialised under the trade mark, for example, by licensees or following impairment by the purchaser'.[54] Unfortunately, however, the CJEU failed to consider the application of functions other than origin in this case and, thus, remained silent on AG Kokott's proposed articulation of what amounts to adverse effect to the quality function.[55] There is, accordingly, still much to be said about this function, especially by the CJEU.

1.3.3. The Advertising Function

By contrast, the CJEU has provided considerable guidance on the interpretation of the advertising and investment functions. In both *Google France* and *Interflora*, the court was asked to determine whether the use, as sponsored keywords in Google's search engine, of signs identical to registered marks to promote goods covered by the registrations amounted to double identity infringement. Both cases reached the CJEU by means of references for preliminary rulings launched by Member States' courts. Defendants in these cases used the signs by bidding for them on Google's AdWords platform. This allowed them to advertise their products on the sponsored section of

[53] ibid [45].
[54] ibid [45].
[55] ibid [23].

Google's website when internet users searched for plaintiffs' marks. Applying the functions theory, the CJEU held that infringement would ensue only if one of the functions of plaintiffs' marks had been negatively affected by defendants' use. As regards the origin function, the court in *Google France* held that, in the keyword advertising context, this function is adversely affected when the sponsored advertisement does not allow internet users to determine whether the promoted goods originate from the mark owner or from a third party. In particular, domestic courts should look into whether defendant's ad suggests that it is economically linked to the trade mark owner or, where no such suggestion exists, whether the ad is so unclear on the origin of the promoted goods that 'normally informed and reasonably attentive internet users' will be unable to determine whether the advertiser is the mark owner or a third party.[56] This is a rather convoluted test that, nonetheless, was confirmed by the CJEU soon after in *Interflora*.

More importantly for present purposes, the court went on to address the advertising function of trade marks. *Google France* was, thus, the very first decision to guide domestic courts on the interpretation of functions other than origin, one year after *L'Oréal*. According to the CJEU:

> Since the course of trade provides a varied offer of goods and services, the proprietor of a trade mark may have not only the objective of indicating, by means of that mark, the origin of its goods or services, but also that of using its mark for *advertising purposes designed to inform and persuade consumers*.
>
> [The advertising function protects against third party use that] adversely affects the proprietor's use of its mark as a *factor in sales promotion or as an instrument of commercial strategy*.[57]

[56] Joined Cases C-236/08 to C-238/08, *Google France* (n 22) [89]-[90].

[57] ibid [91]-[92].

The wording chosen by the court in this excerpt would provide support for the abovementioned proposition that the functions theory has been developed in recognition of the diversity of objectives that contemporary marks are called upon to perform in the global marketplace. By contextualising the definition of the advertising function, the court is arguably attempting to ground the legal protection that this new function is afforded under EU trade mark law on market demands. One might venture that this is a conscious decision from the CJEU, which wishes not only to justify the broader scope of protection that results from the recognition of new trade mark functions, but also to inform the judicial interpretation of the advertising function.

According to the court, a mark performs an advertising function when it is used 'to inform and persuade consumers', that is, 'as a factor in sales promotion or as an instrument of commercial strategy'.[58] The courts of Member States have provided further interpretive guidance of this function by describing it as trade mark use intended to 'convey […] a particular image to the average consumer of the goods or services in question'.[59] For instance, and going back to the automobile example, when BMW uses its marks to convey an image of high quality and enjoyable driving experience through the manufacture of reliable automobiles and marketing campaigns. Spanish readers might remember the TV ad launched by this company at the turn of the millennium showing a driver's hand swiftly dancing with the wind as a 'BMW'-branded car drove through deserted landscapes, topped with the slogan 'Do you enjoy driving?' and the

[58] ibid [92].

[59] *Datacard v Eagle Technologies* [2011] EWHC 244 Pat [272].

‘BMW’ logo.[60] English-speaking readers might recall a similar campaign launched in 2013 using the slogan ‘DESIGNED FOR DRIVING PLEASURE’.[61] Quite apart from celebrating the act of driving, these ads served to display the ‘BMW’ mark in an advertising context intended to ‘persuade consumers’ into buying a BMW-manufactured car by ‘convey[ing] […] a particular [positive] image […] of the goods in question’. It was, thus, used as ‘an instrument of commercial strategy’.

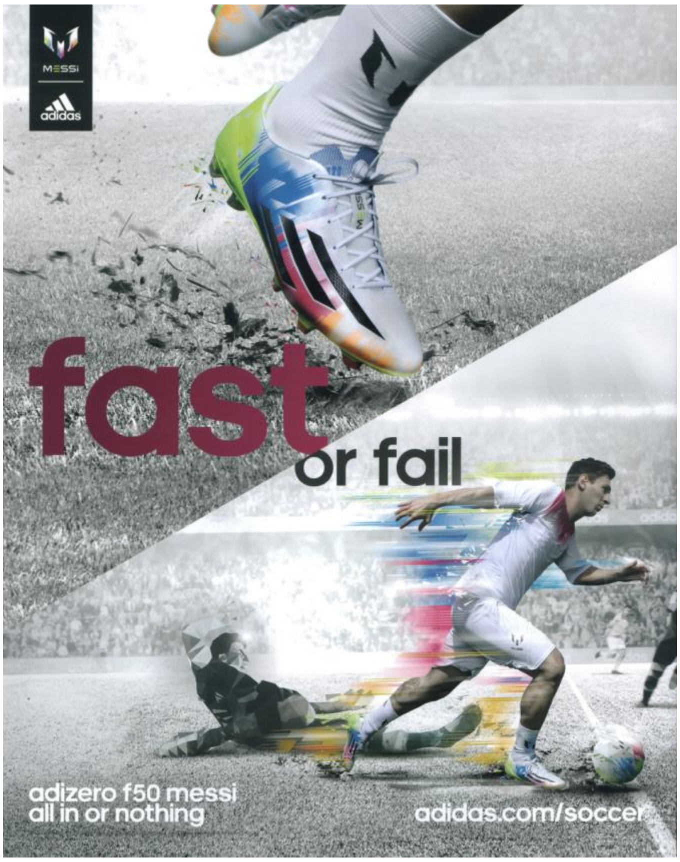
Another example, in the sports equipment industry, of a mark performing an advertising function would be the use by Adidas AG of its ‘adidas’ mark on the equipment of sponsored athletes to convey an image of high quality and performance enhancement. In this regard, a very successful sponsorship campaign prominently featuring the ‘adidas’ mark includes world renowned footballer Lionel Messi.[62] An example of one of the ads picturing Messi running with the ball, alongside the ‘adidas’ logo and the slogan ‘fast or fail’ can be seen below:[63]

[60] The TV commercial can be viewed on BMW Spain’s YouTube channel <www.youtube.com/watch?v=bmYYpHI6clY> accessed 24 September 2019 (author’s translation from Spanish).

[61] ‘New BMW campaign: “DESIGNED FOR DRIVING PLEASURE”’ (*BMW Press Release*, 18 February 2013) <www.press.bmwgroup.com/global/article/detail/T0137101EN/new-bmw-campaign-designed-for-driving-pleasure> accessed 24 September 2019.

[62] Adam Nelson, ‘Lionel Messi signs huge new contract’, SportsPro (14 February 2017) <www.sportspromedia.com/news/lionel-messi-signs-huge-new-contract> accessed 26 September 2019.

[63] Ad featured in Drew Wendt, ‘Messi Makes Speed Colorful with His New adidas F50 adiZero’ (*Soccer Pro*, 17 February 2014) <www.soccerpro.com/theinstep/multicolor-adidas-messi-f50-adizero/> accessed 26 September 2019.



This campaign serves to 'inform […] consumers' of the characteristics of the sporting goods manufactured and marketed by Adidas AG by showcasing how they can be used (i.e. to play football) and with what outstanding results (i.e. enhancing your speed in the field). Furthermore, by associating the 'adidas' mark and 'three-stripe' logo with the positive image conveyed by renowned athletes such as Messi, these campaigns serve the additional purpose of 'persuading consumers' into buying 'adidas'-branded products, who will want to resemble their idols and maximise their athletic performance.

In the online environment, marks perform an advertising function in search engines by featuring on the list of results when consumers run a search using the mark. This so-called 'natural' list of results allows right holders to inform consumers running the search of the goods that they offer for sale and their characteristics, as well as to persuade them into buying them. In the specific context of keyword advertising, use of a mark by bidding for it on Google's AdWords platform serves an advertising function by allowing the right holder to showcase its goods in a featured section of the website, i.e. as a sponsored ad that will appear in the top results. The owner will thus be in a privileged position to inform consumers running the search of the goods that they offer for sale, as well as to persuade them into buying them –amongst other things, by the prominent space in which they feature within the site and the characteristics of the ads, which sometimes include images of the goods.

In *Google France*, the CJEU gave detailed guidance on the interpretation of adverse effect to the advertising function in keyword advertising cases. The court conceded that third party bidding for words that are protected as trade marks can run counter to right holders' interests in using their marks for advertising purposes in online search engines. In particular, it can increase right holders' bidding cost on AdWords, since the more people that bid on a given word, the higher the cost of being featured first on Google's list of results is. Accordingly, trade mark owners who wish to ensure that their ads continue to be featured before those of third parties bidding for their marks will be forced to do so at a higher price per click. In addition to this, even where a right holder is willing to pay more, third party bidding might still run counter to its advertising strategy by preventing it from having its goods advertised in the top position(s) on the results list, since other factors are also taken into consideration by the search engine in deciding the order in which the sponsored results are shown. According to the court, however, these 'repercussions of use by third parties of a sign identical with the trade mark do not of themselves constitute an adverse effect on the advertising function of the trade mark'.[64] Building on this idea, the CJEU went on to hold in *Interflora* that the advertising function of a mark is not affected in the keyword advertising context since third party bidding 'does not […] have the effect of denying the proprietor of that trade mark the opportunity of using its mark effectively to inform and win over consumers'.[65]

There is room to argue that the CJEU's narrow interpretation of what constitutes adverse effect to the advertising function in *Google France* and *Interflora* was influenced by the wave of criticisms triggered by its decision in *L'Oréal*.[66] In particular, the court would appear to be making a conscious effort to bring the functions theory more in line with its original aim of narrowing the scope of protection afforded to right holders in double identity cases. Whether this was the case is debatable, not least since *Google France* served to confirm that functions other than origin can be protected under European trade mark law.[67] However, it is arguably the case that by denying relief to plaintiffs in the keyword advertising context, where there are obvious repercussions for right holders' advertising interests, most instances of third party use of trade marks will not adversely affect their advertising function to the extent necessary to amount to infringement. Agreeing with these propositions, Kur has argued that:

> It follows from *Google* [*France*] and *Interflora* that the [CJEU]'s broad approach towards the trade mark functions triggering the application of Article 5(1)(a)

[64] Joined Cases C-236/08 to C-238/08, *Google France* (n 22) [95].

[65] Case C-323/09, *Interflora* (n 39) [59].

[66] See, notably, Jacobs LJ's outraged disapproval of the CJEU's decision in *L'Oréal* when it went back to the referring court. *L'Oréal* (n 32). See also: Gangjee and Burrell (n 23); Turner (n 32); Meale and Smith (n 32).

[67] This was reiterated in *Interflora*, where the CJEU gave a very clear response to the Commission's suggestion (by means of a brief submitted to the court encouraging it to reconsider its decision in *L'Oréal* so as to circumscribe the protection afforded by double identity to adverse effect to the origin function) when it held that the origin function 'is not the only function of the mark that is worth of protection against injury by third parties'. Case C-323/09, *Interflora* (n 39) [39].

> [Trade Mark Directive] has not resulted in the broad kind of protection that seemed to be heralded by *L'Oréal*.[68] […]
>
> Indeed, as the[se] decisions […] have shown, the scope of protection granted under the additional trade mark functions is rather limited, as they are only held to be adversely affected if serious damage is done.[69]

1.3.4. The Investment Function

In *Interflora*, the CJEU not only confirmed its rather narrow interpretation of adverse effect to the advertising function, but it went on to give content to the investment function. The court began by defining this function as 'use[] by its proprietor to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty'.[70] Aware that this definition bore much resemblance to that previously proposed for the advertising function, the court went on to acknowledge that both functions can sometimes overlap. They must not, however, be confused. The court appeared to be at pains to explain how these functions differ from each other when it held that 'when the trade mark is used to acquire or preserve a reputation, not only advertising is employed, but also various commercial techniques'.[71] Unfortunately, the court failed to explain what these 'various commercial techniques' could be, opening the door to speculation.

The marketing literature can be of assistance in this regard. There is a wealth of corporate strategies aimed at building and maintaining the reputation of a brand other than through advertising. For instance, actions aimed at developing a firm's corporate social responsibility often seek to 'link[…] socially responsible behaviour with the

[68] Kur, 'Harmonization of Intellectual Property Law' (n 23) 790.

[69] ibid 767 fn 60.

[70] Case C-323/09, *Interflora* (n 39) [60] (emphasis added).

[71] ibid [61].

brand'.[72] This allows to infuse the brand with the positive associations derived from such behaviour. Another example includes social media engagement, which is rapidly becoming a fundamental strategy for firms wishing to create and maintain their brand image.[73] Although firms' marketing strategies in social media are heavily reliant on advertising, they include other forms of interaction with (and even between) consumers, such as experience-sharing and community building.

To further illustrate the different scenarios in which a mark can perform an investment function, I will make recourse once again to examples extracted from the automobile and sports clothing industries. Trade marks may perform an investment function when used on advertising. The reader will recall BMW's abovementioned advertising campaign centred around driving pleasure. We saw that use of the 'BMW' logo in the ad serves an advertising function by persuading consumers into buying a 'BMW'-branded car if they seek an enjoyable driving experience. But it also serves an investment function by building on BMW's brand image since ad viewers will associate the 'BMW' logo with the joy of driving. In turn, this will attract consumers that value positive driving experiences and ensure they remain loyal to the brand. Similarly, use of the 'adidas' mark and 'three-stripe' logo by Adidas AG on its advertising campaign featuring sponsored footballer Messi serves an investment function by building on the reputation of the brand as enhancing athletes' physical performance. This positive brand image will, in turn, attract consumers eager not only to imitate their idol, but also to see their speed maximised in the football field.

[72] Michael J Polonsky and Colin Jevons, 'Understanding Issue Complexity When Building a Socially Responsible Brand' (2006) 18 EBR 340, 341.

[73] Manfred Bruhn, Verena Schoenmueller and Daniela B Schäfer, 'Are Social Media Replacing Traditional Media in Terms of Brand Equity Creation?' (2012) 35 MRR 770.

Trade marks can also perform an investment function in the context of other activities not involving advertising. As regards corporate social responsibility, BMW has for quite some time now engaged in socially-beneficial activities with a view, *inter alia*, to building its brand image.[74] For instance, it regularly organises workshops in different countries around the world aimed at educating children on road safety. Or provides internship opportunities to aspiring engineers. These activities, which have an obvious positive impact on society and are *per se* desirable, also serve BMW to build on the reputation of its brand. Adidas AG also engages in socially-beneficial activities that serve to strengthen its brand image. Most of the company's social corporate responsibility hinges around sustainability and the protection of the environment.[75] For example, it is heavily invested in reducing the use of non-recycled materials in its manufacturing process and in safeguarding water quality by ensuring the responsible management of chemicals. These activities not only seek to benefit society, but also to strengthen the reputation of the 'adidas' brand, which becomes infused with the positive image conveyed by the company's environmentally-friendly behaviour.

Social media engagement is another way in which firms' marks can perform an investment function. For instance, both BMW and Adidas AG are present in the most popular social media platforms, including Facebook, Instagram and Twitter, usually through national and/or regional accounts.[76] Most of their activity on these sites

[74] BMW's corporate social responsibility strategy can be found on its website <https://www.bmwgroup.com/en/responsibility/social-commitment.html> accessed 18 September 2019.

[75] Adidas AG's approach to sustainability can be found on its website <www.adidas-group.com/en/sustainability/managing-sustainability/general-approach/> accessed 19 September 2019.

[76] Adidas AG's global accounts on: (a) Facebook: <www.facebook.com/adidas/>; (b) Instagram: <www.instagram.com/adidas/?hl=en>; and (c) Twitter: <https://twitter.com/adidas?lang=en> all accessed 19 September 2019. BMW's global accounts on: (a) Facebook: <www.facebook.com/BMW/>; (b) Instagram: <www.instagram.com/bmw/?hl=en>; and (c) Twitter:

consists of advertising aimed at informing consumers of the characteristics of their products (for instance, upcoming car/trainer models and features) and persuading them into buying them. However, some of their advertising also aims at building brand image and strengthening the reputation that the 'BMW' and 'adidas' brands enjoy. For instance, they use them in video and photo ads showcasing: (a) in the case of BMW, the driving capabilities of its cars, including how pleasurable it is to drive them; and (b) in the case of Adidas AG, the performance-enhancement potential of its sportswear, often by depicting professional athletes wearing 'adidas'-branded apparel. These multinational companies also use their marks on social media to build brand image by engaging with its customers in a plurality of ways. For instance, by providing a forum in which clients can share their purchasing and driving/sporting experiences not only with the companies themselves but, most importantly, with other clients. In other words, by engaging in community building. Also, these fora are usually used as customer service online platforms where clients can ask questions about the products they have purchased to the manufacturer, or even criticise its goods and management strategies. This is why it is often said that community building in social media is a double-edged sword since brand owners have to be careful to minimise the negative impact that such criticisms, especially if widespread, can have on their brand image.[77]

<https://twitter.com/BMW?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor> all accessed 19 September 2019.

[77] Silke Bambauer-Sachse and Sabrina Mangold, 'Brand Equity Dilution through Negative Online Word-of-Mouth Communication' (2011) 18 Journal of Retailing and Consumer Services 38; Sen Shahana and Dawn Lerman, 'Why Are You Telling Me This? An Examination into Negative Consumer Reviews on the Web Journal of Interactive Marketing, Vol. 21 , No. 4 , Pp. 76 – 94' (2007) 21 Journal of Interactive Marketing 76.

By strengthening the reputation of the 'BMW' and 'Adidas' brands, all of the above-mentioned strategies showcase real-life instances where marks are performing an investment function.

Going back to the decision in *Interflora*, after defining the investment function, the CJEU went on to hold that adverse effect to this function will result from defendant's unauthorised use of plaintiff's mark 'substantially interfer[ing] with the proprietor's use of its trade mark to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty'.[78] This is hardly adding anything new. As regards reputed marks, the court held that adverse effect to the investment function will ensue where defendant's unauthorised use 'affects that reputation and thereby jeopardises its maintenance'.[79] This is, again, stating the obvious. However, the court soon went on to identify two ways in which unauthorised third party use of a mark will not have an adverse effect on its investment function, more precisely, where:

> [T]he only consequence of that use is to oblige the proprietor of that trade mark to adapt its efforts to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty. Likewise, the fact that that use may prompt some consumers to switch from goods or services bearing that trade mark cannot be successfully relied on by the proprietor of the mark.[80]

Interestingly, the court's wording does not contain any reference to keyword advertising. This should not be surprising in light of the nature of the court's task in

[78] Case C-323/09, *Interflora Inc* (n 39) [62].

[79] ibid [63]. In an effort to consider instances where the investment function of a mark might be adversely affected by unauthorised third party use, Kur has advanced that 'this might occur in particular if use of the mark as a keyword is likely to result in the loss of distinctive character, meaning that the relevant public will perceive the mark as a generic term rather than as a sign indicating origin'. Kur, 'Harmonization of Intellectual Property Law' (n 23) 790.

[80] Case C-323/09, *Interflora Inc* (n 39) [64].

references for preliminary rulings, where it must provide abstract guidance on the interpretation of EU law and, thus, refrain from applying the law to the facts at issue. However, in cases addressing trade mark functions, the court has often blurred this line by tailoring its interpretation of the Trade Mark Directive to the specific set of facts before the domestic court.[81] The reason for this might be found in the court's willingness to adopt a narrow interpretation of what constitutes adverse effect to the investment function. This would be in keeping with its efforts, since *Google France*, to root the functions theory in its foundational aim of restricting the scope of protection afforded to right holders in double identity cases. Indeed, the protection afforded to the investment function in light of the CJEU's decision in *Interflora* is very narrow. Most claims from right holders seeking to safeguard the ability of their marks to build and maintain a reputation are likely to hinge around showing either: (a) additional 'efforts to acquire or preserve a reputation' as a result of defendant's unauthorised use; or (b) that consumers have 'switched from goods or services bearing [plaintiff's] trade mark'. Precisely the two ways in which the court held that the investment function cannot be adversely affected. Therefore, and as was the case with the advertising function in light of *Google France*, most instances of unauthorized third party use of marks will not adversely affect their investment function to the extent necessary to amount to infringement.[82]

[81] This was most obviously the case in *L'Oréal*, where the referring (UK) court criticised the CJEU's approach. The CA claimed that the CJEU's interpretation of the Directive's double identity provision had been so narrowly tailored to the specific facts at issue that there was barely any room left for it to adjudicate the dispute. *L'Oréal* (n 32) [31]. This was arguably also the case in *Google France* and *Interflora*, where the CJEU's interpretation of 'adverse effect' to the advertising function followed so closely the fact pattern provided for by keyword advertising that domestic courts had little room for further adjudication.

[82] As was already mentioned upon analysis of the advertising function, Annette Kur has agreed with this proposition. See text to nn 68-69.

1.3.5. The Communication (or Expressive) Function[83]

We explained earlier how the CJEU has failed to engage in any meaningful way with the communication function. Most guidance to date thus stems from the opinions of the Advocates General. Although she failed to provide a definition of this function, AG Kokott attempted to articulate what amounts to adverse effect to this function in *Viking Gas*.[84] Plaintiff in this case manufactured and sold bottled gas, as well as offering gas refilling services. Defendant was in the business of refilling and distributing used gas bottles, some of which were manufactured by plaintiff and, thus, still had its marks affixed and/or were protected by a shape mark. AG Kokott concluded that defendant's use of these bottles would have an impact on the functions of plaintiff's marks, including those of advertising, investment and communication. In her view, even if consumers are not confused as to the origin of the gas as a result of defendant's use of the bottles bearing/embodying plaintiff's marks, they will less readily associate them with its proprietor. The impact to these functions would arise from a reduction in the distinctiveness of the marks, hence why the AG characterises it as 'consist[ing], ultimately, in the dilution of the mark'.[85] However, after balancing these repercussions on the functions of the mark with 'consumers' property rights […] [who own] the bottle[s] and the protection of competition', the AG considered that these repercussions would not amount to infringement.[86] Unfortunately, the CJEU failed to consider the

[83] As I will go on to argue, the communication function in EU law ought to be equated to the expressive function of marks. As a result, both terms could be used interchangeably. For clarity purposes, however, this thesis will make reference to the communication function only in the context of the functions theory as developed by the CJEU.

[84] Case C-46/10*, Viking Gas* (n 31), Opinion of AG Kokott.

[85] ibid [60].

[86] ibid [65].

application of functions other than origin in this case and, thus, remained silent on AG Kokott's proposed articulation of what amounts to adverse effect to the communication function.[87] There is, accordingly, still much to be said about this function, especially by the CJEU.

This is regrettable. As noted by several scholars, it adds to the uncertainty that has surrounded the functions theory since its inception in *L'Oréal*.[88] Also, and most importantly, it is symptomatic of the inability of EU trade mark law to keep pace with changing market realities. There is overwhelming evidence that marks are increasingly being used by right holders to communicate complex ideas, even values, with a view to expressing themselves. This is often the result of substantial and prolonged investment by firms who believe in such values themselves and wish to spread them in society through the manufacture and branding of goods that embody them or contribute to their practice.

For instance, going back to the automobile and sporting goods examples, we have already seen how the 'BMW' logo conveys an image of pleasurable, joyful driving. This is the result of a conscious effort by its right holder, BMW, whose brand strategy seeks to transcend more conventional meanings such as commercial origin and product quality. Pleasure and joy are concepts that tap into hedonistic values and lifestyle choices that revolve around the pursuit of happiness. BMW believes in the desirability of leading a joyful life, to which it seeks to contribute in several ways. Firstly, by manufacturing cars that provide a pleasurable driving experience. Secondly, by informing (and attracting) consumers, through advertising, that 'BMW'-branded cars

[87] Case C-46/10, *Viking Gas* (n 31) [23].

[88] Kur, 'Trade Marks Function, Don't They?' (n 23); Gangjee (n 16).

provide such an experience. And, thirdly, by pursuing a brand strategy that allows to build on this positive image so that, over time, the 'BMW' brand is able to convey not just a meaning of joyful driving, but, more importantly, of hedonistic values. Because the 'BMW' logo is now able to communicate such a complex meaning, its right holder can use it to signal far more than commercial origin and product quality: its allegiance to a hedonistic lifestyle. In other words, BMW will be able to use its mark to express itself. When used for this purpose, a mark is said to perform an expressive function.

The firm's marketing campaign for the launch of its BMW Z4 car model can help illustrate this type of use. The campaign features renowned artist Robin Rhode driving a BMW Z4 car on a smooth white surface, that serves as an enormous canvas for the paint-covered wheels to draw a colourful masterpiece as the car is driven to execute circles and lines. Explaining the aim of this campaign, a press release from the company provides as follows:

> The outcome [of the ad] is "An Expression of Joy" –just like the BMW Z4 itself. […] More than anything, the new BMW Z4 is an *expression* of sheer driving pleasure. The head of marketing for the BMW brand in Germany, Manfred Bräunl, is confident that: "The BMW Z4 embodies the values of the BMW brand –design, youthfulness, dynamic performance– more than any other vehicle. The launch campaign for the new roadster *expresses* these values exceptionally well. […]".[89]

BMW acknowledges in its press release to be expressing itself in several ways. Firstly, through the manufacture of the BMW Z4 car model, which 'embodies the values of the BMW brand', including the hedonistic pursuit of a joyful driving experience. In this

[89] '"An Expression of Joy": The global launch campaign for the new BMW Z4 portrays driving as an art form - and presents the roadster as an artist on four wheels' (*BMW Press Release*, 14 April 2009) <https://www.press.bmwgroup.com/global/article/detail/T0012135EN/an-expression-of-joy-:-the-global-launch-campaign-for-the-new-bmw-z4-portrays-driving-as-an-art-form-and-presents-the-roadster-as-an-artist-on-four-wheels?language=en> accessed 21 September 2019 (emphasis added).

regard, the company believes the car itself to be 'an expression of sheer driving pleasure'. And, secondly, through the advertising campaign, which 'expresses the […] values [of the company] exceptionally well'. These acts of communication are heavily dependent on the expressive function of the 'BMW' logo, which is used on the car itself and on the ads to convey the hedonistic values that the brand is commonly associated with. In both instances, therefore, the figurative mark protecting the 'BMW' logo is being used for expressive purposes.

Similarly, we saw at the beginning of this chapter that the 'Volvo' mark not only serves to signal the commercial origin of Swedish automobile manufacturer AB Volvo, but also conveys an image of safe driving. AB Volvo is well known for constantly seeking to enhance the safety features of its automobiles with a view to minimising the repercussions, in terms of bodily injury and even loss of life, that a collision while driving can bring about on the driver, as well as on any passengers, usually family members and friends. The concept of safety on the road is, therefore, firmly rooted in the firm's ethos. This concept taps into fundamental social values, such as family, friendship, safety, well-being, even social cohesion. All of which the 'Volvo' brand is able to convey. How? Firstly, by manufacturing cars that incorporate the latest advancements in safety-enhancement technology. Secondly, by informing consumers, through advertising, that their cars maximise safety on the road for all passengers. This information also allows AB Volvo to attract safety-conscious consumers, who value safety on the road above other car features, such as, for instance, driving experience. And, thirdly, by building a brand image that revolves around safety and family/friendship values. As a result, the 'Volvo' brand will allow AB Volvo to: (a) distinguish its cars from those of other automobile manufacturers; (b) inform (and persuade) consumers that its cars are reliable and safe –and, thus, ideal for protecting family and friends–; and (c) express its allegiance to family/friendship values.

One of AB Volvo's latest marketing campaigns can help illustrate this. In 2016, the company presented 'Vision 2020', a strategy focused on passenger safety that is committed to ensuring that nobody dies, or is seriously injured, in one of their cars by 2020.[90] To announce this strategy, the company launched an ambitious advertising campaign featuring, *inter alia*, a TV spot showing a young girl being driven by her parents in the back seat of a 'Volvo'-branded car.[91] As different landscapes appear before her eyes, we hear her thoughts which, towards the end of the ad, are as follows:

> There is something I don't understand: how the car makers think. It seems like they keep making cars for race tracks, instead of city streets. Is that what's important? Really? What if a car maker thought differently? […] What if someone made a car for people who care about other people?[92]

The camera then zooms out from her face and we see the back of a 'Volvo'-branded car as it drives into the distance on a peaceful rural road. After the image fades to black, the following message from AB Volvo's CEO is shown on screen: '[o]ur Vision is that by 2020, nobody should be seriously injured or killed in a new Volvo car'.[93] This campaign takes AB Volvo's determination to design and manufacture cars that incorporate the latest safety-enhancing technologies to the ultimate level. 'Vision 2020' is, therefore, born from the manufacturer's belief in the importance of safety on the road. But the company

[90] The company offers a thorough overview of this campaign on its website <https://www.volvocars.com/en-om/about/our-stories/vision-2020> accessed 21 September 2019.

[91] The ad can be streamed on several of Volvo's national YouTube profiles, for instance, on its Belgian and Luxembourg profile <https://www.youtube.com/channel/UCbSirMzCYKft5xG-cLK6BTg> accessed 21 September 2019.

[92] ibid.

[93] ibid.

is not just interested in safety for the sake of safety. AB Volvo has repeatedly emphasised its commitment to safety as a means to protect people and ensure that they can enjoy life together. As the company's most senior branding strategist stated in a recent interview: 'There are other aspects around safety that we are focused more on, without giving up safety. We are a brand for people who care about people.'[94] The 'Volvo' brand, therefore, conveys much more than commercial origin and product quality. It has come to communicate a set of values that revolve around safety on the road, most notably, the protection of our loved ones, be they family or friends. And this campaign is the perfect example of how AB Volvo uses its 'Volvo' marks to express its belief in such fundamental values. Firstly, by affixing them on cars that have been designed and manufactured following the company's high safety standards. And, secondly, by using them on the TV ad, as well as on other promotional materials.

The ability of contemporary marks to convey the sorts of complex meanings that these examples illustrate is extremely valuable for firms, who wish to attract consumers who identify with the values and lifestyle choices conveyed by expressive marks. By tapping into their expressive needs, the purchase and consumption of branded goods also allows consumers to express themselves and pursue their identity projects through use of the mark.

So far, however, the sole instance where the Advocate General has acknowledged the ability of marks to convey such complex meanings has been in *L'Oréal*.[95] In assisting the CJEU, AG Mengozzi characterised the communication function

[94] Lucy Handley, ''Marketing can't be made up': Volvo's brand chief wants communications to mean something' *CNBC* (21 September 2018) <https://www.cnbc.com/2018/09/21/volvos-cmo-bjorn-annwall-on-the-car-companys-marketing-strategy.html> accessed 21 September 2019.

[95] Case C-487/07, *L'Oréal v Bellure* (n 16), Opinion of AG Mengozzi.

as the ability of marks to convey information generally, ranging from commercial source to more complex ideas –what he terms '"accumulated" information'–, for instance, 'messages relating to non-physical characteristics which give an image of the product or the company in terms which are general (for example, quality, trustworthiness, reliability, etc.) or particular (for example, a certain style, luxury, strength)'.[96] The latter type of information arguably falls into the expressive category, allowing the mark owner to communicate its allegiance to a certain style or level of sophistication. It would thus appear that the communication function is spacious enough to include expressive meanings, which are deserving of protection under EU trade mark law. Unfortunately, however, in taking the communication function one step forward, AG Mengozzi also took two steps back. Firstly, he remained silent as to what can constitute 'adverse effect' to the communication function of trade marks that convey expressive meaning. Secondly, by construing the communication function in such broad terms to include the ability of a mark to convey any type of meaning (including, but not limited to, expressive meaning), this function arguably becomes redundant.[97] As Gangjee rightly points out:

> [T]hus construed, the communication function recognizes that marks are semantically roomy enough to carry a range of promotional messages and this seems indistinguishable from a mere combination of the investment and advertising functions.[98]

[96] Ibid [54].

[97] AG Jääskinen has interpreted the communication function, in light of the decisions of the CJEU and opinions of the Advocates General, as being 'to a large extent covered by the distinguishing and origin function, advertising function and the investment function'. Case C-324/09, *L'Oréal v eBay* [2011] ECR I–06011, Opinion of AG Jääskinen fn 58. This led him to conclude that there was no need 'to address it separately here'. ibid. It is unclear whether the AG is leaving the door open to the possibility of assessing adverse effect to this function separately in other instances, but it seems unlikely. Arguing for this position, Gangjee has interpreted Jääskinen's opinion in the sense that he 'concludes that the communication function operates at a foundational level and is integrated into the other functions, such that it does not require separate consideration'. Gangjee (n 16) 39.

[98] Gangjee (n 16) 41.

Useful exploration of this function would, thus, require the CJEU to clearly delimitate its content by explaining how it differs from the advertising and investment functions, and how it can be adversely affected. In doing so, the court would be best advised to build on AG Mengozzi's opinion and hold the communication function to protect a mark's ability to convey expressive meaning. This would be in keeping with its efforts to protect the plethora of functions that contemporary marks are already performing in the marketplace. Furthermore, it would allow the court to keep pace with the widespread consensus regarding marks' ability to convey expressive meaning.

That marks perform an expressive function has been acknowledged by commentators since the early 1990s writing in both the legal and marketing fields, as well as by courts, notably in the US. For instance, Dreyfuss, one of the very first scholars to address the legal implications derived from the expressive function of marks, has argued that:

> [I]deograms that once functioned solely as signals denoting the source, origin, and quality of goods, have become […] indicators of the status, preferences, and aspirations of those who use them. Some trademarks have worked their way into the English language; others provide bases for vibrant, evocative metaphors. In a sense, trademarks are the emerging lingua franca: with a sufficient command of these terms, one can make oneself understood the world over, and in the process, enjoy the comforts of home.[99]

In similar terms, Swann et al have contended that '[s]trong trademarks, with their range of denotations and connotations, are simply among the most powerful words in our vocabulary'.[100] Desai has advanced that '[c]onsumers often buy branded goods not for their quality but as badges of loyalty, ways to express identity, and items to alter and

[99] Rochelle C Dreyfuss, 'Expressive Genericity: Trademarks as Language in the Pepsi Generation' [1990] Notre Dame LR 397, 397–98.

[100] Aaker, Reback and Swann (n 14) 800–01.

interpret for self-expression'.[101] Elsmore is 'astonish[ed] [by] the role of trademarks as proxy mechanisms for consumers to advertise themselves and their values, and the marked products, through displaying trademarks'.[102] Gangjee has argued that 'brand image may also provide the resources for both individual as well as collective identity projects. Since consumers fabricate their identities within a market context, brands signal social identity or status'.[103] According to McGeveran, 'many uses of trademarks in today's culture go far beyond the boundaries of […] commerc[e] […]. They can involve political expression, artistic works, parodies, or criticism.'[104] Jacques has claimed that '[c]onsumers do not buy goods and services to merely satisfy their needs, but they *consume* trade marks for the messages they convey.'[105] Ricolfi has advanced that 'brands may convey –and do convey– not only messages about the origins of the goods and their quality but also other messages, about lifestyles, values, attitudes towards society and the like'.[106] Keller, writing in the marketing field, believes that 'for many people, [...] [brands] serve the function that fraternal, religious and service organizations used to serve –to help people define who they are and then help them communicate that definition to others'.[107]

[101] Deven Desai, 'From Trade Marks to Brands' (2012) 64 Florida LR 981, 986.

[102] Matthew J Elsmore, 'Trademarks, Tobacco, Health: Brokerage by Fundamental Rights?' in Alberto Alemanno and Enrico Bonadio (eds), *The New Intellectual Property of Health Beyond Plain Packaging* (Edward Elgar 2016) 101.

[103] Gangjee (n 16) 35.

[104] William McGeveran, 'Four Free Speech Goals for Trademark Law' (2008) 18 Fordham IP Media & Entertainment Law 1205, 1211.

[105] Sabine Jacques, 'A Parody Exception: Why Trade Mark Owners Should Get the Joke' [2016] EIPR 471, 473 (emphasis in the original).

[106] Marco Ricolfi, 'Trademarks and Human Rights' in Paul Torremans (ed), *Intellectual Property Law and Human Rights* (Wolters Kluwer 2008) 470.

[107] Keller (n 19) 8.

Courts have also acknowledged marks' ability to convey expressive meaning. For example, in its recent decision in *Matal v Tam*, the US Supreme Court has held that:

> [T]rademarks often have an expressive content. Companies spend huge amounts to create and publicize trademarks that convey a message. It is true that the necessary brevity of trademarks limits what they can say. But powerful messages can sometimes be conveyed in just a few words. Trademarks are […] speech.[108]

Many years before *Tam* was handed down, the US Court of Appeals for the Ninth Circuit concluded, in the landmark decision in *Mattel Inc v MCA Records Inc*, that:

> [T]rademarks [can] transcend their identifying purpose. Some trademarks enter our public discourse and become an integral part of our vocabulary. How else do you say that something's "the Rolls Royce of its class?" […] Trademarks often fill in gaps in our vocabulary and add a contemporary flavor to our expressions. Once imbued with such expressive value, the trademark becomes a word in our language and assumes a role outside the bounds of trademark law.[109]

These examples serve a double purpose. Firstly, they go to showing just how widespread the consensus is regarding marks' ability to convey expressive meaning. Secondly, they illustrate the diversity of ways in which marks can be used for expressive purposes by different individuals to pursue their preferred identity projects. For instance, by consumers who: (a) purchase branded goods; (b) use marks that permeate into the language in their everyday conversations; or (c) alter brands for self-expressive purposes. The quoted passages do not make a distinction between each type of user, however. This can lead to confusion and, upon assessment of the role that free speech plays in trade mark law, to an incomplete understanding of the diversity of expressive interests involved in trade mark use. Adequate engagement with the expressive

[108] *Matal v Tam* (n 9) 22.

[109] *Mattel* (n 1) 10487-88.

function of marks thus requires, as a preliminary step, that we be able to distinguish between different types of expressive users of marks. To this end, I propose the adoption of a typology of expressive users of marks.

1.4. Typology of Expressive Users of Trade Marks

The literature has focused for the most part on consumers of branded goods.[110] Insofar as they identify with the expressive meanings conveyed by a mark, these individuals purchase goods bearing the mark and consume/use them to express their allegiance to such values and ideas. This is the case, for instance, when protective parents, who believe in the safety and family-centred values conveyed by the 'Volvo' brand, buy a station wagon manufactured by AB Volvo with the aim of communicating their adherence to such values every time they drive it. In this scenario, it is easy to imagine the thrust of the 'Volvo' brand to communicate their identity project as protective, caring parents when they pick up the kids from school every afternoon, parking their 'Volvo'-branded car alongside those of other parents.

There is evidence of this type of expressive use of the 'Volvo' word mark. For instance, in a news piece published in the 'Cars & Motor' section of The Telegraph, Jason Barlow recounts how his car needs have evolved over time. The title of the article is quite telling in this regard: 'I'm a Volvo man – and proud of it'. While in his younger years he had been mostly interested in classic cars, his growing family and more mature

[110] Aaker, Reback and Swann (n 14); Stacey L Dogan and Mark A Lemley, 'Parody as Brand' in Barton Beebe, Haochen Sun and Madhavi Sunder (eds), *The Luxury Economy and Intellectual Property* (OUP 2015).

outlook on life have turned him into someone who is ‘irrationally obsessed with safety’ and, thus, into the perfect ‘Volvo man’.[111] In his own words:

> Imagine my surprise, then, when I recently realised that I was actually turning into a Volvo sort of person. There are some sound mitigating factors. Our compact, two-pronged family unit will soon be three, so naturally I've become irrationally obsessed with safety.[112]

The author clearly identifies with the family-oriented, safety-conscious values conveyed by the ‘Volvo’ brand and uses the ‘Volvo’ mark to communicate his allegiance to such values, to express who he is. Interestingly, in presenting himself as a 'Volvo man’, he is also communicating that he is not a ‘BMW man’, i.e. someone who identifies with hedonistic values and the pursuit of an exhilarating driving experience. In this regard, he comments later on in his piece: ‘[o]n a [racing] circuit, [the Volvo car] is a bit compromised. Big deal. Buy a BMW […] if you want to indulge your Juan Pablo Montoya [i.e. a renowned racing driver] fantasies.’[113]

Other authors have studied the ways in which some individuals use trade marks in their everyday conversations.[114] This is, of course, only possible of marks that have permeated into the language, in the sense that they are able to convey meaning irrespective of the underlying goods. Perhaps the most popular example of this type of mark would be ‘Barbie’, which has entered the English language to describe ‘a young

[111] Jason Barlow, ‘Wheel life: I'm a Volvo man - and proud of it’ *The Telegraph* (28 December 2002) <https://www.telegraph.co.uk/motoring/2719642/Wheel-life-Im-a-Volvo-man-and-proud-of-it.html> accessed 21 September 2019.

[112] ibid.

[113] ibid.

[114] Dreyfuss (n 99); Kozinski (n 14).

woman who is glossily attractive but apparently characterless or unintelligent'.[115] However, there are many other examples. For instance, there is evidence of use of the expression 'Volvo man' in contexts far removed from the automobile industry, such as in literature or music.[116] In the former context, for instance, this expression is used to portray someone who is 'dull […] probably a lawyer, an engineer, an accountant or something comparably arid, with a steady income'.[117] This passage illustrates how the expressive meaning conveyed by the 'Volvo' brand has permeated into the English language. The author employs 'Volvo' as synonymous with someone who is protective, caring and family-oriented in his values with a view to mocking these values. This is only possible as a result of the word's communicative potential, rooted in the brand's expressive meanings. Similarly, 'Volvo' has been used by the well-known Australian comic duo, 'Scared Weird Little Guys', in its parody song entitled 'Volvo Man'.[118] Part of the lyrics go as follows:

> I am what I am
> I am Volvo Man
> I slow down at every intersection
> Regardless of the color of the lights
> There's airbags on the left hand side
> And there's airbags on the right
> I put my blinker on two minutes
> before I turn into a street

[115] The Oxford English Dictionary <www.oxforddictionaries.com> accessed 5 September 2019.

[116] In relation to the use of marks in literature, Monroe Friedman conducted an empirical study back in 1985 that showed a remarkable increase in the number and variety of marks used in mainstream novels published in the US in the period from 1946 to 1972. Monroe Friedman, 'The Changing Language of a Consumer Society: Brand Name Usage in Popular American Novels in the Postwar Era' [1985] Journal of Consumer Research 927, 931–34.

[117] Bunn Nagara, *KL Capers: Portrait of the Native as a Young People* (Academe Art & Printing Services Sdn Bhd 1990).

[118] The song is available on various online media platforms, including YouTube <https://www.youtube.com/watch?v=zblGt7W-_wc> accessed 25 September 2019.

My car alarm will sound all night
If you come within 50 feet
I am what I am
I am Volvo Man[119]

'Volvo' is used here to describe a man that shares the values conveyed by the 'Volvo' mark, i.e. safety-oriented, caring, etc. The aim in doing so is to poke fun at these values by exaggerating, to the point of parodying, the excessive care with which owners of 'Volvo'-branded cars drive, according to the comic duo. Again, this is made possible by the expressive capabilities of 'the Volvo' mark.

Other authors have studied how some individuals use modified versions of trade marks to express themselves in ways not originally envisioned by the right holder.[120] These are sometimes referred to in the literature as 'recoding' uses, in the sense that the meaning originally conveyed by the mark has been recoded, or altered, as a result of the changes introduced to the sign.[121] Very often the aim behind the recoding of a mark is to comment on the expressive meanings that it conveys, whether by criticising or parodying them. Other times the mark is recoded not with a view to commenting on the mark itself, or on its owner, but rather on broader socio-political issues that are of concern to the recoder. For instance, the 'Volvo' logo has been recoded to criticise prevailing sexism and heteropatriarchal values in our society. Its renowned circle with the arrow pointing upwards (which can symbolise masculinity) has been recoded into a

[119] ibid.

[120] Gangjee (n 16); Jason Bosland, 'The Culture of Trade Marks: An Alternative Cultural Theory Perspective' [2005] Media & Arts LR; Justin Hughes (n 3); Keith Aoki, '(Intellectual) Property and Sovereignty: Notes Toward a Cultural Geography of Authorship' Stanford LR 1996; Rosemary J Coombe, 'Objects of Property and Subjects to Politics: Intellectual Property Laws and Democratic Dialogue' [1991] Texas LR 1853.

[121] Hughes (n 3).

circle with a cross (to symbolise femininity).[122] To illustrate this, the 'Volvo' logo (on the left) and its recoded 'Vulva' version (on the right) are shown below:[123]

This is acknowledged by the recoder, who comments: '[h]ave you ever noticed the male-symbol in the Volvo-logo? […] [T]his is the female version of the logo. Finally, a car that women and feminists can drive with 100% PRIDE! Drive the NEW VULVA!'

Finally, other authors have studied how some individuals, who identify with the critical/parodic message conveyed by a recoded mark, express themselves through the purchase and consumption/use of goods bearing the recoded mark.[124] To illustrate this type of expressive use, one can think of a woman wishing to express her opposition to

[122] For a historical account of the origins of the masculine and feminine gender symbols, see Morgan Elyse, 'What Do Our Gender Symbols Really Mean?' *University of Missouri Kansas City* (25 June 2013) <https://info.umkc.edu/womenc/2013/06/25/what-do-our-gender-symbols-really-mean/> accessed 25 September 2019. It should be noted that the circle and arrow components of the 'Volvo' logo, while being identical to the male symbol, in fact make reference to the ancient chemical symbol for iron. See 'Volvo's iron logo back in the centre' (*Volvo Press Release*, 28 February 2006 <https://www.media.volvocars.com/global/en-gb/media/pressreleases/5109> accessed 25 September 2019.

[123] 'Volvo' logo downloaded from AB Volvo's website, ibid. Recoded 'Vulva' logo downloaded from an online forum where the recoder published it <https://www.deviantart.com/slogrun/art/Vulva-anti-commercial-65275187> accessed 25 September 2019.

[124] Dogan and Lemley (n 110).

heteropatriarchy and her allegiance to feminist values by purchasing and wearing a T-shirt bearing the 'Vulva' logo.

These examples illustrate the variety of ways in which different individuals can communicate their values and ideas through the use of expressive marks. But not only this. They also highlight a core assumption underpinning all areas of trade mark law: the uniformity of the 'consumer'. Very rarely do we find in trade mark practice and scholarship a distinction between different types of trade mark users, opting instead for the ubiquitous and all-encompassing 'consumer'. This has fundamental implications for the manner in which trade mark laws are interpreted and applied. Notably, it can be unclear what type of trade mark user the 'consumer' is alluding to in a given scenario. For instance, in cases involving expressive use of marks, is the 'consumer' the user who identifies with the meaning conveyed by the original mark and expresses himself through consumption/use of the branded good, or the user who identifies instead with the meaning conveyed by the recoded mark and expresses himself through consumption/use of the recoded branded good? A monolithic understanding of the consumer in trade mark law is thus heavily at odds with the expressive richness involved in trade mark use. Failure to account for this diversity can easily lead to courts privileging a specific subset of trade mark users (i.e. those whose expressive interests are factored in) to the detriment of another subset(s), whose expressive interests are not taken into consideration.

This is precisely what Grynberg had in mind when he criticized the prevailing approach in likelihood of confusion cases, where courts and scholars tend to give disproportionate weight to the interests of confused consumers.[125] In his view, this is to the detriment of non-confused consumers, whose interests in having access to defendant's goods are not sufficiently factored in.[126] This often results in courts engaging in a balancing exercise that too easily tilts in favour of plaintiff, who fights 'two-against-one' –in the sense that the interests of both plaintiff and confused consumers in preventing defendant's unauthorized use are pitted solely against the interests of defendant in using a similar sign to identify its (similar) goods.[127] As a result, courts routinely disregard the interests of non-confused consumers in having access to defendant's goods. According to Grynberg, this imbalance 'skews analysis of trademark claims and abets the heavily criticized expansion of trademark's scope beyond its traditional boundaries'.[128] In his view, therefore, abandoning our monolithic understanding of the consumer will not only lead to better adjudication in likelihood of confusion cases, but would also allow to reign in the ever-expanding scope of protection afforded to trade mark owners.

I am sceptical that a more sophisticated understanding of the consumer upon assessment of likelihood of confusion will necessarily curtail the protection afforded to right holders. The outcome of a case might very well remain unchanged, even if the interests of non-confused consumers are factored in by the court. Furthermore, there is room to argue that adoption of a multi-faceted understanding of the consumer in trade

[125] Michael Grynberg, 'Trademark Litigation as Consumer Conflict' (2008) 83 NYU LR 60.

[126] Grynberg acknowledges that the interests of non-confused consumers are sometimes taken into consideration, for instance, when courts seek to promote competition. However, in his view, this is rarely the case, and even when they are factored in, the privileged consideration given to the interests of confused consumers tend to prevail. Grynberg (125).

[127] ibid 62.

[128] ibid.

mark law could, perhaps counterintuitively, lend itself to further broadening the scope of protection afforded to right holders. This would be the case, for instance, where the interests of non-confused consumers are negligible and, thus, carry little to no weight, increasing plaintiff's chances of success. However, Grynberg's insightful proposition opens the door to more nuanced adjudication in trade mark disputes by acknowledging that trade mark use often involves different types of users. Factoring in their diverse interests will allow for better reasoned, fairer outcomes. His contribution is arguably all the more relevant in disputes involving expressive uses of marks, where, as we have seen, the interests of a wide variety of users are often implicated.

Accordingly, a robust understanding of the expressive function of marks requires proposing a nomenclature that allows for proper identification of the different types of individuals involved in expressive uses of trade marks. One could argue, following a maximalist view of expression, that this exercise is futile, for there are as many expressive users as there are individuals using marks to express themselves. However, a closer look at the ways in which different individuals make use of marks for expressive purposes reveals sufficient commonalities so as to be able to group them into five different categories. These categories, which closely mirror the types of users identified above, are as follows: (a) trade mark owners, who express themselves through affixation of the marks on their goods, as well as on advertising; (b) consumers of branded goods, who identify with the expressive meanings conveyed by marks, and use them to communicate their preferences through the purchase and consumption of branded goods; (c) recoders, who use altered versions of trade marks to express themselves, often in ways that comment on the expressive meanings conveyed by the original mark; (d) consumers of recoded-branded goods, who identify with the expressive meanings conveyed by recoded marks and use them to communicate their worldview through the purchase and consumption of recoded branded goods; and (e) the public, who use expressive marks that have made their way into the language in their everyday conversations.

1.5. Processes of Meaning-Making in Trade Marks

1.5.1. Trade Marks as Units of Language

The diversity of meanings conveyed –and, consequently, of functions performed– by trade marks is the result of marks being, at their core, (distinctive) *signs*. This can be seen from their very definition, as provided for in different legal texts. For instance, Article 15 of the TRIPS Agreement defines a trade mark as 'any sign […] capable of distinguishing the goods or services of one undertaking from those of other undertakings'.[129] Similarly, Article 3 of the Trade Mark Directive and Article 4 of the EU Trade Mark Regulation provide the following definition: 'any signs […] that […] are capable of […] distinguishing the goods or services of one undertaking from those of other undertakings'. Finally, Section 1(1) of the UK Trade Marks Act defines a trade mark in very similar terms, as 'any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings'.

[129] Agreement on Trade-Related Aspects of Intellectual Property Rights (Marrakesh, 15 April 1994) Marrakesh Agreement Establishing the World Trade Organisation Annex 1C The Legal Texts: The Results of the Uruguay Round of Multilateral Trade Negotiations 321 (1999) 1869 UNTS 299, 33 ILM 1197 (1994).

A sign, in turn, is defined as 'a symbol or word used to represent a […] concept or object'.[130] Relying on this definition, for instance, the symbol depicting a tree, or the word 'tree', are used to represent the branchy and leafy object that we so often find in nature. Signs are units of language. They convey information and, through their use, enable communication between two or more people. The words that I am writing right now are signs; signs imbued with meaning that allow me to communicate with you, the reader. The same is true of trade marks: they convey information and, through their use, enable communication in the marketplace. For instance, going back to the core function of a trade mark, the symbol of the apple with a bite, or the word 'Apple', are used to represent a particular commercial origin: that of the US-based technology company Apple Inc. However, something is missing in this formulation: the good or service the commercial origin of which we are interested in signalling. Without the reference to the good or service, the word 'Apple' could very well convey the meaning of a popular fruit, rather than that of a particular commercial source. Accordingly, in the trade mark context, the symbol of the apple with a bite, or the word 'Apple', are affixed to the goods manufactured and sold by Apple Inc., including smartphones, to provide information about their commercial origin in the course of trade. We can, therefore, identify three distinct elements in any instance of trade mark use: (a) the sign, i.e. the perceptible form of the mark, in this case, the five letters that make up the word 'Apple'; (b) the object to which the sign is attached, i.e. the good manufactured and sold by the right holder,

[130] The Oxford English Dictionary <www.oxforddictionaries.com> accessed 6 September 2019.

in this case, a smartphone; and (c) the meaning conveyed by the sign, i.e. the commercial origin of the good, in this case, Apple Inc.[131]

Meaning-making in signs is the result of a social consensus, whereby individuals agree that sign 'x' will carry meaning 'y'. Going back to the above mentioned example, the word 'tree' symbolizes the branchy and leafy object so often found in nature only insofar as English speakers have agreed as much. Put differently, there is no necessary correlation between the signifier 'tree' and the signified 'branchy and leafy object so often found in nature', but rather their relation is contingent on social convention and, as such, arbitrary. As a result, this social consensus is by no means static, but rather subject to constant transformation. Meaning in signs is the result of an ongoing dialogue and, thus, heavily dependent on time and context. For instance, until the second half of the twentieth century, the signifier 'gay' had one sole signified, as an adjective meaning 'light-hearted and carefree'.[132] In the 1960s, however, and with the advent of the gay movement, that same signifier developed a second signified, more precisely, as a noun to refer to 'a homosexual, especially a man', or as an adjective to describe someone's 'homosexual[ity], especially a man['s]'.[133] Therefore, the meaning conveyed by the three-letter word 'gay' has evolved over time, developing an additional meaning. As a result, the precise meaning conveyed by the word 'gay' will, in contemporary English, fluctuate from the one to the other on the basis of context, i.e. the circumstances in which it is used. Similarly, the meaning conveyed by the trade mark 'Aspirin', owned by

[131] This three-legged structure has recently led scholars to apply the analytical framework of semiotics to trade marks with a view to better understanding, and even justifying, certain aspects of trade mark law. See, notably: Barton Beebe, 'The Semiotic Analysis of Trade Mark Law' (2004) 51 UCLA LR 621.

[132] The Oxford English Dictionary <www.oxforddictionaries.com> accessed 6 September 2019.

[133] ibid.

the multinational company Bayer AG in relation to an analgesic drug, dramatically changed over time. It went from signalling commercial origin to referring to the class of goods, i.e. analgesic drugs. Genericide is, therefore, a paradigmatic example of how meaning in trade marked signs can change over time –and of the legal repercussions that can ensue, i.e. from enjoying full protection to being revoked from the register.[134]

It is, thus, no exaggeration to say that the meaning conveyed by a given sign evolves constantly. Depending on how it is used, that is, for what purposes and in what contexts, a sign can develop so as to convey not only a plurality of meanings, but also quite sophisticated ones. For instance, the swastika sign has come to convey very different meanings depending on context: (a) aesthetic –it has been used as a decorative element in various cultures since the Neolithic Ages; (b) religious –it is considered to be a sacred symbol in, amongst others, Hinduism and Buddhism; (c) political –as was the case when used as the emblem of the National Socialist German Workers' Party during the first half of the twentieth century; or (d) moral –being the symbol of all things evil ever since the end of the Second World War. [135]

This is also true of trade marks, which are able to convey a breadth of meanings. Going back to one of the previous examples, the 'Volvo' logo is loaded with meanings. The basic meaning of this logo is, of course, commercial origin, linking the product bearing it with the mark owner, AB Volvo. But the 'Volvo' logo is also synonym of high-quality, reliability and safety. Furthermore, this logo has come to symbolize a set of

[134] The 'Aspirin' mark was considered generic in relation to drugs, including pain killers, in the US by virtue of the decision in *Bayer Co Inc v United Drug Co,* 272 F. 505 (SDNY 1921).

[135] John Black, 'The Powerful Symbol of the Swastika and its 12,000 Year History' (*Ancient Origins*, April 2019) <https://www.ancient-origins.net/myths-legends/symbol-swastika-and-its-12000-year-old-history-001312> accessed 28 September 2019.

values, a lifestyle even: safety-conscious, protective, caring and family-oriented. These latter meanings are laden with expressive value, allowing individuals to use the 'Volvo' logo to express themselves and, in so doing, develop their autonomy.

1.5.2. The Broadcast and Dialogic Models of Meaning-Making in Trade Marks

Understanding the processes of meaning-making in marks requires, however, further analysis. Two approaches are often put forward in the literature.[136] The more traditional, broadcast model conceives of meaning-making in trade marks as a unidirectional process, whereby the right holder is the sole author of meaning. According to this broadcast model, the consumer is a mere recipient of brand meaning, 'a passive audience'.[137] The consumer may identify with such meanings, even communicate them through the purchase and consumption of branded goods, but in no way alter them. This model emphasises the role of advertising in shaping the meanings conveyed by a brand.

In opposition to this model, trade mark scholars have proposed in recent years a more interactive model, based on the teachings provided by the most up to date marketing literature.[138] According to this model, meaning-making in marks is the result of an ongoing dialogic process in which consumers (and even other individuals, such as media outlets, pressure groups and influential personalities) are very actively involved,

[136] McDonagh (n 16); Gangjee (n 16); Desai (n 101). It should be noted that commentators writing in the field of marketing have developed a plurality of approaches to meaning-making in brands. However, depending on whether they conceive of meaning-making as a one-way process or, on the contrary, as a dialogic process, these approaches can be grouped into two categories, which are studied in this chapter. For a more detailed account of existing approaches to image-building in the branding literature, see Tilde Heding and Charlotte Knudtzen, *Brand Management: Research, Theory and Practice* (Routledge 2009).

[137] Gangjee (n 16) 31.

[138] McDonagh (n 16); Gangjee (n 16); Desai (n 101).

alongside right holders.[139] This dialogic model describes a complex and fluid process that is heavily contingent on time, whereby the meanings conveyed by a mark result from the aggregated uses of the mark by all these individuals at a given point in time. Most of these meaning-making activities revolve around acts of communication between consumers and the brand owner, and even between consumers themselves. We mentioned earlier how consumers increasingly engage in community building around brands, coming together to share their experiences with, and opinions of, the brand and its goods. This often happens under the auspices of the brand owner, for instance, through the creation of official online fora in social media where the firm and its consumers can come together. But consumers often come together to develop 'branding activities themselves. The activities can range from communication to product and service development, creating unique brand experiences and even engaging in public relations management.'[140] The dialogic model, therefore, conceives of the brand as:

> [A] symbol not for the producer, but for the consumer; she either embraces the brand's offered image as an outward sign of personality or criticizes the brand image. In some cases, a community may form around a brand. The group will use the brand as the center of activity that celebrates or passes judgment on the brand, depending on how the group perceives the company's ability to remain

[139] Douglas Holt has identified four different sets of authors who are responsible for meaning-making in brands. Douglas Holt, *How Brands Become Icons* (Harvard University Press 2004). His categorization has been summarized by Gangjee as: '(i) companies, who are trade mark proprietors, (ii) the culture industries, (iii) intermediaries, such as critics and salespeople, and (iv) customers as individuals, but more significantly as communities'. Gangjee (n 16) 52. For another account of co-creation of meaning in brands, see Elina Närvänen, *The Brand as a Cultural Network Hub: Acknowledging Multiple Parties in Branding' in Proceedings of the 21st Nordic Conference on Business Studies: NFF 2011 A Practice About Practice* (Stockholm University School of Business 2011).

[140] Närvänen (n 139) 6. Other activities involving co-creation of meaning in marks have been identified in the literature. See, for example: Hope J Schau, Albert M Muñiz Jr and Eric J Arnould, 'How Brand Community Practices Create Value' (2009) 73 Journal of Marketing 30.

> true to either the company's claimed vision of the brand or the group's understanding of the true meaning of the brand.[141]

Gangjee has argued that existing European trade mark doctrines –in particular, the functions theory and the dilution ground commonly known as free riding– are premised on the notion that meaning in marks is authored by right holders.[142] By closely following the broadcast model, the CJEU has privileged the role that owners play in building brand image, to the detriment of other individuals involved in meaning-making, notably consumers. With the aim of safeguarding the –often substantial– investment expended by right holders in building a positive brand image, ongoing efforts to systematise the protection afforded to the brand features of marks is tilted in favour of owners' proprietary interests. So much so that right holders would currently appear to enjoy too broad a scope of protection under European trade mark law. Furthermore, if protection of the brand features of marks is justified on creative agency, recognition of the dialogic model raises serious concerns for the justifiability and desirability of the CJEU's current approach. An approach that 'marginalises consumer agency and reinforces the exploitation of their immaterial labour through the instrumentality of trade mark law'.[143]

Despite the thrust of his argument, Gangjee fails to propose any concrete alternatives moving forward, nor to suggest ways in which the CJEU might better attune trade mark law to the realities of the marketplace. Also, his proposed understanding of meaning-making in brands raises serious difficulties in terms of its accommodation

[141] Desai (n 101) 991.

[142] Gangjee (n 16).

[143] ibid 59.

within existing trade mark doctrines. Does co-creation entail co-ownership over brand meaning? This would risk rendering the trade mark system inoperative. But how can we account for consumers' efforts and investments in meaning-making otherwise? And ought we factor in all consumers, or only those who have in some way contributed to meaning-making? And within the latter group, will all their contributions carry the same weight, or will we need to group them into different subsets? These examples highlight, again, the practical difficulties that can derive from the prevailing monolithic conception of the consumer in trade mark law. The insurmountable nature of these challenges might explain why Gangjee's sole suggestion moving forward aims to remove the brand dimension of marks from the sphere of property altogether. Towards the end of the piece, and in regrettably succinct terms, he suggests that the brand dimension of trade marks might be best understood –and, hence, regulated– as 'a commons or elements of the public domain'. [144] A paradigm shift that would raise serious difficulties of its own.

1.6. Brand Value and Trade Mark Law: Is the Legal Protection of Brand Value Justified?

Gangjee's piece also serves as a call for scholars and decision makers alike to engage in further normative debate as to whether the brand dimension of marks is deserving of protection in the first place and, if so, whether the proprietary model is up to the task.[145] This taps into the neighbouring debates regarding the aim, and adequate scope, of the functions theory in EU law, as well as of antidilution statutes.

[144] ibid 57.

[145] Similarly, Senftleben has argued that '[t]he question, then, is whether the creation of a brand image should be rewarded with enhanced protection even though this is a selfish endeavour'. Martin Senftleben, 'Trade Mark Protection' (2011) 42 IIC 383, 384.

An overview of the literature in this area reveals a recurring theme amongst scholars: recognition of value in marks detached from source identification has given rise to an unprecedented expansion of the scope of protection afforded to right holders.[146] Most commentators appear to be critical of this expansion, with concerns varying from its justifiability in light of trade mark law's ultimate aims, to the degree of protection afforded.[147] In relation to the functions theory, the reader will remember Senftleben's view of the doctrine as redundant in light of antidilution protection.[148] Or widespread concern for the doctrine's potential to chill third party unauthorised use of marks in scenarios that might otherwise promote competition, especially in light of the uncertainty surrounding its interpretation and application.[149] Antidilution protection has raised similar concerns. Notably, by unhinging trade mark law from its 'core

[146] Turner (n 32); Senftleben, 'Function Theory and International Exhaustion' (n 23); Martin Senftleben, 'Adapting EU Trade Mark Law to New Technologies - Back to Basics?' in Christophe Geiger (ed), *Obstructing European Intellectual Property: Achievements and New Perspectives* (Edward Elgar Press 2013); Gangjee (n 16); Deven Desai, 'Response: An Information Approach to Trademarks' [2012] Georgetown LJ 2119; Desai (n 101); Senftleben, 'Trade Mark Protection' (n 145); Gangjee and Burrell (n 23); Barton Beebe, 'Intellectual Property and the Sumptuary Code' (2010) 123 Harvard LR 809; Dev S Gangjee and Robert Burrell, 'Trade Marks and Freedom of Expression: A Call for Caution' [2010] IIC 544; Grynberg (n 125); Rebecca Tushnet, 'Gone in Sixty MilliSeconds: Trade Mark Law and Cognitive Science' (2008) 86 Texas LR 507; Stacey L Dogan and Mark A Lemley, 'The Trademark Use Requirement in Dilution Cases' (2007) 24 Santa Clara Computer & High Technology LJ 541; Swann, 'An Interdisciplinary Approach to Brand Strength' (n 14); Beebe, 'The Semiotic Analysis of Trade Mark Law' (n 131); Jerre B Swann, 'Dilution Redefined for the Year 2002' (2002) 92 TMR 585; Aaker, Reback and Swann (n 14); Jerre B Swann, 'Dilution Redefined for the Year 2000' (2000) 90 TMR 823; Jessica Litman, 'Breakfast with Batman: The Public Interest in the Advertising Age' [1999] Yale LJ 1717; Kenneth L Port, 'The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?' [1995] TMR 525; Dreyfuss (n 99).

[147] Senftleben, 'Function Theory and International Exhaustion' (n 23); Desai (n 146); Desai (n 101); Senftleben, 'Trade Mark Protection: A Black Hole in the Intellectual Property Galaxy?' (n 145); Gangjee and Burrell (n 23); ibid; Gangjee and Burrell (n 146); Beebe, 'Intellectual Property and the Sumptuary Code' (n 146); Dogan and Lemley (n 146); Beebe, 'The Semiotic Analysis of Trade Mark Law' (n 131); Litman (n 146); Port (n 146); Dreyfuss (n 99).

[148] Senftleben, 'Function Theory and International Exhaustion' (n 23) 519.

[149] Kur, 'Trade Marks Function, Don't They?' (n 23); Senftleben, 'Function Theory and International Exhaustion' (n 23); Jehoram (n 23); Horton (n 23); Gangjee and Burrell (n 23); Ohly (n 23); Max Planck Institute (n 23).

informational efficiency logic', antidilution statutes are said to lack proper grounding.[150] Furthermore, left without a guiding anchor, dilution grounds soon became fertile grounds for the unrestricted expansion of the scope of protection afforded to trade marks. Scholars often refer to the decision in *L'Oréal*, where the CJEU held that a reputed mark could be infringed by free riding even in the absence of proof of harm, as the most obvious illustration of this phenomenon.[151] This is all the more worrying in light of the absence of robust empirical evidence showing that blurring, tarnishment or free riding can indeed have a negative impact on a reputed mark.[152] Scholars have also criticised the uncertainty brought about by antidilution statutes or, to be more precise, by courts' inconsistent interpretation and application of their provisions.[153]

Protection of the brand dimension of marks has also been opposed on grounds that it incentivises investment by firms in what is known as 'perception advertising', i.e. advertising targeted at persuading consumers into buying goods not because of their functional characteristics, but rather on the basis of a perceived image of the good.[154] This type of corporate behaviour is said to prevent consumers from making rational, informed decisions. Some authors have gone as far as to argue that 'an enormous number of consumers do not really want what they think they want; they have been duped by unscrupulous marketers'.[155] In their view, trade mark law should not be

[150] Gangjee (n 16) 32.

[151] Horton (n 23); Gangjee and Burrell (n 23).

[152] Tushnet (n 146).

[153] Amongst others: Gangjee and Burrell (n 23); Tushnet (n 146); Beebe, 'The Semiotic Analysis of Trade Mark Law' (n 131).

[154] Litman (n 146); Mark A Lemley, 'The Modern Lanham Act and the Death of Common Sense' (1998) 108 Yale LJ 1687.

[155] Lemley (n 154) 1692.

involved in promoting this. Their arguments tap into Veblen's idea of 'conspicuous consumption' (i.e. the 'consumption of goods as an evidence of pecuniary strength' for purposes of social differentiation) and the role that reinforced trade mark protection can play in promoting socially harmful consumption habits.[156] As their argument goes, investment by firms in creation of brand image intended to signal such messages as social status, luxury or sophistication is wasteful from a social welfare perspective. Instead, such resources would be put to better use by investment in the functional features of goods. Building on this idea, as well as on Pierre Bourdieu's more recent theories of consumption as a means of social distinction,[157] Barton Beebe has argued that intellectual property laws (including reinforced trade mark protection resulting from antidilution statutes) operate as a contemporary sumptuary code.[158] According to this author, intellectual property laws are being interpreted and applied with a view to:

> [P]reserv[ing] our conventional system of consumption-based social distinction […] in the face of incipient social and technological conditions that threaten the viability of this code […] [by allowing unprecedented access to goods through] increasingly powerful copying technology.[159]

There is merit to some of these criticisms. I agree that there are compelling reasons to ensure that recognition and protection of the brand dimension of marks does not result in too broad a scope of protection for trade mark owners that can distort competition and, ultimately, harm consumers. Similarly, the uncertainty that antidilution protection and the functions theory have brought to the discipline is cause for concern. Quite apart

[156] Veblen Thorstein, *The Theory of the Leisure Class* (2nd edn, B W Huebsch 1912) 68.

[157] Pierre Bourdieu, *Distinction: A Social Critique of the Judgment of Taste* (Richard Nice tr, Harvard University Press 1987).

[158] Beebe, 'Intellectual Property and the Sumptuary Code' (n 146).

[159] ibid 810.

from increasing the costs derived from enforcement of trade mark law, this uncertainty has a chilling effect on third party use of marks in scenarios that might otherwise promote competition. This is particularly true of the CJEU's interpretation of free riding, which is sufficiently broad to preclude many instances of trade mark use that could ultimately benefit consumers.[160]

Other criticisms are, however, misguided. There is widespread consensus that the brand dimension of marks is valuable, both economically and socially.[161] Trade marks promote efficiency in the marketplace by reducing consumer search costs.[162] The ability of marks to convey a plethora of meanings besides source identification (including product quality, reputation and even values) assists consumers in their purchasing decisions by providing additional information about the characteristics of different goods offered for sale. This facilitates their task of identifying those that best satisfy their needs, whether they be functional, emotional or expressive. From the owner's perspective, the mark's ability to attract and retain consumers by means of its positive image will provide a strong incentive to develop and reinforce such image, as well as to improve the functional attributes of the goods on which it is founded. In this regard, Aaker has argued that '[a]chieving perceptions of quality is usually impossible unless the quality claim has substance'.[163]

[160] Horton (n 23); *L'Oréal* (n 32); Gangjee and Burrell (n 23).

[161] Amongst others: Gangjee (n 16); Desai (n 101); Swann, 'An Interdisciplinary Approach to Brand Strength' (n 14); Aaker, Reback and Swann (n 14).

[162] Aaker, Reback and Swann (n 14).

[163] David A Aaker, *Building Strong Brands* (The Free Press 1996) 19-20.

Marks also 'increase competition in the market place, benefitting the consumer by creating a greater variety of products and price points'.[164] Furthermore, the brand dimension of marks tap into consumers' emotional and self-expressive needs, allowing them to pursue their identity projects and even become part of communities that revolve around the values and lifestyles conveyed by marks. In so doing, marks satisfy a pressing demand for goods that allow consumers to fulfil not only their functional needs, but also their more complex aspirations in the search for self-realisation. In this regard, Swann et al have convincingly argued, relying on Maslow's renowned theory, that:

> [W]e are not controlled by mechanical forces or instinctual impulses, but actively strive to reach our highest potential, and, in order of priority, are motivated to fill:
>
> 1. physiological needs (food, water, air, shelter, sex);
> 2. safety and security needs (protection, order, stability);
> 3. social needs (affection, friendship, belonging);
> 4. ego needs (prestige, status, self-respect); and
> 5. self-actualization (self-fulfillment).
>
> To the extent that brands can assist us in scaling the last three rungs of the ladder, they create […] "perceptions" that consumers rightfully value. Consumers thus logically, rationally and emotionally are interested in more than quality and price and I submit that their mental as well as their physical expectations are entitled to insulation.[165]

It is, therefore, wrong to conceive of marks as instruments of 'perception advertising' that ultimately serve to deceive consumers into buying goods that they do not want.[166] On the contrary, 'it has been demonstrated that consumers are not easily misled'.[167] Marks provide 'consumers with products (mental images) that they value,

[164] Aaker, Reback and Swann (n 14) 798.

[165] Swann, 'Dilution Redefined for the Year 2002' (n 146) 618.

[166] Aaker, Reback and Swann (n 14) 802.

[167] ibid 791.

and which would have been scarce in [their] absence'.[168] Building on this idea, Kozinski has advanced that '[a]llowing unrestricted copying of the Rolex trademark will make it less likely that Rolex, Guess, Pierre Cardin, and others will invest in image advertising, denying the image-conscious among us something we hold near and dear'.[169]

Against this backdrop, there would appear to be compelling reasons for the adoption of legal mechanisms aimed at protecting the value that the brand dimension of marks brings to right holders and consumers alike. It is, however, less clear what these mechanisms ought to be, or the degree of protection that should be afforded. This thesis aims to contribute to this debate by proposing an alternative way of thinking about the underlying interests involved in expressive uses of marks. Hopefully, the proposed reconceptualization will allow courts and scholars to better attune the degree of protection afforded to the expressive dimension of marks to the economic, social and cultural needs of contemporary society.

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[168] Nicholas S Economides, 'The Economics of Trademarks' [1988] TMR 523, 535.

[169] Kozinski (n 14) 970.

CHAPTER 2

WHEN TRADE MARKS MEET FREEDOM OF EXPRESSION: LEGAL IMPLICATIONS OF THEIR INTERACTION

2.1. Preliminary Considerations

As we saw in Chapter 1, the expressive dimension of trade marks allows individuals to express themselves through their use. Naturally, different people use marks in very diverse ways to communicate their preferred messages. As a result, one same mark might be put to use by different individuals to pursue different expressive interests. This should not come as a surprise, given the fundamental role that expression plays in allowing individuals to convey their ideas and values to others –and, in so doing, develop their autonomy. Trade marks are no exception in this regard: once they become expressive artefacts, they allow individuals to pursue their desired identity projects through trade mark use.

Going back to the typology of expressive users outlined before, marks can be used expressively by: (a) mark owners; (b) consumers of branded goods; (c) recoders; (d) consumers of recoded branded goods; and (e) the public. It will often be the case that the expressive interests of right holders and consumers of branded goods will be aligned. Although there will be obvious disparities in their respective *forms* of use, the expressive *content* of their messages will tend to coincide. Going back to the sportswear example, the form in which Adidas AG uses its 'Adidas' marks to express itself is very different from the way that a consumer of 'Adidas'-branded goods uses those same marks to communicate his viewpoint. On the one hand, Adidas AG uses its marks for expressive purposes by: (a) affixing them to its performance-enhancing, design-conscious sportswear products; (b) featuring them on the sports equipment of sponsored athletes; and (c) showing them on advertising (including retail spaces, billboards and commercials) that promotes the image and values conveyed by the brand. In so doing, Adidas AG is expressing its belief in the desirability of leading an active, healthy and stylish lifestyle, to which it contributes through the manufacture, promotion and sale of branded goods that serve these purposes. On the other hand, a consumer of, say, 'Adidas'-branded sneakers will use the mark expressively by purchasing and using them in his morning jog to communicate his belief in the desirability of leading a healthy and stylish lifestyle through high performance, design-conscious sportswear. Therefore, although the manner in which consumers of 'Adidas'-branded goods use the 'Adidas' marks to express themselves is different to that of Adidas AG, the meaning conveyed through their respective uses coincides.

Similarly, the expressive interests of recoders will most often run parallel to those of consumers of recoded branded goods. Again, this is so even where the *form* of their respective uses may vary. One can think of an artist wishing to comment on the dark sides of capitalism by using a recoded version of the 'Adidas' mark. Critical of rampant consumerism in capitalist economies governed by neoliberal principles, he modifies the 'Adidas' stylised mark to read 'Adictas' and the 'three-stripe' logo to resemble three lines of cocaine. In doing so, his aim is to invite viewers of the recoded marks to reflect on contemporary patterns of consumption, increasingly governed by compulsive (purchasing) behaviour of the sort triggered by drug addiction. An illustration of the recoded mark as described is reproduced below:[170]

[170] Recoded mark downloaded from 'flickr' user 'the last dreamer' <https://www.flickr.com/photos/the_last_dreamer/3054243846> accessed 18 September 2019.

Recoding allows the artist to harness the communicative potential of the 'Adidas' brand as conveyor of a positive image that attracts consumers, and to steer it towards expressing his preferred message –one that is critical of the positive values embodied by the brand insofar as they lure consumers into compulsive buying of the goods bearing it. Such expressive use of the 'Adidas' marks is, obviously, very far removed from that of the right holder and consumers of branded goods, both as regards the form of use and the content of the message conveyed. But recoders sometimes go on to affix the recoded marks to goods that are later on offered for sale in the marketplace. This would be the case, for instance, were the artist to print its modified version of the 'Adidas' marks on T-shirts and mugs. The aim in doing so is twofold. Firstly, to express himself through use of the recoded mark. And, secondly, to enable those individuals who identify with the critical message conveyed by the recoded mark to use them expressively too, by purchasing and consuming/using the recoded branded goods. While this form of use by the recoder may bear resemblance to that of Adidas AG, the content of the message conveyed is still very different. And the same goes for consumers of recoded branded goods, who despite expressing their worldview in the same manner as consumers of branded goods, the respective ideas conveyed are very different.

Although they do so in different manners, and for different purposes, these examples show that individuals are able to express themselves through trade mark use. But, are all individuals really able to use marks expressively in any and all instances? Furthermore, should they be able to do so? These are the fundamental questions that have occupied courts and scholars dealing with the interaction between marks and speech since as early as the 1970s.[171] An attempt at answering them requires making a preliminary distinction: between a *de facto* and a *de jure* ability to use a mark for expressive purposes. Chapter 1 explored the expressive dimension of trade marks, describing, as a matter of fact, how different individuals can rely on the plurality of meanings conveyed by marks to express themselves through their sale, consumption, recoding or utterance. As a matter of fact, therefore, and so long as a given mark conveys expressive meaning, all individuals are potentially able to express themselves

[171] The volume of case law and literature on the subject is overwhelming. For ease of reference, I shall only include here those sources that are not discussed elsewhere in the thesis: *Quality Inns Int'l Inc v McDonald's Corp* 695 F Supp 198 (D Md 1988); *New Kids on the Block v News Amer Pub Inc* 971 F2d 302 (9th Cir 1992); Pratheepan Gulasekaram, '"Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works' [2005] 8(4) Washington LR 887; Katja Weckström, 'The Lawfulness of Criticizing Big Business: Comparing Approaches to the Balancing of Societal Interests Behind Trademark Protection' [2007] Lewis & Clark LR 671; Lionel Bently, 'From Communication to Thing: Historical Aspects of the Conceptualisation of Trade Marks as Property' in Graeme B Dinwoodie and Mark Janis (eds), *Trademark Law and Theory: A Handbook of Contemporary Research* (Cheltenham: Edward Elgar 2008); Mohammad Naser, 'Trade Marks and Freedom of Expression' [2009] IIC 188; Lisa P Ramsey, 'Free Speech and International Obligations to Protect Trademarks' [2010] Yale Journal of International Law 405; Wojciech Sadurski, 'Allegro without Vivaldi: Trademark Protection, Freedom of Speech, and Constitutional Balancing' [2012] European Constitutional LR 456; Joanne K. Box, 'Trade Mark Law and the Threat to Free Speech' [2012] IPQ 289; Lisa P Ramsey and Jens Schovsbo, 'Mechanisms for Limiting Trade Mark Rights to Further Competition and Free Speech' [2013] IIC 671; Rt Hon Sir Robin Jacob, 'Parody and IP Claims: A Defence? – A Right to Parody?' in Rochelle C Dreyfuss and Jane C Ginsburg (eds), *Intellectual Property at the Edge – The Contested Contours of IP* (CUP 2014); Lisa P Ramsey, 'A Free Speech Right to Trademark Protection' [2016] TMR 797.

through its use. However, this may not necessarily be the case as a matter of law, where legal barriers may prevent certain individuals from using marks for expressive purposes.

Trade mark rights constitute the most obvious barrier to expressive use of marks by non-owners, and often are invoked by right holders seeking an injunction before the courts. Thus, an individual who wishes to engage in expressive use of a mark and who, as a matter of fact, is able to, might be precluded from doing so on legal grounds. This begs the question of the extent to which trade mark rights are intended to preclude expressive uses of marks by third parties, especially in light of the fundamental right to freedom of expression recognised in global, regional and domestic human rights instruments.[172] This tension between trade mark rights and freedom of expression has led scholars and decision makers to ponder how the law should determine who ought to be entitled to engage in expressive use of a mark, and in what circumstances.

But (intellectual) property rights are by no means the only form of barrier to expressive use of marks. Before looking at these barriers in more detail, and to ensure a proper understanding of the conflicting interests at stake, it is relevant to explore the legal protection afforded to the fundamental right to freedom of expression on the one hand, and to the fundamental right to (intellectual) property on the other. The reason for this being that the interaction between marks and speech is often portrayed as a clash between these two fundamental rights.

[172] Universal Declaration of Human Rights (adopted 10 December 1948 UNGA Res 217 A(III)), Article 19; International Covenant on Civil and Political Rights (adopted 16 December 1966, entered into force 23 March 1976) 999 UNTS 171, Article 19; Article 11; UK Human Rights Act 1998, Section 12.

2.2. The Fundamental Right to Freedom of Expression

The fundamental right to freedom of expression is enshrined in Article 10(1) ECHR. It provides as follows: '[e]veryone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers.'[173] Freedom of expression lies at the very heart of democratic societies. It allows individuals to express their views and engage in debate without fear of censorship by the state or other individuals and, in so doing, allows societies to progress and flourish. Its prominent role in society explains why the ECtHR has interpreted this fundamental right widely. For instance, in *Zana v Turkey*, the court held that:

> Freedom of expression constitutes one of the essential foundations of a democratic society and one of the basic conditions for its progress and for each individual's self-fulfilment. […] [I]t is applicable not only to ''information'' or ''ideas'' that are favourably received or regarded as inoffensive or as a matter of indifference, but also to those that offend, shock or disturb.[174]

All EU Member States are parties to the ECHR and, thus, are bound to 'secure to everyone within their jurisdiction the rights and freedoms' provided for under the Convention.[175] Even though the ultimate beneficiaries of these rights and freedoms are individuals, the Convention is binding only on Member States, who must put in place all necessary mechanisms to ensure their effective protection. Only in instances where Member States violate the fundamental rights of individuals within their jurisdiction and

[173] Convention for the Protection of Human Rights and Fundamental Freedoms (European Convention on Human Rights, as amended).

[174] *Zana v Turkey* App no 18954/91 (ECtHR, 25 November 1997) [51].

[175] ECHR Article 1.

fail to provide redress through domestic means, are individuals entitled to seek protection before the ECtHR.[176] Parties are free to choose how best to implement the obligations derived from the Convention in their domestic laws, with most countries opting to protect human rights at the highest possible level by enshrining them in their constitutions.[177] The UK, however, decided to implement its human rights obligations under the ECHR by means of the Human Rights Act 1998.

As regards the EU, and even though it has not yet become a signatory to the ECHR, its institutions are also bound in their activities by the international obligations provided for under the Convention.[178] The reason for this can be found in the case law of the CJEU, which has repeatedly held that the protection of human rights constitutes one of the general principles of EU law.[179] In ensuring that all measures of EU law are in compliance with fundamental rights obligations, 'international treaties of which [Member States] are signatories, can supply guidelines which should be followed within the framework of Community law', notably the ECHR.[180] In any event, with the ratification by EU Member States of the Treaty of Lisbon in 2009, EU institutions –and, of course, Member States– are now also bound by the EU Charter of Fundamental Rights, which provides protection for freedom of expression in Article 11(1) –in identical

[176] ECHR Articles 35-36.

[177] For instance, the Spanish Constitution of 1978 provides protection for fundamental rights and freedoms in Articles 14-38. Similarly, the Basic Law for the Federal Republic of Germany of 1949 protects the rights and freedoms of its citizens in Articles 1-19.

[178] The EU was given the mandate to accede to the ECHR in 2009 by virtue of Article 6(2) of the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community [2007] OJ C306/01 (Treaty of Lisbon). So far, however, it has failed to do so.

[179] For instance, Case C-4/73, *Nold KG v Commission* [1974] ECR 00491 [13].

[180] ibid. See also Case C-112/00, *Eugen Schmidberger v Republik Österreich* [2003] ECR I-05659 [71], where the CJEU acknowledged the 'special significance' of the ECHR for the interpretation of the compatibility of measures of EU law with international human rights obligations.

terms to Article 10(1) ECHR, previously cited.[181] Importantly, Article 52(3) of the Charter explicitly requires EU institutions, including the CJEU, to interpret the fundamental rights enshrined in the Charter in line with those contained in the ECHR, so as to ensure the harmonious application of fundamental rights in Europe. The sole exception to this would be in instances where the EU wishes to provide reinforced protection to a fundamental right.

As we have seen, the ECHR and other international human rights instruments are directly binding only on Member States, who must ensure effective protection of such rights to all individuals within their frontiers. Respect for fundamental rights is thus said to operate vertically. However, most disputes involving the interaction between trade mark rights and freedom of expression occur between private parties, most notably, between the owner of the mark and a third party who recodes the original meaning conveyed by the mark for expressive purposes. This begs the question of the extent to which fundamental rights rationales ought to apply in private proceedings. Both the ECtHR and the CJEU have recognised the horizontal effect of fundamental rights in private disputes. This includes the fundamental right to freedom of expression enshrined in Article 10 ECHR, as the ECtHR expressly held in *Özgür Gündem v Turkey*:

> The Court recalls the key importance of freedom of expression as one of the preconditions for a functioning democracy. Genuine, effective exercise of this freedom does not depend merely on the State's duty not to interfere, but may require positive measures of protection, even in the sphere of relations between individuals.[182]

[181] Charter of Fundamental Rights of the European Union [2012] OJ C326/02 (EU Charter).

[182] *Özgür Gündem v Turkey* App no 23144/93 (ECtHR, 16 March 2000) [43].

The horizontal effect of the ECHR and other human rights instruments should not come as a surprise. Public authorities, including domestic courts and trade mark offices, are bound in their day-to-day activity by the obligation to ensure respect for fundamental rights and freedoms.[183] Accordingly, decision makers adjudicating private disputes must interpret the law, including trade mark law, in accordance with human rights obligations. This translates into ensuring that their decisions do not contravene the fundamental rights of any of the parties involved –for instance, by properly balancing the right to (intellectual) property of the mark owner against the speech right of the recoder.

Despite constituting the cornerstone of free societies, the right to freedom of expression is, of course, not without limits. In this regard, Article 10(2) ECHR qualifies the scope of the right by providing that:

> The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, condition restrictions or penalties as are prescribed by law and are necessary in a democratic society, […] for the protection of health or morals, for the protection of the reputation or rights of others […].

Interference with the fundamental right to freedom of expression might thus be justified, provided that the following requirements are cumulatively met: (a) the interference is proscribed by law; (b) in the pursuit of one of the various reasons set out in Article 10(2) ECHR; and (c) is necessary in a democratic society, i.e. meets a 'pressing

[183] The domestic laws of ECHR Member States provide several examples of this. For instance, Article 53(1) of the Spanish Constitution of 1978 provides that '[t]he rights and freedoms recognised in […] [the Constitution] are binding on all public authorities'. As regards the UK, Section 3(1) of the Human Rights Act 1998 requires courts to 'read and give […] effect [to national legislation] in a way which is compatible with the Convention rights'.

social need' and the interference is 'proportionate' to that need.[184] The stringency of this test can be explained by reference to the crucial role that freedom of expression plays in democratic societies. The ECtHR has applied, however, different thresholds depending on the type of speech interfered upon, with a view to allowing for a more flexible framework. As a result, political and artistic speech are subject to stricter forms of scrutiny than other forms of expression, notably commercial expression.[185] This distinction is particularly relevant for present purposes, since trade mark use is often understood to fall within commercial expression, given that the core information conveyed by a mark is the commercial origin of goods or services.[186] It remains to be seen whether certain expressive uses of marks that simultaneously convey a commercial and political message (often referred to as 'mixed expression') can be afforded reinforced protection under the Convention. Although neither the ECtHR nor the CJEU have ruled on this issue in the specific context of trade marks, there are precedents in Europe of mixed expression being protected as political expression.[187]

While the EU Charter does not contain a specific provision qualifying the scope of the right to freedom of expression, Article 52(1) provides a limitation of general applicability to all the rights enshrined in the Charter. It does so in the following terms:

[184] Amongst others: *Mouvement raëlien suisse v Switzerland* App no 16354/06 (ECtHR, 13 July 2012)(Grand Chamber); *TV Vest As & Rogaland Pensjonistparti v Norway* App no 21132/05 (ECtHR, 11 December 2008); *Goodwin v The United Kingdom* App no 17488/90 (ECtHR, 27 March 1996).

[185] Although US courts have traditionally devoted more attention to the distinction between different forms of expression (with their ensuing disparate levels of protection), the ECtHR has also adjudicated cases with this taxonomy in mind. Amongst others: *Mouvement raëlien suisse v Switzerland* (n 184); *Markt Intern Verlag GmbH and Klaus Beermann v Germany* App no 10572/83 (ECtHR, 20 November 1989); *Casado Coca v Spain* App no 15450/89 (ECtHR, 24 February 1994).

[186] See, amongst other authors who believe that trade mark use will, in most instances, fall within commercial expression: Ilanah Simon Fhima, 'Trade Marks and Free Speech' [2013] IIC 293, 295.

[187] *Benetton I* BVerfGE 102, 347 (12 December 2000); *Barthold v Germany* App no 8734/79 (ECtHR, 25 March 1985).

> Any limitation on the exercise of the rights and freedoms recognised by this Charter must be provided for by law and respect the essence of those rights and freedoms. Subject to the principle of proportionality, limitations may be made only if they are necessary and genuinely meet objectives of general interest recognised by the Union or the need to protect the rights and freedoms of others.

Despite the different wording, the requirements that must be met under the Charter in order to consider that a violation of freedom of expression is justified appear to resemble those of the ECHR. Interestingly, both instruments provide, amongst the legitimate aims on which speech may be curtailed, 'the protection of the rights of others'[188] and 'the need to protect the rights and freedoms of others'.[189] This aim proves particularly relevant for purposes of the interaction with trade mark rights, since they are protected under, *inter alia*, the fundamental right to (intellectual) property, to which we now turn to.

2.3. The Fundamental Right to (Intellectual) Property

The fundamental right to property is protected under A1P1 ECHR, which provides as follows:

> Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
>
> The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

[188] ECHR Article 10(2).

[189] EU Charter Article 52(1).

The ECtHR has been called upon on numerous occasions to adjudicate appeals from individuals whose property rights have allegedly interfered with by Member States to the Convention.[190] As a result, there is much guidance on the applicability and scope of protection afforded to the right to property under A1P1. As regards the subject matter of protection, the term 'possessions' (which has an autonomous meaning within the context of the Convention) has been interpreted broadly by the Strasbourg court, which has held that:

> [It i]s not limited to ownership of physical goods and is independent from the formal classification in domestic law: certain other rights and interests constituting assets can also be regarded as "property rights," and thus as "possessions" for the purposes of this provision.[191]

Importantly for present purposes, the court has held on several occasions that intellectual property rights are a form of property that is deserving of full protection under the Convention, including trade mark rights.[192]

In relation to the scope of protection afforded under A1P1, the ECtHR has recognised three distinct forms in which the fundamental right to property is shielded against interference: (a) by guaranteeing to owners the 'peaceful enjoyment' of their possessions; (b) by prohibiting any and all 'depriv[ations] of possessions', unless they are undertaken in the 'public interest' and in compliance with the 'conditions provided for by law'; and (c) by ensuring that possessions can only be subjected to government control for purposes of advancing the 'general interest'. Although distinct, the court has

[190] Amongst others: *Khodorkovskiy and Lebedev v Russia* App no 13772/05 (ECtHR, 25 July 2013); *Kozacıoğlu v Turkey* App no 2334/03 (ECtHR, 19 February 2009); *James and Others v The United Kingdom* App no 8793/79 (ECtHR, 21 February 1986).

[191] *Balan v Moldova* App no 19247/03 (ECtHR, 29 January 2008) [32].

[192] ibid [34]; *Anheuser-Busch Inc v Portugal* App No 73049/01 (ECtHR, 11 January 2007) [63].

repeatedly held that all forms of protection are to be seen as connected.[193] More specifically, 'the second and third rules deal with particular forms of interference with the right to peaceful enjoyment of property "and should therefore be construed in the light of the general principle enunciated in the first rule"'.[194]

Interferences with the first rule (i.e. to peaceful enjoyment of possessions) must be scrutinized with a view to determining whether: (a) the measure imposing such interference has a 'reasonable basis'; and (b) the interference strikes a 'fair balance' between the demands of the general interest […] and the protection of the individual's fundamental rights'.[195] As regards the second rule, the Convention allows public authorities to deprive individuals from their possessions provided that certain requirements are met. Notably, the measure imposing the interference with the right to property must be: (a) in the 'public interest', which has been interpreted by the court in terms that are rather deferential to Member States, insofar as it 'encompasses measures which would be preferable or advisable, and not only essential';[196] (b) 'provided by law';[197] and (c) proportionate, in the sense that the measure must strike a fair balance between the general interest and the owner's fundamental rights, including payment of a reasonable compensation.[198] Finally, the third rule requires that measures

[193] *Khodorkovskiy and Lebedev v Russia* (n 190); *Kozacıoğlu v Turkey* (n 190); *James and Others v The United Kingdom* (n 190).

[194] William A Schabas, *The European Convention on Human Rights: A Commentary* (OUP 2015) 967, quoting *Kozacıoğlu v Turkey* (n 190) [48].

[195] *Sporrong and Lönnroth v Sweden* App no 7151/75 & 7152/75 (ECtHR, 23 September 1982) [61].

[196] *Handyside v The United Kingdom* App no 5493/72 (ECtHR, 7 December 1976) [62]. The margin of appreciation afforded to Member States in the context of deprivations of possessions is, thus, broader than that applied for interferences with the right to freedom of expression as protected under Article 10 ECHR, which, as we saw, must be 'necessary'.

[197] *Beyeler v Italy* App No 33202/96 (ECtHR, 5 January 2000) [108]-[109].

[198] *Pyrantienė v Lithuania* App No 45092/07 (ECtHR, 12 November 2013) [40]; *Lithgow and Others v The United Kingdom* App No 9006/80, 9262/81 & 9263/81 (ECtHR, 8 July 1986) [121].

necessary to control the use of property must be adopted in accordance with the 'general interest'. Admittedly, it is not always easy to determine when a given measure will amount to complete deprivation of possessions or simply to control. In any event, the requirements imposed under the Convention for both are very similar. Accordingly, a measure imposing control of property will be deemed to lawfully interfere with the right to property when: (a) it is prescribed by law; (b) in pursuit of a legitimate aim; and (c) is proportionate.[199]

As was the case with freedom of expression, the right to property is also protected under the EU Charter, more precisely, in Article 17. This provision, which explicitly recognises intellectual property as a form of property benefitting from the protection afforded by the Charter, reads as follows:

> 1. Everyone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions. No one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss. The use of property may be regulated by law in so far as is necessary for the general interest.
>
> 2. Intellectual property shall be protected.

As noted by Jonathan Griffiths, despite the differences in wording between this provision and A1P1,[200] the form and scope of protection afforded is essentially the same.[201] This should not come as a surprise. As we saw earlier, despite the EU not being

[199] *NKM v Hungary* App No 66529/11 (ECtHR, 14 May 2013) [44]; *RSz v Hungary* App No 41838/11 (ECtHR, 2 July 2013) [32].

[200] In contrast to A1P1, in the EU Charter: (a) the right to compensation for deprivations of possessions is expressly provided for; (b) control of property is referred to as 'regulation' of property; and (c) protection of intellectual property is explicitly recognised.

[201] Jonathan Griffiths, '"On the Back of a Cigarette Packet": Standardised Packaging Legislation and the Tobacco Industry's Fundamental Right to (Intellectual) Property' [2015] IPQ 343, 352.

a signatory to the ECHR, its institutions are bound by the international obligations provided for under the Convention, including the guidance provided by the ECtHR on the interpretation of the fundamental rights therein contained.[202] As a result, the requirements that any interference with the right to property must meet under Article 17 of the Charter to be considered lawful will mirror to a large extent those already described in the context of A1P1.

2.4. Legal Barriers Regulating Expressive Uses of Trade Marks: An Overview

As anticipated, trade mark rights constitute the most obvious barrier to expressive use of marks by non-owners, and often are invoked by right holders seeking an injunction before the courts. However, owners' exclusive rights are not the only legal constraint to expressive use of marks.[203] In fact, some of the fundamental provisions found in trade mark statutes worldwide seek to police who can make use of certain signs as trade marks, and for what purposes. In so doing, they erect legal barriers preventing certain individuals from making use of marks to express their preferred messages. For instance, by precluding certain signs from accessing the trade mark register altogether, the absolute ground for refusal of descriptive signs ensures that the communicative potential of such signs is not appropriated by one single individual, i.e. the would-be

[202] In the context of Article 17 EU Charter, the Explanatory Note clearly provides that, despite the different wording, 'the meaning and scope of the right are the same as those of the right guaranteed by the ECHR and the limitations may not exceed those provided for there'.

[203] It is relevant to note that courts and other decision making bodies have addressed the interaction between marks and speech in other scenarios, most notably, in comparative advertising and domain name disputes. See, amongst others: *L'Oréal* (n 32); *Red Dot Technologies Ltd v Apollo Fire Detectors Ltd* [2007] EWHC 1166 (Ch); *Boehringer Ingelheim Ltd v Vetplus Ltd* [2007] ETMR 67 (CA); Case C-533/06, *O2 Holdings Ltd & O2 Ltd v Hutchison 3G UK Ltd* [2008] ECR I-04231; *Societe Gervais Danone v Societe Le Reseau Voltaire et al* [2003] ETMR 26 (Tribunal de Grande Instance de Paris (14 May 2001)).

trade mark owner.[204] This restriction fosters competition in the marketplace by allowing all other firms trading in the relevant goods or services to continue making use of these signs without fear of infringing on the owner's mark.[205] This is what the CJEU has termed 'the requirement of availability'.[206] At the same time, however, this restriction prevents applicants from registering these signs and, consequently, from using them in the manner that best suits their interests, including their expressive interests.

For instance, Adidas AG's hypothetical attempt to register the word mark 'trainer' for shoes, in particular sport shoes, would be unsuccessful on descriptive grounds. There is a clear justification for such an exclusion from the register, and one that is ultimately grounded on the communicative needs of other traders for purposes of maximising competition.[207] Otherwise, competing firms such as Nike Inc. or Puma AG would be precluded from describing the class of goods that they manufacture and market. This would result in flows of information from traders to consumers operating under suboptimal conditions and, in turn, to a decrease in overall efficiency in purchasing conditions in the marketplace. Although justified, refusal to register Adidas AG's applied-for mark can run counter to its expressive needs in two ways. Firstly, it will prevent it from using the sign 'trainer' in relation to its sports footwear in exclusive terms. It could be argued that exclusive access to this sign bears no impact on the

[204] Trade Mark Directive, Article 4(1)(c); EU Trade Mark Regulation, Article 7(1)(c); UK Trade Marks Act 1994, Section 3(1)(c).

[205] Wolfgang Sakulin, *Trademark Protection and Freedom of Expression* (Wolters Kluwer 2011) 82–83; McGeveran (n 104) 1210; Pierre N Leval, 'Trademark: Champion of Free Speech' (2004) 27 Columbia Journal of Law and Arts 187, 191-92.

[206] Case C-102/07, *Adidas AG et al v Marca Mod CV et al* [2008] ECR I-2439, [23]; Case C-329/02P, *Sat 1 v OHIM* [2004] ECR I-8317, Opinion of AG Jacobs [21]-[23].

[207] This is what Bently, Sherman, Gangjee and Johnson have described, following Pierre Leval's ideas, as 'traders' right to free commercial expression'. Lionel Bently and others, *Intellectual Property Law* (5th edn, OUP 2018) 995 ft 112, paraphrasing Leval (n 205).

expressive interests of Adidas AG insofar as it can still use the sign, alongside all its competitors, for any and all purposes, including on its goods and on promotional material. However, this view disregards the fundamental role that exclusivity plays in allowing signs to further the communicative needs of traders when operating in the course of trade, most notably, the ability of signs to clearly signal commercial origin, which is only possible where exclusive use is guaranteed. Therefore, Adidas AG's inability to access the register will prevent it from speaking in the marketplace in its preferred manner, i.e. by means of exclusive use of the sign 'trainers' for footwear. Secondly, the firm's inability to use the mark in exclusive terms will also preclude it from building a brand image around the sign 'trainer', including an expressive dimension that would allow it –and all other individuals– to express itself through its use. This will run counter to Adidas AG's interest in communicating its belief in the desirability of leading a sports-oriented, healthy and stylish lifestyle through use of this sign, both on its goods and on advertising materials.

The absolute ground for refusal of marks that have become generic (i.e. a mark that no longer identifies a given commercial origin, but rather has become synonymous with the class of goods) raises similar concerns.[208] The mark is removed from the register to allow other firms trading in the class of goods to use it without fear of infringing on the owner's exclusive rights. Renowned examples of generic marks include 'Aspirin' or 'Cellophane', which were once registered as trade marks for Bayer's acetylsalicylate-

[208] Article 4(1)(d) Trade Mark Directive; Article 7(1)(d) EU Trade Mark Regulation; Section 3(1)(d) UK Trade Marks Act 1994.

based pain killer and DuPont's wrapping material made from cellulose, respectively, but have now come to designate each class of good.[209]

As already mentioned, the need for descriptive and generic signs not to be appropriated by one given trader as trade marks is grounded on the expressive interests of competitors. This has been acknowledged by courts and scholars.[210] For instance, in *Electrocoin*, the High Court of England and Wales held, upon determining whether the sign 'BAR-X' for slot machines was descriptive of the class of goods, that:

> [T]he name has the potential to be used and understood either as an indication of trade origin or as a way of referring to a class or category of machines (i.e. those which use the traditional symbols BAR and X as integers of the game played on the machine). The latter mode of expression engages the concerns for commercial free speech which underlie the exclusions from registration contained in sub-paras (c) and (d) of [Section 3(1) of the UK Trade Marks Act providing for absolute grounds for refusal of descriptive and generic signs, respectively].[211]

These are instances where the expressive interests of all other traders (in addition to consumers' interest in having access to product information and, broadly considered, the interest of all market participants in maximised efficiency) clearly outweigh those of the trade mark applicant. This likely explains why no challenges have been raised on free speech grounds to the validity of descriptive and generic grounds for refusal as provided for under trade mark statutes.

[209] *Bayer Co* (n 134); *DuPont Cellophane Co Inc v Waxed Products Co Inc* 85 F.2d 75 (2nd Cir 1936), respectively.

[210] *Electrocoin Automatics Ltd v Coinworld Ltd* (2004) 31 ETMR (Ch); *BACH and BACH Flower Remedies Trade Marks* (1999) 1 RPC (Ch); Leval (n 205).

[211] *Electrocoin Automatics* (n 210) 21.

The same is not true, however, of the absolute ground for refusal of marks that are contrary to public policy or morality.[212] In recent years, refusals from trade mark offices to register signs that are liable to offend the public, most often unsavoury terms, such as 'The Slants, 'Screw You' or 'Tiny Penis', have been challenged on grounds that they contravene the fundamental right to freedom of expression of trade mark applicants.[213] These challenges have, for the most part, been unsuccessful, especially in Europe. On this side of the Atlantic, decision makers have usually found that the overriding public interest in preventing registration of signs that can cause outrage amongst the public is compatible with the strictures provided for under Article 10 ECHR.[214] Regardless of their outcome, these decisions highlight the significance of registration in furthering the expressive interests of trade mark applicants.[215]

Furthermore, restrictions on trade mark use having an impact on the expressive interests of right holders not only stem from trade mark statutes, but sometimes also from public measures seeking to regulate consumption of certain goods. This is the case, most notably, of legislation aimed at preventing uses of marks that can mislead consumers as to the characteristics of the goods bearing them and/or induce them, through the positive images conveyed by the marks, to purchase such goods, when they pose a risk to health. The most obvious example of health-furthering, trade mark-restrictive measures can be found in relation to tobacco products, the sale conditions

[212] Article 4(1)(f) Trade Mark Directive; Article 7(1)(f) EU Trade Mark Regulation; Section 3(3)(a) UK Trade Marks Act 1994.

[213] Respectively: *Tam* (n 9); *R 495/2005-G, Jebaraj Kenneth* (n 4); *Ghazilian* (n 9).

[214] *R 495/2005-G, Jebaraj Kenneth* (n 4); *Ghazilian* (n 9).

[215] That refusals to register a mark can interfere with applicants' freedom of expression is a controversial contention, with courts and trade mark offices in Europe being split on the matter. This will be explored further in Chapter 4.

for which have been subject to increasing regulatory scrutiny since the 1960s.[216] As part of inter-governmental and domestic efforts to discourage smoking, governments worldwide have sought to regulate, *inter alia*, the ways in which marks for tobacco products can be used, and sometimes have even gone as far as to prohibit the use of certain types of marks altogether. For instance, the EU Tobacco Products Directive currently in force mandates that tobacco companies refrain from using marks that could mislead consumers as to the risks posed by smoking, for instance, where they contain descriptors such as 'light' or 'mild'.[217] Similar provisions can be found beyond tobacco products. For instance, the EU Regulation on Nutrition and Health Claims Made on Food bans right holders operating in the food and beverage industries from using marks that consist of, or contain, inaccurate descriptors regarding the nutritional content or health benefits of their goods.[218] For example, the owner of a mark that consists of, or contains, the descriptor 'fat-free' in relation to a certain foodstuff will only be allowed to use it if the final product meets the quantitative requirement set forth in the Regulation (i.e. where it contains no more than 0,5 g of fat per 100 g/ml).[219] Quite apart from having a negative impact on the economic interests of right holders resulting from mandated non-use of their marks, these restrictions also have repercussions on their expressive

[216] Amongst others: The Cigarette Labelling and Advertising Act of 1965 (US); Loi n° 76-616 du 9 juillet 1976 relative à la lutte contre le tabagisme (France); Directive of the European Parliament and of the Council 2001/37/EC of 5 June 2001 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco products [2001] OJ L 194/26 (EU).

[217] Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products and repealing Directive 2001/37/EC, Recital 27.

[218] Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods.

[219] ibid Annex Claim 5.

interests, insofar as they are prevented from communicating their preferred messages. However, the public interest in truthful, accurate information of the characteristics of goods available in the marketplace, especially when they pose a severe threat to health such as is the case for tobacco products, has been found to easily outweigh right holders' expressive interests in these instances.[220]

The compatibility with freedom of expression of other forms of health-furthering, trade mark-restrictive measures is, however, more contentious. I am referring, in particular, to: (a) advertising bans; (b) prohibitions on the use of marks already associated with other goods on unhealthy products; (c) requirements that the packaging of unhealthy products bear health warnings informing consumers of the hazards associated with their consumption; and (d) standardised packaging. The validity of these measures has been challenged before domestic and regional courts on several occasions on grounds that they contravene the fundamental rights of trade mark owners, notably the right to (intellectual) property.[221] However, right holders have, on several occasions, grounded their challenges on their fundamental right to freedom of expression.[222] It should be noted that, contrary to the widespread assumption that such challenges have only been launched before the US courts on First Amendment grounds, free speech concerns have also been raised before the CJEU on the basis of Article 10 ECHR –unsuccessfully, though. Regardless of their outcome (and as was the case with

[220] Case C-547/14, *Philip Morris Brands SARL and Others v Secretary of State for Health* (2016) EU:C:2016:325.

[221] ibid; *JT International SA et al v Commonwealth of Australia* [2012] HCA 43 (High Court of Australia); *RJ Reynolds Tobacco Company et al v Food & Drug Administration et al* 696 F.3d 1205 (D.C. Cir. 2012); *Case C-491/01 Secretary of State for Health v British American Tobacco (Investments) Ltd et al* (2010) ECR I-11453; Case C-376/98, *Germany v European Parliament* [2000] ECR I-8419.

[222] In the US: *RJ Reynolds Tobacco Company* (n 221); *Cigar Association of America v FDA* 317 F.Supp.3d 555 (D.D.C. 2018); in the EU: *Case C-547/14, Philip Morris Brands SARL and Others* (n 220), Opinion of AG Kokott; Case C-376/98, *Germany v European Parliament* (n 221), Opinion of AG Fennelly.

challenges to refusals to registration), these decisions highlight the impact that restrictions on trade mark use can have on owners' ability to communicate their preferred messages in the marketplace.

To sum up, these are cases where applicants/owners have had recourse to freedom of expression with a view to preventing public authorities from limiting their ability to speak through their marks by ensuring that they can either access the register or be used in the course of trade once registered. In other words, cases where the speech rights of applicants/owners have been invoked before the courts to validate trade mark rights, sometimes successfully. This is in sharp contrast to the manner in which free speech is raised in the infringement context, where recoders make recourse to the constitutional protection afforded to this right with a view to shielding their expressive uses from the strictures of trade mark law.

In light of the foregoing, it would appear that cases addressing the interaction between marks and speech can adopt two different postures. On the one hand, we find cases launched by right holders wishing to challenge the validity of measures of public law preventing them from registering/using marks on speech grounds. These are cases where freedom of expression is invoked with a view to preventing public authorities from encroaching on owners' expressive interests, as realised through trade mark registration/use. These will be referred to in this thesis as 'ownership' cases. On the other hand, we find cases where speech interacts with trade marks with a view to limiting the exclusive rights granted to right holders. These are cases where recoders have recourse to freedom of expression as a defence against right holders' infringement claims, so as to ensure that they can engage in unauthorised use of marks for expressive purposes. These will be referred to as 'recoding' cases.

This distinction begs the question: if both sets of cases deal with the interaction between marks and speech, why do courts approach them differently? And, more importantly, what can we learn from their joint study? Chapters 3 and 4 attempt to provide answers to these questions. To this end, interaction cases from Europe and the US will be classified into different categories. It is expected that the rationalisation of such a complex area of the law will allow us to identify the common themes and conceptual frameworks governing interaction cases across jurisdictions. Critical engagement with such themes and frameworks will, in turn, allow to shed light on their shortcomings. All with a view to proposing, in Chapters 5 and 6, improved ways of thinking about the interaction between marks and speech that will assist courts in striking a better balance in both ownership and recoding cases. As a preliminary step in this endeavour we must, therefore, begin by looking at the methodology that will allow us to extract valuable information from the case law in the first place.

2.5. A Taxonomical Approach to the Interaction Between Trade Marks and Freedom of Expression in Europe and the US: Methodological Considerations

2.5.1. Preliminary Considerations

Perhaps the most striking finding when one conducts research on the interaction between marks and speech is the lack of a comprehensive study covering all instances where owners' exclusive rights interact with freedom of expression. This is all the more surprising in an area of trade mark law that has attracted so much scholarly attention during the past three decades. An overview of this literature reveals a tendency to focus on the expressive interests of recoders as threatened by right holders' exclusive rights in recoding disputes. As a result, little attention has been devoted to date to cases where the expressive interests of owners have been at the forefront of the judicial inquiry.[223] This is likely the result of a combination of factors. Firstly, the comparatively higher number of interaction cases that have been brought before the courts on recoding grounds. And, secondly, the wave of optimism that speech-infused rationales sparked amongst scholars wishing to rely on freedom of expression as a way to curb the expansive scope of protection afforded to trade mark rights in recent decades. However, the unduly narrow emphasis placed on one category of interaction cases has led to an impoverished understanding of the expressive richness involved in trade mark use.

Efforts at categorising the diversity of judicial approaches to the interaction between marks and speech in the literature are, thus, not only scarce, but also limited in both their territorial scope and taxonomical relevance. Taking, for instance, Fhima's thorough overview of European case law on the topic, it is difficult to see the criteria that guide her taxonomy, sometimes arranging cases on the basis of trade mark doctrines (e.g. grounds for invalidity, infringement or defences), others on specific use contexts (e.g. internet), or even on procedural categories (e.g. interim relief cases).[224] While practical in the sense that it enables her to exhaustively review all relevant European case law on the matter, Fhima's taxonomy proves of limited value to identify general patterns or extract broad principles that would allow for a better understanding of prevalent approaches to the relationship between marks and speech. Similar

[223] The exception to this would be the contentious debate sparked in recent years in the US by the Supreme Court decisions in *Tam* and *Iancu v Brunetti*, involving challenges to the validity of the Lanham Act's absolute grounds for refusal of disparaging, immoral and scandalous marks on free speech grounds. *Tam* (n 9); *Iancu et al v Brunetti* 139 S Ct 2294 (2019) (*Brunetti*).

[224] Fhima (n 186).

assessment can be made of other authors' approach to the topic.[225] Although admittedly their aim is not to propose a taxonomy of case law dealing with the interaction, nor even to review all relevant cases, their rather narrow focus goes to proving the limited value of existing scholarly literature in providing an overview of where the courts stand in this regard. The most salient effort at providing a taxonomy of case law to date is Sakulin's doctoral thesis on the topic.[226] Although ambitious in taxonomical scope, it fails to engage to any meaningful extent with cases where freedom of expression has been relied upon by applicants/right holders as a legitimate ground to challenge the validity of measures of public law restricting trade mark use/registration. This is particularly surprising in light of his thorough analysis of all grounds of refusal of registration through the lens of their impact on the fundamental right to freedom of expression, including of signs that are contrary to public policy or morality. However, his concern lies systematically with the protection of the speech interests of recoders (and what he terms 'society', meaning presumably consumers of recoded branded goods and the public), as he himself acknowledges. In fact, the sole instance where he engages with the argument that freedom of expression not only serves to limit trade mark rights, but may also validate them, he dismisses it as far-fetched in what, to my view, appear to be rather succinct and unpersuasive terms.[227] Furthermore, Sakulin's monograph is limited

[225] Martin Senftleben, 'Free Signs and Free Use – How to Offer Room for Freedom of Expression within the Trademark System' in Christophe Geiger (ed), *Research Handbook on Human Rights and Intellectual Property* (Cheltenham: Edward Elgar 2015); Jonathan Griffiths, 'Is There a Right to an Immoral Mark?' in Paul Torremans (ed), *Intellectual Property Law and Human Rights* (Wolters Kluwer 2008); Christophe Geiger, 'Trade Marks and Freedom of Expression – The Proportionality of Criticism' [2007] IIC 317.

[226] Sakulin (n 205).

[227] ibid 21–22. Several authors have acknowledged the need to take into consideration the expressive interests of right holders in certain interaction cases, more precisely, where protection of defendant's speech rights can lead to compelling plaintiff's speech –in the sense of requiring the latter to speak a message with which it does not identify. Unfortunately, however, these authors fail to explore the repercussions of such findings in depth. Gangjee and Burrell (n 146) 566–67; Michael Spence, 'Restricting

in jurisdictional reach, covering only European case law. Admittedly, this is very often the case in the literature, where there appears to be an obvious divide between both sides of the Atlantic, with most authors focusing on either European or US case law on the topic.[228] The reasons for this might be found in the methodological challenges that will be discussed below. Some, such as Christophe Geiger, go even further to focus on one EU Member State (in his case, France).[229]

This thesis aims to put an end to these shortcomings. To do that, it provides, in Chapters 3 and 4, a thorough overview of the diverse set of instances where trade mark rights interact with freedom of expression on both sides of the Atlantic. This will allow to identify the shortcomings of current approaches to the interaction between marks and speech, and to propose possible ways of reconceptualising it. To this end, and relying on recent scholarship proposing taxonomy as a legal method, I will propose a taxonomy of interaction cases. This will, hopefully, bring order where there is otherwise chaos by rationalising the diversity of judicial responses in this contentious area of the law. As announced, the taxonomy will cover case law from both Europe and the US. The aim of the comparative exercise is twofold. Firstly, to gain access to a larger pool of cases than would otherwise be the case if this inquiry were restricted to Europe. And, secondly, to highlight the striking similarity in terms of the conceptual frameworks

Allusion to Trade Marks: A New Justification' in Graeme B Dinwoodie and Mark Janis (eds), *Trade Mark Law and Theory: A Handbook of Contemporary Research* (Edward Elgar Press 2007).

[228] European authors tend to focus on European case law, such as: Sakulin (n 205); Fhima (n 186); Griffiths, 'Is There a Right to an Immoral Mark?' (n 225). And US scholars tend to focus on American case law, most notably: Dogan and Lemley (n 110); McGeveran (n 104); Rochelle C Dreyfuss, 'Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Ambiguity' in Graeme B Dinwoodie and Mark Janis (eds), *Trademark Law and Theory: A Handbook of Contemporary Research* (Edward Elgar Press 2008); Lisa P Ramsey, 'Increasing First Amendment Scrutiny of Trademark Law' [2008] SMU LR 381; Kozinski (n 14).

[229] Geiger (n 225).

employed to date by courts adjudicating in both jurisdictions. Since the thrust of my argument is that such conceptual frameworks are equally flawed, the impact that my proposed reconceptualization can have in the field will not be limited to Europe. For purposes of this thesis, however, the analysis undertaken in Chapters 5 and 6 as to how the proposed reconceptualization can improve the balancing exercise in interaction cases will focus on EU law.

2.5.2. A Taxonomy of the Interaction Between Trade Marks and Freedom of Expression

2.5.2.1. Taxonomy as Legal Method

Jurists, alongside other social scientists, have long been engaged in taxonomical reasoning. This is not surprising in light of the fundamental role that taxonomical thinking plays in systematising (social) reality. In fact, it is often said that our understanding of the law and of legal systems is heavily dependent on categories stemming from taxonomical thinking.[230] Categories that come naturally to any jurist include public and private law, and, within the latter category, those that deal with property, torts, contracts, etc. In fact, the academic curriculum is organised according to categories that we have internalised to such an extent that they determine the ways that we conceive of, and think about, the law. Some of these categories go as far back as Roman law, praised to this date for its taxonomical ambition and precision.

[230] Geoffrey Samuel, *Epistemology and Method in Law* (Routledge 2016); Mitchell McInnes, 'Taxonomic Lessons for the Supreme Court of Canada' in Charles EF Rickett and Ross Grantham (eds), *Structure and Justification in Private Law: Essays for Peter Birks* (Hart Publishing 2008).

However, the emergence of taxonomy as a legal method in more recent years has proved controversial, not least since the precise contours of this methodology have not been clearly delimitated.[231] Heralded by Professor Peter Birks, taxonomy as a legal method is characterised by the classification of rules into different categories with the aim of bringing order where there is otherwise chaos.[232] In other words, the taxonomer seeks to classify legal objects according to some guiding principle or shared characteristic in an effort to rationalise the rules that govern an area of law.[233] When thinking in taxonomical terms, the role of the jurist is thus not unlike that of the zoologist, insofar as both apply their reason to raw, disorderly material found in society/nature in an effort to provide some clarity that will facilitate our understanding of, and discussion about, such materials. There are obvious advantages to this, as described by Sherwin:

> The most basic […] goal for legal taxonomy is to organize the body of law in a way that makes it understandable and accessible to those who use it. A comprehensive classification of legal rules helps legal actors locate pertinent rules. It also generates a set of abstract legal concepts that enable legal actors to understand, discuss, and manage law in general terms. If the classification is widely accepted, it can also coordinate the use of legal terminology and allow legal actors to communicate more effectively about the law.[234]

[231] Discussing the controversial reception of Birks' taxonomical approach, especially in the US, see Emily Sherwin, 'Legal Taxonomy' [2009] Legal Theory 25, 25–28; Hanoch Dagan, 'Legal Realism and the Taxonomy of Private Law' in Charles EF Rickett and Ross Grantham (eds), *Structure and Justification in Private Law: Essays for Peter Birks* (Hart Publishing 2008).

[232] Peter Birks, *Unjust Enrichment* (2nd edn, OUP Clarendon Law Series 2005); Peter Birks, 'Peter Birks, Unjust Enrichment and Wrongful Enrichment' [2001] Texas LR 1767; Peter Birks, *The Classification of Obligations* (OUP Clarendon Press 1997).

[233] The term 'taxonomer', used to describe the scholar engaged in taxonomical thinking, is borrowed from Sherwin (n 231).

[234] ibid 40.

For taxonomical purposes, however, there are fundamental differences between the objects of study involved in the natural sciences as compared to the social sciences, including law. As a social construct, law is at once a science and the object of scientific inquiry. We can only engage in meaningful construction and understanding of the law by means of 'concepts and theoretical categories [which] are of course part and parcel of the science of law itself'.[235] This conundrum has fundamental implications for the taxonomical enterprise as applied to legal objects. Notably, the jurist-taxonomer is left to classify an object that, insofar as is constructed on the basis of concepts that themselves lack rigour, such as 'good faith' or 'public order', is not rigorous. This leads to its object being malleable, ever-changing and, what is more problematic for purposes of classification, subject to interpretation. This can lead to legal objects not fitting nicely within established categories, or even overlapping. In this sense:

> [T]he classification scheme is not there to model an object like nature, which is stable, permanent and uniform and whose facts cannot be modified by interpretation. Classification is there, amongst other things, to help construct the legal facts which may then tend towards one normative solution over another, depending, of course, on the nature of the construction exercise itself.[236]

This passage takes us back to the aims of taxonomical reasoning. Classification of rules not only helps to clarify and rationalise the law, but can also assist in normative endeavours. To this end, the taxonomer can rely on the suggested categories as an instrument to identify the shortcomings of existing rules and conceptual frameworks, as well as to propose avenues for reform. In other words, legal taxonomy can:

[235] Samuel (n 230) 250.

[236] ibid 255.

> [H]elp lawmakers and other interested parties determine whether existing legal rules are operating effectively to settle recurrent disputes and achieve social objectives. Taxonomy can do this by providing an overview of the law, which in turn will expose inconsistencies and gaps among legal rules. […]
>
> A taxonomy [can also be] normative; the scheme of classification is designed not only to organize existing rules and decisions but also to provide standards for future rules and decisions.[237]

Whether the aim of the taxonomical exercise is to rationalise, criticise, suggest improvements, or even all of the above, will ultimately depend on the taxonomer's agenda, who will design the proposed taxonomy accordingly. To this end, the jurist-taxonomer must identify the classification criteria that will allow him to systematise rules into categories. For instance, one may classify rules on the basis of the aspect of social life that they regulate, where, say, public law regulates the relations between the state and its citizens, and private law regulates the relations between individuals. In turn, these categories will allow the jurist to extract valuable information from the way that existing rules operate, identifying pitfalls and proposing improvements as, and when, appropriate.

2.5.2.2. Proposed Taxonomy

It should be noted at the outset that my endeavour is not, in terms of taxonomical scope, ambitious. I do not set out to propose categories within a broad area of the law, such as the law of unjust enrichment or the law of property –as is often the case in legal taxonomy.[238] On the contrary, my project is much more modest. It is circumscribed to

[237] Sherwin (n 231) 40–42.

[238] Birks, *Unjust Enrichment* (n 232); Birks, 'Peter Birks, Unjust Enrichment and Wrongful Enrichment' (n 232); Birks, *The Classification of Obligations* (n 232).

the set of rules that govern current judicial approaches to the interaction between marks and speech. More precisely, my suggestion is to classify existing case law addressing this interaction according to *the manner in which courts interpret and apply freedom of expression*.

In light of this criterion, the proposed taxonomy will consist of two categories according to whether free speech, as realised through trade mark use: (a) is not curtailed ('unaffected speech' cases); or (b) is curtailed ('affected speech' cases). I am thinking, in particular, of instances where unauthorised third party use of a mark is/is not in the course of trade and, thus, will/will not give rise to infringement liability in the first place.[239] But not only. Interaction cases might also fall under the 'unaffected speech' category when defendant's use is deemed not to be expressive and, thus, speech protection will not be triggered.[240] Within the 'affected speech' category we can, in turn, identify two subcategories depending on whether freedom of expression serves to: (i) limit trade mark rights ('speech as defence' cases);[241] or (ii) validate trade mark rights ('speech as ground' cases).[242] On another plane, although related, these subcategories coincide with the abovementioned classification on the basis of the type of claim: 'recoding' cases with 'speech as defence', and 'ownership' cases with 'speech as ground'. The proposed taxonomy can be represented as shown in the following diagram:

[239] Relevant cases in Europe include: *Esso Plc v Greenpeace France* Cour d'Appel de Paris (Fourth Chamber, Section A), France 16 November 2005 [2006] ETMR 53; *Unilever Plc v Griffin* [2010] EWHC 899 (Ch). As regards the US: *United We Stand Am Inc v United We Stand Am NY Inc* 128 F3d 86 (2d Cir 1997); *Lucasfilm Ltd v High Frontier* 622 F. Supp. 931 (D.D.C. 1985).

[240] *Ate My Heart* (n 6); *Miss World* (n 6).

[241] In Europe: *Nadia Plesner* (n 7); *Violet Postcard (Lila-Postkarte)* (n 7); *Laugh It Off Promotions CC v South African Breweries (Finance) BV t/a Sabmark International* [2005] CCT 42-04 (Constitutional Court of South Africa); in the US: *Haute Diggity Dog* (n 8); *Mattel* (n 1).

[242] In Europe: Case C-547/14, *Philip Morris Brands SARL and Others v Secretary of State for Health* (n 220); *R 495/2005-G, Jebaraj Kenneth* (n 4); *Ghazilian* (n 9); Case C-376/98, *Germany v European Parliament* (n 221); in the US: *Brunetti* (n 223); *Tam* (n 9); *RJ Reynolds Tobacco* (n 221).

Category	Unaffected Speech (Speech protection is not triggered)	Affected Speech	
Sub-category		Speech as defence	Speech as ground
Type of claim		Recoding	Ownership

As will soon become apparent, the aim of my suggested taxonomy is normative. To this end, the proposed classification not only allows to systematise the law in this area and make it more readily comprehensible, but is also an attempt to show that it is fundamentally flawed and, thus, in need of urgent reform. It is my contention that courts' conceptualization of the interaction between marks and speech is incomplete, insofar as they conceive of freedom of expression as either limiting or validating trade mark rights. This is premised on the type of claim involved, i.e. whether speech is raised by recoders in recoding cases or by right holders/applicants in ownership cases. However, this distinction is not mandated by constitutional and human rights instruments providing protection for free speech. On the contrary, adequate enforcement of the right to freedom of expression would require courts to take into account the expressive interests of all individuals involved in trade mark use.

The taxonomy will then be used to show that the best way of moving forward and striking a better balance in interaction cases is, ironically, to move away from existing categories, insofar as they lead to a reductive understanding of the interaction between marks and speech. To this end, I will propose eliminating the subcategories of 'speech as defence' and 'speech as ground', so as to be left only with two overarching categories: 'unaffected speech' and 'affected speech'. This will allow decision makers, in those instances of trade mark use falling under the latter category, to better adjudicate interaction cases by taking into consideration the expressive interests of all individuals involved in trade mark use.

2.5.3. A Comparative Approach to the Interaction Between Trade Marks and Freedom of Expression in Europe and the US

2.5.3.1. Comparative Legal Methodology

Despite the rapid expansion and success that comparative legal studies have experienced in the past three decades, its methodology still remains a controversial subject. So much so that an overview of the literature on the topic reveals not only an overwhelming diversity of theories and methods but, more importantly, an overall lack of consensus as to the best way to undertake the comparative exercise.[243]

In spite of this, most authors agree that the starting point for any meaningful discussion of comparative legal methodology is the functional approach.[244] As its own name suggests,[245] this method of comparison, first proposed by Zweigert and Kötz to

[243] Amongst others: Uwe Kischel and Andrew Hammel, *Comparative Law* (OUP 2019) 87–88; Mark Van Hoecke, 'Methodology of Comparative Legal Research' [2015] Law and Method 1; Jan M Smits, *Elgar Encyclopedia of Comparative Law, Second Edition* (Edward Elgar Press 2012); Ralf Michaels, 'The Functional Method of Comparative Law' in Mathias Reiman and Reinhard Zimmerman (eds), *The Oxford Handbook of Comparative Law* (OUP 2006).

[244] Kischel and Hammel (n 243); Michaels (n 243).

[245] The functional approach in comparative legal methodology ought not to be confused with the functional approach to trade marks, nor with the functions theory as developed by the CJEU.

much acclaim, prescribes that legal scholars look to the functions of norms.[246] A functional inquiry, therefore, often begins with the identification of a problem, followed by the question: how do different legal systems address and solve this problem? An often-praised contribution of the functional approach is the ease with which it allows to frame the comparative inquiry in terms that are removed 'from the conceptual frameworks of one own's national legal system', thus shielding the legal scholar against unconscious biases and preconceived categories that can easily jeopardise the entire enterprise.[247] Once the problem is identified, the search for the norms that, in different jurisdictions, have as their function to provide a solution to such problem becomes rather straightforward. Firstly, the solutions are placed side by side in the search for similarities and differences. Secondly, the reasons that explain such differences and (in instances where the comparative exercise requires so) similarities ought to be presented. Finally, the legal scholar will usually conclude by evaluating the results stemming from the comparative exercise and advancing which set of rules is better suited to performing the function under scrutiny. Sometimes, the latter part of the exercise will incorporate a normative dimension, suggesting possible ways in which the norms of one, various or all of the compared jurisdictions could be improved.[248]

The functional approach, therefore, rests on a series of premises: (a) that law has a function, i.e. that it serves to solve certain problems; (b) that law can, in fact, carry out its function successfully, i.e. can solve such problems; (c) that functions are common to different jurisdictions; (d) that law can be detached from its cultural and political context

[246] Konrad Zweigert and Hein Kötz, *An Introduction to Comparative Law* (Tony Weir tr, 3rd edn, OUP Clarendon Press 1998).

[247] Kischel and Hammel (n 243) 89.

[248] Kischel and Hammel (n 243); Smits (n 243); Michaels (n 243); Zweigert and Kötz (n 246).

so as to provide a neutral standpoint for the scholar to undertake the comparison; and (e) that each comparative exercise will vary depending on the functional question analysed and, thus, there is no need to specify in the abstract the form that the comparative exercise will take, i.e. the research strategies that ought to be employed to successfully engage in a functional comparison of the law.

These underlying assumptions have become increasingly subject to criticism, spanning new methodological approaches to the comparative exercise.[249] The sheer diversity of alternative methods of legal comparison proposed to date warns against any attempt to cover them exhaustively. These reform proposals range from postmodernist critiques aimed at highlighting the futility of comparative legal methodology broadly considered, to more constructive attempts to refine certain aspects of the functionalist approach. Accordingly, there is a general sense of uncertainty in the field. It would, however, be premature to dismiss these criticisms, which highlight the need for further refinement of our understanding of comparative legal methodology. Importantly, amidst the cacophony, there is a proposal that is currently gaining traction in the field, and which will be followed in this thesis: the contextual method.[250] Hermeneutical in nature, this theory is premised on the notion that reality is far too complex for one methodological model to even begin to explain it, let alone capture it. Accordingly, it proposes functionalism as a starting point, from which the scholar must depart when

[249] Amongst others: Kischel and Hammel (n 243); Michaels (n 243); Pierre Legrand, 'The Return of the Repressed— Moving Comparative Legal Studies Beyond Pleasure' [2001] Tulane LR 1033; Hiram E Chodosh, 'See Chodosh, Hiram E, Comparing Comparisons: In Search of Methodology' [1999] Iowa LR 1025; David J Gerber, 'System Dynamics: Toward a Language of Comparative Law?' [1998] American Journal of Comparative Law 719; Vivian G Curran, 'Cultural Immersion, Difference and Categories in U.S. Comparative Law' [1998] American Journal of Comparative Law 43; Nathaniel Berman, 'Aftershocks— Exoticization, Normalization, and the Hermeneutic Compulsion' [1997] Utah LR 281.

[250] Kischel and Hammel (n 243) 173-88.

the specific question before him so demands, in the search for the most appropriate method to address it. In particular, this method seeks to refine the functional approach by infusing it with contextual considerations that ought to inform the comparative legal analysis, notably the cultural, political and socioeconomic background underpinning each legal system. In the words of Kischel and Hammel:

> [The contextual method] is open to all manner of research questions, and does not exclude certain questions, answers, or techniques. However, it does refrain from reducing and simplifying the multilayered complexity of reality to a model. In fact, it demands the contrary: the consideration of as many relevant legal and non-legal factors and insights as possible in every individual study. […] Method is not a recipe which can and must simply be followed step by step, much less a unified recipe which applies to all potential questions. […] All types of comparison, as well as every individual question always require an independent analysis and an attempt to incorporate all relevant aspects of the context. The method is based on experience, the way to proceed depends on the individual question, to which it must always be adapted.[251]

2.5.3.2. Proposed Comparative Study of the Interaction Between Trade Marks and Freedom of Expression in Europe and the US

Exploration of US case law dealing with the interaction between marks and speech allows access to a much larger body of case law than in Europe, where the number of decisions addressing this interaction is rather limited.[252] Also, US courts have been hearing interaction disputes for much longer and, consequently, have developed a more sophisticated (albeit more complex) body of law.

However, any comparative exercise involving speech protection in the US under the First Amendment to the Constitution must be undertaken with extreme caution.

[251] ibid 174.

[252] This will become apparent upon analysis of interaction cases in Chapters 3 and 4.

This is due to the singularity of First Amendment doctrine within the political and legal landscape of the US, where it is heavily relied upon to rein in government action in all its forms, including through regulation of trade mark registrability/use. Accordingly, not only is the manner in which speech rights can be relied upon to challenge public measures in the US often different from other jurisdictions, including Europe, but the scope of protection afforded to individuals in the US is broader. In this regard, Barendt has noted that:

> [The] US approach to free speech issues differs considerably […] [from] the jurisprudence in many other countries and jurisdictions. [… F]reedom of speech is more strongly protected against Government regulation in the United States, than it is, say, in Germany and under the ECHR.[253]

As a result, it is often held that any lessons to be learned from First Amendment jurisprudence can hardly be of service for courts adjudicating elsewhere, questioning from the outset the suitability of any comparative exercise. Arguing quite forcefully to this end in the trade mark context, Burrell and Gangjee have advanced that 'robust US speech doctrine infuses judicial and academic pronouncements on trade mark and free speech conflicts, making its applicability elsewhere questionable'.[254]

I agree with the broad tenet that the particularities of First Amendment doctrine can often make the comparative exercise with US speech law particularly challenging. As advanced earlier, this might perhaps explain the lack of any meaningful comparative study to date of interaction cases between Europe and the US. However, I am of the opinion that some of the concerns that have held back European commentators from

[253] Eric Barendt, *Barendt Freedom of Speech* (2nd edn, OUP 2007) 54.

[254] Gangjee and Burrell (n 146) 558.

engaging in this comparative exercise have been magnified. Notably, Gangjee and Burrell believe that 'the exceptional nature of First Amendment jurisprudence […] suggests that it may be too firmly rooted for a successful legal transplant'.[255] It is my contention, however, that there is no need for a legal transplant in the first place, since the conceptual frameworks employed by courts adjudicating interaction cases on both sides of the Atlantic are already very similar. In fact, the thrust of my argument, and one of the core reasons for engaging in the comparative exercise, is that the conceptual frameworks employed by courts in Europe and the US are equally flawed. A framework that is characterised by the oversimplification of the relationship between marks and speech, whereby the speech interests of only one type of expressive user are taken into account, whether it be right holders/applicants in ownership cases or recoders in recoding scenarios. Consequently, and as we saw earlier, they fail to acknowledge the expressive richness that is involved in trade mark use. An expressive richness that allows other individuals to make use of marks for communicative purposes, most notably, right holders (in recoding cases), recoders (in ownership cases), consumers and the public. Disregard for their expressive interests has led courts to adjudicate on the basis of an incomplete conceptualisation of the interaction between marks and speech and, thus, to suboptimal results.

It should be pointed out that I do not believe my view to be irreconcilable with Gangjee and Burrell's. Rather, the scope of our respective inquiries, as well as the functional questions that we seek to answer by means of the comparative study, are by no means the same and, thus, the proposed methodological approaches to the

[255] ibid 558.

comparison differ in each case. In a nutshell, Gangjee and Burrell argue, *inter alia*, that courts and scholars should abandon proposals to rely on freedom of expression as a means to curb the ever-expansive scope of protection afforded to trade marks. Especially in jurisdictions other than the US, where 'it is unlikely that a robust commercial speech doctrine can be successfully mobilised to redress the situation'.[256] Therefore, their proposed transplant from US case law focuses on a narrow aspect of the interaction between marks and speech, more precisely, speech as a defence in recoding litigation. Also, the functional question that they seek to answer by engaging in the comparative exercise (whether speech protection can rein in the expansion of trade mark rights) is different from mine. It is based on an identified problem (that the scope of protection afforded to right holders is exceedingly broad) and a suggested solution to this problem (that the expansion can be curbed by means of the overarching protection granted to freedom of expression). This explains why the comparative exercise they have in mind is rather ambitious, for it covers not only the conceptual framework employed in recoding cases (speech rights as a defence to trade mark rights), but also the precise scope of protection afforded under First Amendment doctrine, which is arguably more robust in the US than it is in Europe. Otherwise, recourse to freedom of expression in recoding cases will not allow to solve the identified problem. Against this backdrop, I would join Gangjee and Burrell in their scepticism as to whether the proposed legal transplant could be successful in Europe.

However, my suggested approach is different, not only in terms of the functional question that I wish to answer by engaging in the comparative exercise, but also in

[256] ibid 558.

scope. Simply put, my interest lies in the conceptual frameworks employed by courts to determine how free speech ought to interact with trade mark rights (not in the precise scope of protection afforded to speech in each jurisdiction). As regards the breadth of my inquiry, I do not only wish to compare courts' approaches to the interaction between marks and expression in recoding litigation, but rather in all types of disputes, including ownership cases. The reason for this being that the problem I have identified (the incomplete conceptualisation of the interaction between marks and speech) comes to light upon analysis of interaction cases broadly considered. In fact, current shortcomings in interaction cases stem, to a large extent, from the lack of studies that encompass judicial responses to both recoding and ownership cases. The emphasis of my comparative exercise is, thus, on whether we can improve adjudication in interaction cases broadly considered by refining our understanding of the expressive richness involved in trade mark use. In doing this, I have no normative agenda in mind in terms of whether it will result in owners' exclusive rights being curbed or expanded. Rather, my aim is to ensure an adequate understanding of the relationship between marks and speech. In turn, this will ensure that the guarantee afforded by constitutional and human rights instruments to freedom of expression is properly interpreted and applied in trade mark disputes, irrespective of the scope of protection afforded to speech in each jurisdiction. Therefore, it might well be that, in some instances, owners' rights will be curtailed in application of the proposed reconceptualization, while in others they may be reinforced.

Finally, the ambition of my comparative exercise is also different to Gangjee and Burrell's, insofar as I am not interested in European courts replicating the level of protection afforded to free speech in the US. In fact, it is highly unlikely that European courts would recognize as broad a scope of protection as their American counterparts in interaction cases, especially those dealing with ownership claims. However, I do not believe this to be necessary for purposes of the proposed reconceptualization of the interaction between marks and speech. It is expected that courts from different jurisdictions will, upon adjudicating interaction cases following the proposed reconceptualization, likely reach different conclusions as to whose expressive interests ought to prevail in each case depending on their preferred approach to freedom of expression.

Going back to the comparison of the conceptual frameworks employed in interaction cases on both sides of the Atlantic, the proposed taxonomy can assist in highlighting the similarities between both jurisdictions. Firstly, most instances of unauthorised third party use of marks for expressive purposes, whether in Europe or the US, do not occur in the course of trade and, thus, fall under the 'unaffected speech' category –as a result, they will not trigger speech protection. And, secondly, as regards 'affected speech' cases, courts in both jurisdictions have recognised that freedom of expression can serve not only as a defence to the exclusive rights granted to trade mark owners (in recoding litigation), but can also validate them (in ownership cases).

The parallelism between both jurisdictions is perhaps more familiar to the reader in relation to recoding litigation. There is an emerging body of European case law where courts, employing rationales that bring to mind those already rehearsed in the US, are having recourse to freedom of expression as a defence to the exclusive rights granted to trade mark owners. These are cases where decision makers from different European jurisdictions are engaging in a balancing exercise that tends to privilege the expressive interests of recoders over the proprietary interests of right holders (a pattern that is also recognisable in the US). It can, therefore, be argued that courts on both sides of the Atlantic are engaging in similar forms of adjudication in recoding cases. This is not to say that their approaches to the interaction between marks and speech are identical in all respects. As we have seen, the scope of protection afforded under the right to freedom of expression differs between jurisdictions. This can have a significant impact on the extent to which unauthorized third party use of recoded marks will be insulated from infringement in recoding scenarios. Although this is ultimately a fact-intensive inquiry, it will often translate into European courts being more reluctant than their American counterparts to shield defendant's expressive use from infringement.[257] Furthermore, the in-built exclusions provided for under the antidilution provisions of the Lanham Act (notably, fair use and noncommercial use), that insulate from liability most instances of third party expressive use of marks, have facilitated the balancing exercise in the US between owners' proprietary interests and recoders' speech rights.[258] However, an in-depth comparison shows that the conceptual frameworks employed in both jurisdictions bear resemblance, leading to similar rationales and, sometimes, even outcomes. However, as already pointed out, these similarities do not end there, but rather extend to their shortcomings too.

The comparative exercise in ownership cases might seem less straightforward since the parallelism between both jurisdictions remains largely unexplored. As was

[257] It should be noted that this has not been the case thus far. In the very few instances where European courts have found defendant to be using a mark for expressive purposes, its fundamental right to freedom of expression as protected under constitutional or human rights instruments has prevailed over plaintiff's right to (intellectual) property. These cases will be further explored in Chapter 3. As pointed out earlier, however, authors such as Gangjee and Burrell have put forward compelling arguments to the contrary. Gangjee and Burrell (n 146). In any event, any view in this regard is for the most part speculative at this stage given the scarcity of decisions in interaction cases, especially from the CJEU, which is still to adjudicate on this area.

[258] Lanham Act, Section 43(c).

already mentioned, challenges to the validity of measures encumbering on trade mark use for goods that pose a threat to health, or of decisions refusing registration of immoral marks, have very rarely been successful in Europe. In the US, on the other hand, the historically higher level of scrutiny imposed on governmental activity to ensure respect for individuals' speech rights has more often than not led to courts finding in favour of right holders' expressive interests. However, despite European courts being more deferential to the legislature, a comparative study of interaction cases in ownership litigation reveals commonalities between both jurisdictions in terms of the conceptual frameworks employed. In this regard, both the ECtHR and the US Supreme Court have provided comparable mechanisms for challenging trade mark-restrictive measures on speech grounds, as well as identifying differing levels of judicial scrutiny depending on the type of speech involved. As a result, it would appear inconsistent with existing European case law to argue that there is no room under Article 10 ECHR to challenge the validity of measures encroaching on trade mark use/registration, for we find precedents to this effect.[259] Rather, what is more debatable is the extent to which any of these challenges will be successful in Europe in light of the lower threshold that is traditionally required to justify public measures encroaching on the freedom of expression of individuals, including trade mark owners. However, as already mentioned, this is not problematic for purposes of advancing my argument. My aim in proposing a reconceptualization of the conceptual frameworks employed by courts in interaction cases is not to ensure identical outcomes across jurisdictions –this will ultimately vary depending on the scope of protection afforded to speech under domestic or regional

[259] Amongst others: Case C-491/01, *Secretary of State for Health* (n 221); *R 495/2005-G, Jebaraj Kenneth* (n 4); *French Connection* (n 4); Case C-376/98, *Germany v European Parliament* (n 221).

human rights guarantees. Instead, my aim is to refine our understanding of the interaction between marks and speech by acknowledging the plurality of expressive interests involved in trade mark use. There are, therefore, very important lessons to be learned from engaging in the proposed comparative exercise.

2.6. The Proposed Reconceptualization of the Interaction Between Trade Marks and Freedom of Expression

The distinction between ownership and recoding cases begs the question: is it justified to circumscribe ownership cases to the expressive interests of right holders/applicants and recoding cases to those of recoders? In other words, what prevents courts from adjudicating both types of disputes taking into consideration the expressive interests of all individuals involved in expressive uses of marks, and not just those of one subset of users?

The distinction between ownership and recoding cases is misguided. There is nothing in the law requiring courts to restrict their judicial inquiry to the expressive interests of one category of individuals. On the contrary, thorough enforcement of human rights instruments would require courts to adjudicate all interaction disputes with a view to ensuring protection of the diversity of fundamental rights at stake. This would result in courts acknowledging the expressive richness that, as we saw in Chapter 1, is involved in trade mark use. An expressive richness that allows individuals other than recoders in recoding litigation, or right holders/applicants in ownership cases, to make use of marks for communicative purposes –most notably, consumers of both branded and recoded branded goods, and the public. Acknowledging their expressive interests, which are also deserving of protection under the fundamental right to freedom of expression, will lead courts to adjudicate on the basis of a more accurate conceptualisation of the interaction between marks and speech and, thus, to fairer outcomes.

The proposed reconceptualization is central to my thesis. It constitutes the backbone of the normative discussions that will follow, and underpins the proposals for reform found in Chapters 5 and 6. And yet, readers familiar with this area of law will by now have identified that it rests on a controversial proposition: that freedom of expression not only serves to limit the exclusive rights granted to trade mark owners, but may also validate them, even in recoding litigation. Some authors may resist this idea, pushing back in pursuit of a normative agenda that prevents right holders from enjoying even broader protection for their trade marks. However, such criticisms would fail to grasp the fundamental contribution of my argument. My aim is not to propose new ways to reinforce owners' exclusive rights, but rather to provide courts with improved conceptual frameworks from which to assess the interaction between marks and speech. Hopefully, this will allow for better adjudication in what has proven to be a rather complex area of the law, characterised to date by a lack of consistency that has resulted in legal uncertainty. Admittedly, application of the suggested reconceptualization will, in some cases, lead to the interests of right holders prevailing over those of third parties (this is particularly true of ownership litigation involving challenges to the validity of trade mark-restrictive measures). But this will be exclusively the result of the improved enforcement of human rights instruments in trade mark disputes, and not of right holders enjoying further protection under trade mark statutes.

Sceptics may still disagree with this proposition. In particular, they may argue that ownership cases differ substantially from recoding cases, where purely private matters are being adjudicated. As a result, the protection afforded to right holders' expressive interests under freedom of expression in ownership cases will not apply in the recoding context. However, I do not believe this to be the case. There is no denying that both scenarios differ from each other in procedural terms. A challenge by a right holder to the validity of a public measure on free speech grounds follows a conventional vertical structure, whereby a private party seeks redress for the actions of a public authority on grounds of breach of its fundamental rights as provided for under constitutional or human rights instruments. On the contrary, recourse to freedom of expression by defendant in an infringement action operates horizontally, in the sense that respect for constitutional and human rights guarantees requires decision makers to balance the competing rights at stake (i.e. the rights of the mark owner against the rights of the recoder). So far, such balancing efforts have systematically involved pitting defendant's freedom of expression against claimant's right to (intellectual) property. This has often led to courts finding in favour of defendant on grounds that property rights are 'merely' economic rights and ought, accordingly, to be trumped by freedom of expression. However, there is nothing in constitutional and human rights instruments precluding a trade mark owner from relying on both its fundamental rights to (intellectual) property and to freedom of expression in a private law dispute.

Some of the principles developed in ownership cases will, thus, be relevant in the recoding context. As a result, courts adjudicating recoding disputes involving expressive use of marks will be faced with a rebalancing exercise, whereby the right to freedom of expression of defendant will be pitted against both the rights to (intellectual) property and to freedom of expression of the right holder. Moreover, and to the extent that marks can be used by a plurality of individuals for expressive purposes, balancing the competing interests at stake in horizontal disputes will also require the court to take into consideration the expressive interests of users other than the recoder and the right holder, to include those of consumers (of both branded and recoded branded goods) and of the public. This should not come as a surprise in this area of law, where courts routinely adjudicate disputes with a view to ensuring protection not only of right holders' interests, but also of consumers (e.g. double identity or likelihood of confusion infringement), competitors (e.g. genericity, descriptiveness or functionality of shape marks) and even the proper functioning of the marketplace broadly considered.

Similarly, the proposed reconceptualization will entail broadening the scope of the judicial inquiry in ownership cases. Courts hearing challenges to the validity of trade mark-restrictive measures on speech grounds have so far focused their analysis exclusively on the expressive interests of right holders, thus failing to account for those of other individuals, in particular, consumers, recoders and the public at large. However, their expressive interests can also be affected if: (a) a trade mark can no longer be used as a result of measures of public law, for its meanings will become eroded over time until they disappear, including its expressive meanings; or (b) a sign fails to be registered, for it will not be able to develop more complex meanings (at least not as a result of its use in exclusive terms by a right holder), including expressive meanings allowing individuals to communicate their worldview through use of the mark. One could argue that the repercussions of the incomplete conceptualisation of the interaction between marks and speech are less problematic in ownership cases, since the interests of all categories of individuals who use marks expressively are ultimately aligned, i.e. their common interest lies in preserving/having the ability to use marks with an expressive component. This view, however, risks undervaluing the fundamental role that trade marks play in allowing different categories of individuals to express themselves. In particular, acknowledgment of the expressive interests of individuals other than right holders (notably recoders and the public, who often make expressive use of marks to engage in broader debates of a political nature) can significantly alter the margin of appreciation adopted by courts when assessing the compatibility of trade mark-restrictive measures with the right to freedom of expression. Therefore, courts hearing ownership cases also ought to acknowledge the expressive richness involved in trade mark use. This would allow for better balanced and, thus, fairer adjudication.

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CHAPTER 3

THE INTERACTION BETWEEN TRADE MARKS AND FREEDOM OF EXPRESSION IN RECODING LITIGATION: WHEN SPEECH LIMITS TRADE MARK RIGHTS

3.1. Preliminary Considerations

Conventional wisdom holds that the relationship between marks and speech is unidirectional, in the sense that trade mark rights necessarily chill expression. A possible explanation for this misconception might be historical, insofar as the vast majority of interaction cases to date have dealt with infringement actions launched by right holders seeking to enjoin unauthorised third party use of their marks for expressive purposes. A tendency that has been on the rise in recent decades as the scope of protection afforded to trade mark owners has continued to expand. Accordingly, on the face of increasing pressure from right holders to see their marks protected against dilution, it would appear that courts have made recourse to freedom of speech as a reactive tool to accommodate the expressive needs of recoders. In other words, invocation of freedom of expression as a defence to the exclusive rights granted to trade mark owners has allowed decision makers to alleviate the negative consequences of the continued expansion of trade mark protection under international and domestic intellectual property laws. On the flip side, however, conceptualising the role of freedom of expression in trade mark litigation as a defence by default has held captive the narrative. Hence why the conceptual frameworks employed to address the interaction between marks and speech is rather simplistic and fails to account for the expressive interests of individuals other than recoders.

However regrettable, recourse to freedom of expression as a default defence in recoding litigation is understandable in an era where marks have become powerful cultural symbols and, as a result, are increasingly being used, both by owners and other individuals, for expressive purposes.[260] As Dreyfuss very eloquently described it: '[i]mages and trade symbols are increasing in cultural significance at exactly the time when protection is expanding'.[261] Or, put differently, '[t]rademarks and free expression are on a collision course'.[262] Stripped of their poetic dramatism, these words reflect the underlying disquiet for freedom of expression that began to emerge in the early 1990s in response to the crystallisation in global trade mark law of infringement grounds detached from the requirement of consumer confusion, most notably, dilution.[263] Antidilution statutes now enforce trade mark rights not so much to protect the origin-signalling function of marks, but rather to ensure the 'preservation of the uniqueness or individuality of the trademark'.[264] As a result, right holders are able to invoke their expanded trade mark rights against a wider range of expressive users.[265] For instance, going back to the sportswear example, Adidas AG might oppose the recoded use of the 'three stripe' logo as three lines of cocaine (to denounce consumerism) on dilution

[260] See, building on this idea: Dreyfuss (n 228); Fhima (n 186); Gangjee and Burrell (n 146).

[261] Dreyfuss (n 228) 266.

[262] ibid 262.

[263] See, amongst others: Gangjee and Burrell (n 146); Geiger (n 225); Michael Spence, 'The Mark as Expression/The Mark as Property' [2005] CLP 491; Leval (n 205); Dreyfuss (n 99).

[264] Frank I Schechter, 'The Rational Basis of Trademark Protection' [1926] Harvard LR 813, 822.

[265] Several authors have commented on the role of antidilution protection in accentuating the conflict between marks and speech. Amongst others: Gangjee and Burrell (n 146); Rebecca Tushnet, 'Truth and Advertising: The Lanham Act and Commercial Speech Doctrine' in Graeme B Dinwoodie and Mark Janis (eds), *Trademark Law and Theory: A Handbook of Contemporary Research* (Edward Elgar Press 2008); Mary LaFrance, 'No Reason to Live: Dilution Laws as Unconstitutional Restrictions on Commercial Speech' (2007) 58 South Carolina LR 709; Brian A Jacobs, 'Trade Mark Dilution on the Constitutional Edge' (2004) 104 Columbia LR 161.

grounds, claiming that it blurs the uniqueness, tarnishes the reputation or free rides on its reputed mark. Because no evidence of actual confusion is required for a finding of dilution, Adidas AG may be able to enjoin recoders wishing to use its brand for expressive purposes, even when the core, source-identifying function of the mark is not negatively affected. In fact, most litigation seeking redress for parodic/critical uses of marks by recoders does so on the basis of antidilution statutes.

It would be a mistake, however, to confine conflicts between marks and speech to dilution cases. Firstly, marks need not enjoy a reputation to convey expressive meaning, in which case dilution protection is not available to prevent third party recoding of the mark. Such is the case for marks that are born with an expressive purpose in mind. For instance, the 'Old Glory Condom' trade mark, registered before the USPTO for prophylactics in Class 10 after much controversy (consisting of a US flag in the shape of a condom over the words 'OLD GLORY CONDOM CORP'), was 'expressly designed not to offend but to redefine patriotism to include the fight against sexually transmitted diseases, including AIDS'. [266] It was, since its inception, intended to convey an expressive meaning of a political nature that consumers could use to express themselves, regardless of its obvious lack of reputation at the time.

Secondly, speech concerns can also be implicated by likelihood of confusion claims. There is ample case law and literature in the US addressing the interaction between marks and speech in instances of likelihood of confusion, even if they have

[266] *In re Old Glory Condom*, 26 USPQ 2d 1216 (TTAB1993) 1216. Application to register the mark triggered concerns under Section 2(a) of the Lanham Act, which precluded (prior to the Supreme Court decisions in *Tam* and *Brunetti*) registration of immoral, disparaging or scandalous signs, leading the USPTO examiner to deny registration. This finding was later overturned by the TTAB, which rejected that the applied-for mark was scandalous in light of, *inter alia*, the expressive interest underlying the registration of the mark.

triggered less heated debate amongst scholars than dilution cases.[267] The reason for this lies in the different justifications that underpin each doctrine, and how they apply in the speech context. Whereas encroachment on recoders' freedom of expression in confusion cases is justified on grounds of consumer protection against deception, such encroachment in dilution cases seeks to prevent damage to the distinctiveness and/or reputation of the mark.

To put it differently, and using a speech-infused rationale, likelihood of confusion prevents a third party from using/speaking a given mark only in relation to the goods for which it is registered, so as protect consumers from being misled into thinking that the speaker is the mark owner. Ultimately, therefore, speech is being curtailed to avoid consumers making purchasing decisions on the basis of misleading information, i.e. to prevent 'commercial fraud'.[268] The scope of protection afforded to right holders in likelihood of confusion cases is, thus, quite narrow, being limited to third party use of identical or similar signs on identical or similar goods. In contrast, dilution prevents a third party from using/speaking a reputed mark in relation not only to the goods for which it is registered, but also to dissimilar goods. In dilution cases involving third party expressive use of marks, speech is curtailed to avoid consumers' perception of the mark being blurred or tarnished. The scope of protection afforded to reputed marks under antidilution statutes is, thus, broader than in likelihood of confusion cases. Against this backdrop, the narrower scope of protection afforded by likelihood of confusion entails that conflicts between recoders and trade mark owners arise less frequently than in the context of dilution. Furthermore, when they do arise, the commercial fraud rationale

[267] Amongst others: *Mattel* (n 1); *Anheuser-Busch Inc v Balducci Publications* 28 F3d 769 (8th Cir 1994).
[268] *Mattel* (n 1) 10496.

underpinning likelihood of confusion often leads courts to either deny protection to defendant altogether on speech grounds, or to grant very limited protection. In this regard, Judge Kozinski noted in *Mattel*:

> [A] trademark injunction, even a very broad one, is premised on the need to prevent consumer confusion. This consumer protection rationale—averting what is essentially a fraud on the consuming public—is wholly consistent with the theory of the First Amendment, which does not protect commercial fraud. […] Moreover, avoiding harm to consumers is an important interest that is independent of the senior user's interest in protecting its business.
>
> Dilution, by contrast, does not require a showing of consumer confusion […], and dilution injunctions therefore lack the built-in First Amendment compass of trademark injunctions. In addition, dilution law protects only the distinctiveness of the mark, which is inherently less weighty than the dual interest of protecting trademark owners and avoiding harm to consumers that is at the heart of every trademark claim.[269]

3.2. The Interaction Between Trade Marks and Freedom of Expression in Recoding Litigation in Europe and the US: A Taxonomical Approach

The reader will recall that the proposed taxonomy divides interaction cases into two broad categories, depending on whether free speech, as realised through trade mark use, is curtailed ('affected speech' cases) or not ('unaffected speech' cases). It is only where speech protection is triggered that courts must elucidate, in recoding litigation, whether defendants' unauthorised use of the mark for expressive purposes ought to be shielded from liability. Therefore, a fundamental part of the judicial inquiry in interaction cases revolves around determining whether speech is curtailed in any given scenario of unauthorised trade mark use.

[269] ibid 10495-96.

It should be noted at the outset that the vast majority of cases involving third party use of a mark for expressive purposes are insulated from liability precisely on this ground. I am thinking, in particular, of uses that do not occur in the course of trade and, thus, do not lie within the reach of owners' exclusive rights. But not only. Interaction cases might also fall under the 'unaffected speech' category when defendant's use is not for expressive purposes, meaning that speech protection will not be triggered. These two subcategories will be analysed first. They will be followed by a study of the case law falling under the 'affected speech' category in recoding litigation.

3.2.1. First Category: Unaffected Speech in Recoding Litigation

3.2.1.1. Commercial Use

There is a string of cases, both in Europe and the US, where expressive use of a mark by a recoder has not given rise to liability since it did not occur *in the course of trade* –or, under US law, did not constitute use *in commerce* nor use *in connection with goods or services*.

I have grouped this category of cases under the label of 'commercial use' in an endeavour to simplify what is otherwise a rather complex area of trade mark law, especially in the US. So much so that readers who are familiar with the interpretation of these requirements on both sides of the Atlantic might find my suggestion that they be grouped together problematic.[270] Admittedly, and as I will go on to explain, the scope of each requirement, as interpreted by the courts of their respective jurisdictions, are far

[270] As will become apparent upon analysis of US case law, the requirement that use be in commerce under the Lanham Act has been interpreted by some courts as applying solely in the context of acquisition of rights, and not to issues of infringement –as is unanimously the case in Europe.

from being the same. It is my contention, however, that both requirements purport to carry out a similar function within the conceptual framework employed by courts adjudicating interaction cases, more precisely, to insulate from liability third party use of marks that occur outside the flow of goods and services and, thus, are not trade-relevant. As a result, there would appear to be ample room to argue that, in a taxonomy of case law aimed at categorising common approaches to the interaction between marks and speech, it is helpful to establish the proposed parallelism.

3.2.1.1.1. Europe

The requirement that defendant's use be in the course of trade to trigger trade mark liability is found under both EU legislation and Member States' trade mark statutes.[271] In the UK, for instance, Sections 10(1) –double identity–, 10(2) –likelihood of confusion– and 10(3) –dilution– of the Trade Marks Act begin as follows: '[a] person infringes a registered trade mark if he *uses in the course of trade* […]'. It is, therefore, a requirement for a finding of infringement by the court that third party use of the mark occur in the course of trade.

These provisions operate as safeguards to ensure that third party use of marks taking place outside the realm of business transactions is not caught by owners' exclusive rights. This requirement allows me to use the word marks 'Volvo' or 'adidas' in this thesis, in the course of a conversation with friends or even in front of an audience

[271] Amongst others: Trade Mark Directive, Article 10(2); EU Trade Mark Regulation, Article 9. This requirement is also provided for in the TRIPS Agreement, Article 16(1).

without fear of infringing the exclusive rights of their respective owners.[272] This is because the property right granted by a trade mark is not a right in gross, but rather a very limited right. Although the precise contours of this right are subject to changing perceptions of the role that marks perform in the market, its core aim is to protect right holders against unauthorised third party use of their marks to distinguish goods and services in the marketplace, provided such use is liable to confuse consumers or to dilute the mark. All other uses lie, in principle, outside the scope of protection afforded by trade mark rights.

The use in the course of trade requirement thus plays a fundamental role in policing the boundary between third party use of marks that is trade-relevant and, therefore, potentially liable to infringe, and that which is not. Unfortunately, however, interpretive guidance of this requirement is surprisingly scarce.[273] Since its decision in *Arsenal*, the CJEU has repeatedly held that third party use of a mark will be deemed to be 'in the course of trade where it occurs in the context of commercial activity with a view to economic advantage and not as a private matter'.[274] Admittedly, this definition will not prove problematic in most instances of third party use of marks, where they will be affixed to the goods offered for sale or displayed in the context of rendering services and, thus, their commercial, for-profit purpose will be self-evident.

[272] The same is not necessarily true of other intellectual property rights, most notably, copyright. For instance, reproducing a protected work in this thesis could infringe the exclusive rights granted to the author.

[273] See, arguing likewise, Geiger (n 225) 324. For an original normative interpretation of the 'use in the course of trade requirement', see Griffiths, 'The Trade Mark Monopoly' (n 50).

[274] Case C-206/01, *Arsenal Football Club v Reed* (n 15) [40]. See also, in almost identical terms: Joined Cases C-236/08 to C-238/08, *Google France* (n 22) [50].

In certain instances of expressive use, however, the boundary between what constitutes commercial activity, and what does not, will not be so easily delimited. One can think, for instance, of cases where a painter recodes a reputed mark to parody or comment on the values that it embodies in one of his paintings, exhibiting it thereafter in an art gallery and ultimately selling it to an art collector. In this instance, will use of the mark be deemed to be in the course of trade? Is it really occurring 'in the context of commercial activity with a view to economic advantage'? Would this also be the case were the artist to allege that his main purpose when devising the concept and immortalising it on the canvas was an artistic one, rather than an economic one? Faced with scenarios of the sort, it would appear that the definition provided by the CJEU of this requirement is ill-suited to navigate the subtle nuances that will often be involved in determining whether a given use really is trade-relevant and, thus, liable to infringe plaintiff's mark. Geiger has gone further in his critique of the court's definition, arguing that its uncertain boundaries may lead trade mark owners to abuse their exclusive rights in instances where there should be no room for infringement under this requirement.[275] In his view, courts may accept the argument that any trade mark use, even if purely non-commercial in the sense that no business transaction is involved, can still be considered to occur in the course of trade to the extent that it can have a negative impact on the mark's image. While his fears can be easily dispelled by reference to the lack of any economic advantage on the part of such third party users, they go to showing how the lack of clarity in this area is problematic for purposes of delimiting the boundaries of trade mark infringement, especially in the context of expressive uses.

[275] Geiger (n 225) 324.

As already pointed out, case law dealing with the interpretation of this requirement is scarce. It is thus no easy endeavour to find cases where expressive use of a mark has been permitted on this ground. In the *Greenpeace* sagas, infringement claims launched before the French courts by oil and atomic energy companies against Greenpeace's recoded use of their marks to criticise their environmentally-harmful activities were dismissed on grounds that defendant's expressive use was not trade-relevant.[276] In *ESSO v Greenpeace France*, for instance, the Paris Court of Appeal relied on a broad interpretation of the fundamental right to freedom of expression to find in favour of defendant's use of the recoded sign 'E$$O'.[277] According to the court, respect for such right entitled Greenpeace to comment on plaintiff's activities with the aim of denouncing their negative impact on the environment and the potential risks they could pose to human health, even through use of its reputed marks. Recognising that the right to freedom of expression can be limited wherever necessary to ensure respect for the rights of others, the court held that no such limitations were required in this case, since defendant's expressive use had occurred outside the market.[278] This holding was later upheld by the French Cour de Cassation.[279] In the words of the Court of Appeal:

[276] *Association Greenpeace France v SA Société ESSO* Cour d'Appel de Paris (14th Division, Section A) 26 February 2003 [2003] ETMR 66; *Esso Plc v Greenpeace France* (n 239); *Esso SA v Greenpeace France (Unreported April 8, 2008) and Greenpeace France v Société des Participations du Commissariat a l'Énergie Atomique (SPCEA) (Unreported April 8, 2008)* (2009) 40(2) IIC 241. The Paris Court of Appeal reached the same conclusion in *Danone*, where defendant's recoded use of Danone's marks in, *inter alia*, the site 'jeboycottetodanone.com' (i.e. I boycott Danone) to criticize the company's social policies after announcing a lay-off scheme was allowed since it was not trade-relevant (as well as being necessary to ensure respect for defendant's right to freedom of expression). *Societe Gervais Danone* (n 203) (author's translation from French).

[277] *Esso Plc v Greenpeace France* (n 239).

[278] ibid [8].

[279] *Esso SA v Greenpeace France and Greenpeace France v Société des Participations du Commissariat a l'Énergie Atomique* (n 276).

> [Plaintiff] may not accordingly invoke the [double identity and likelihood of confusion] provisions of [the French Intellectual Property Code], as the references made to both trade marks […] do not manifestly seek to promote the marketing of products or services that would be in competition with those of the appellant company, for the profit of [defendant], but rather fall within *purely controversial use which is alien to business life and competition between commercial enterprises*.[280]

The court's interpretation does not specifically rely on the requirement of use in commerce in its decision, referring instead to 'controversial use which is alien to business life'.[281] This difference in language does not, however, change the underlying policy objective pursued: to insulate from liability any trade mark use occurring outside the market. The lack of an explicit reference to use in the course of trade may be explained by France's failure to transpose it into national legislation.[282] However, and as pointed out by Geiger, the language of the Trade Mark Directive binds Member States' courts, who are required to interpret and enforce their domestic trade mark statutes accordingly.[283]

In *Unilever v Griffin*, plaintiff applied for an interim injunction to prevent defendant, political party British National Party, from airing on television an election broadcast showing a bottle of plaintiff's yeast extract bearing the 'Marmite' mark alongside the party's logo and the slogan 'Love Britain Vote BNP' (reminiscent of Unilever's renowned slogan for Marmite: 'You either love it or hate it').[284] The High

[280] *Esso Plc v Greenpeace France* (n 239) [9] (author's translation from French) (emphasis added).

[281] ibid [9].

[282] See French Intellectual Property Code, Chapter III 'Rights Conferred by Registration', Articles L713-1 to L713-6.

[283] Geiger (n 225) 324.

[284] *Unilever Plc v Griffin* (n 239). The 'Love it or hate it' campaign originally launched in 1999. It has been in use ever since to international acclaim. Nigel Hollis, 'Miracle Whip, Marmite, and the Love-It-or-Hate-It Brand' <https://hbr.org/2011/03/miracle-whip-marmite-and-the-l> accessed 21 September 2019.

Court of England and Wales dismissed plaintiff's infringement claim on grounds that defendant's clip sought to encourage viewers to vote for the National British Party and, thus, use of plaintiff's mark was for political purposes –not in the course of trade.[285] Arnold J accepted plaintiff's argument that defendant's 'website [a section of which explicitly exhorted users to donate to the party] taken as a whole goes beyond the merely political in encouraging viewers to make donations'.[286] In his view, however, defendant's use of plaintiff's trade mark *in* the clip was still 'exclusively political' since 'the actual clip itself d[id] not contain any exhortation to donation'.[287]

Interestingly, the court added that even if the requirement of use in the course of trade were not to be satisfied in this case, plaintiff would nonetheless have a hard time showing that defendant's use was also in relation to goods or services –as required by, *inter alia*, Section 10(3) of the UK Trade Marks Act. Although the court did not provide much guidance in relation to the interpretation of 'services' under the Trade Mark Directive, it was of the view that: (a) 'informational services and a service of soliciting donations […] [are unlikely to be] regard[ed] […] as services at all within the meaning of the Trade Marks Directive';[288] and (b) it is very doubtful that defendant's use of the 'Marmite' mark in its campaign clip 'is *in relation to* any services at all'.[289]

The analysis of both requirements by Arnold J is particularly telling for purposes of the proposed taxonomy. Firstly, it reinforces the argument developed below, in the

[285] However, the court ordered an injunction against defendant on both copyright and passing off grounds. *Unilever Plc v Griffin* (n 239) [17]-[23].

[286] ibid [14].

[287] ibid [14].

[288] ibid [15].

[289] ibid [15] (emphasis added).

context of US trade mark law, that use in the course of trade/use in commerce and use in relation to goods or services can fulfil similar functions in interaction cases, notably to restrict the types of unauthorized uses by third parties that will be liable to infringement. Secondly, it makes ever more pertinent the ongoing comparison between the approach to interaction cases by European and US courts by stressing their commonality in this regard.

3.2.1.1.2. United States

Analysis of the use in commerce requirement in the US proves even more problematic. Section 32(1) of the Lanham Act, dealing with infringement of registered federal marks, reads as follows:

> Any person who shall, without the consent of the registrant—
>
> > (a) use in commerce any reproduction […] of a registered mark in connection with the sale […] of any goods or services on […] which such use is likely to cause confusion […]
>
> shall be liable in a civil action.[290]

US courts have *sometimes* interpreted the use in commerce requirement as a safeguard mechanism to insulate unauthorised third party use of marks for expressive purposes. This interpretation results from the definition of use in commerce provided for in Section 45 of the Lanham Act, which reads as follows:

> The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. […] [A] mark shall be deemed to be in use in commerce—
>
> > (1) on goods when—

[290] See, in similar terms, Section 43(a) of the Lanham Act (dealing with infringement of unregistered marks).

> (A) it is placed in any manner on the goods or their containers […], and
> (B) the goods are sold or transported in commerce, and
>
> (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce.

If the definition of use in commerce so clearly mandates that trade mark use be trade-relevant to be captured under the Lanham Act, then why do US courts interpret this requirement accordingly only sometimes? The answer to this can be found in the debate surrounding the first sentence of the definition, which would by context appear to restrict the requirement of use in commerce to acquisition of trade mark rights. Proponents of this view argue that the definition of use in commerce contained in Section 45 does not apply to issues of infringement and, as a result, should not be read as imposing any restrictions on the kind of third party uses of marks that can give rise to liability under the Lanham Act. There is ample case law and academic literature to support this view.[291]

Courts in the US are split on the matter: some will refuse, in an infringement action, to interpret use in commerce in light of the definition provided for in Section 45, while others will follow it. In so doing, the latter courts will circumscribe infringement

[291] As regards case law, see *Rescuecom Corp v Google Inc* 562 F3d 123 (2d Cir 2009); *Playboy Enterprises v Netscape Communications Corp* 354 F3d 1020 (9th Cir 2004); *United We Stand Am Inc v United We Stand Am NY Inc* (n 239). For literature supporting this view, see J Thomas McCarthy, *McCarthy On Trademarks and Unfair Competition* (4th edn, West Group 1996) § 25:57. Courts holding the opposite view (i.e. that the definition of use in commerce contained in Section 45 of the Lanham Act applies also to issues of infringement) include: *1-800 Contacts Inc v WhenU.com Inc* 414 F3d 400 (2d Cir 2005); *DaimlerChrysler AG v Bloom* 315 F3d 932 (8th Cir 2003); *Lucasfilm* (n 239). Notably, in the Appendix to its decision in *Rescuecom*, the court engaged in a detailed historical account of the relevant provisions of the Lanham Act to explain its position regarding the appropriate interpretation of use in commerce in Sections 32(1) and 43(a). In its view, references to use in commerce in both sections find their roots in the complex drafting history of the Act since it was passed in 1881. More precisely, the language currently found in both sections is the result of subsequent rephrasing whereby 'use' and 'in commerce', which were once separated, appear now combined. This should not, however, alter their original meaning, which was strictly circumscribed to justifying, under the Commerce Clause of the US Constitution, Congress' basis for legislating on trade mark law at federal level. *Rescuecom* 134–141.

actions to third party uses that are trade-relevant. This has important implications for cases involving expressive use of trade marks by recoders, which often take place outside the market. One such case, decided in as early as 1985, is *Lucasfilm Ltd v High Frontier*.[292] The background to this case involves the Reagan Administration's Strategic Defense Initiative, which was charged at the time with the responsibility of developing defences against a potential nuclear attack using high-end military technology. Rejecting plaintiff's infringement claims, the court held that use of the reputed 'Star Wars' mark as a way of referring to the Strategic Defense Initiative by defendants (public interest groups for and against the initiative) in the course of public debate did not constitute use in commerce. Relying on the definition found in Section 45, the court concluded that defendant's use of the mark was not-trade relevant, since their 'only activity is trying to communicate their ideas. Purveying points of view is not a service.'[293] The court further argued that the scope of protection afforded to trade marks extends only insofar as is necessary to avoid confusion in the marketplace, meaning that they may not be invoked to impinge on expressive, public discourse that is unrelated to trade. In so doing, the court imposed a clear limit on the reach of trade mark rights in cases where they interact with speech. In the words of the court:

> The purpose of trademark regulation is to prevent unfair competition and protect consumers from fraud and deception. […] These laws do not reach into the realm of public discourse to regulate the use of terms used outside the context of trade. Defendants' use of the phrase star wars to persuade the public of their viewpoint through television messages is not an infringing use.[294]

[292] *Lucasfilm* (n 239).

[293] ibid 968.

[294] ibid 969.

Shortly after, in *LL Bean Inc v Drake Pub Inc*, a case involving recoded use of plaintiff's reputed marks in a parody to be published in defendant's erotic magazine, the court dismissed plaintiff's dilution claim on grounds that the use complained of was not commercial.[295] Defendant's parody, which was labelled as such together with the word 'humour', reproduced plaintiff's mark alongside pictures of nude models using products that were described in a manner intended to ridicule plaintiff's popular apparel catalogues. The court was asked to decide whether, under Maine's antidilution statute, defendant's unauthorised use of plaintiff's mark could be enjoined on tarnishment grounds. The reasoning in this case is somewhat peculiar insofar as the federal court hearing the case under Maine Law refused to interpret the statute at hand –on account that Maine's state courts had not yet decided any case on the matter. Instead, the court reviewed whether the appealed decision enjoining defendant on tarnishment grounds was compatible with free speech guarantees. Relying on *Lucasfilm*, the court held that defendant's use of plaintiff's mark was not trade-relevant, but rather was intended for artistic or editorial purposes. Accordingly, it dismissed plaintiff's tarnishment claim. According to the court, a reading of antidilution provisions as permitting enjoinment of noncommercial expressive uses would be contrary to the protection afforded to free speech under the First Amendment. In the words of the court:

> [Defendant] has not used [plaintiff]'s mark to identify or market goods or services; it has used the mark solely to identify [plaintiff] as the object of its parody. The reading of the antidilution provision advanced by the district court would *improperly expand the scope of the antidilution statute far beyond the frontiers of commerce and deep into the realm of expression*. [Quoting the *Star Wars* decision:] "Courts obviously cannot regulate the type of descriptive, non-

[295] *LL Bean Inc v Drake Publishers Inc* 811 F.2d 26 (1st Cir. 1987).

> trade use involved here without becoming the monitors of the spoken or written English language."[296]

These cases show that US courts have on occasion interpreted the use in commerce requirement as a safety valve in recoding litigation, shielding recoded uses of marks for expressive purposes that lie outside the flow of goods and services and, thus, outside the reach of owners' exclusive rights.

An analysis of the debate surrounding the use in commerce requirement in US trade mark law would, however, be incomplete without reference to an additional requirement that is also provided for under Sections 32(1) and 43(a) of the Lanham Act: the need that unauthorized third party use of the mark be in connection with goods or services. This requirement has been relied upon by courts and scholars to argue that, even if use in commerce as interpreted under Section 45 ought not to apply in infringement cases (or, alternatively, where the requirement applies and the mark is used in commerce), the need to show that trade mark use is in connection with goods or services will nonetheless restrict the types of actionable uses under the Lanham Act in quite the same way.[297]

One of the earliest cases to be decided on the matter involved the unauthorized use by defendant of the registered mark 'United We Stand America' as part of its political activities.[298] Plaintiff in *United We Stand America Inc v United We Stand, America New York Inc* was a company incorporated by Ross Perot's campaign

[296] ibid 33.

[297] *The Radiance Foundation Inc v NAACP* 786 F.3d 316 (4th Cir. 2015); *Utah Lighthouse Ministry v Found for Apologetic Info & Research* 527 F.3d 1045 (10th Cir. 2008); *Bosley Medical Institute Inc v Kremer* 403 F.3d 672 (9th Cir. 2005); *United We Stand Am* (n 239).

[298] *United We Stand Am* (n 239).

committee, which had been using it as the slogan of his presidential campaign in 1992 and onwards. In a decision that actively engages with the reasoning of the courts in *Lucasfilm* and *LL Bean*, the court found against defendant on all counts. Firstly, the court concluded that defendant's use of the contentious mark had been in commerce. In reaching this conclusion, the court interpreted use in commerce as a purely jurisdictional requirement, reflective of Congress' law-making powers under the Commerce Clause, which is very easily satisfied. And, secondly, the court held that defendant's activities qualified as services as defined under the Lanham Act and, thus, its use of plaintiff's mark had occurred in connection with goods or services. The court adopted a broad interpretation of services, thus threatening to render this requirement redundant. According to the court, the term 'services' encompasses both services rendered by corporations and other for-profit entities, and services rendered by non-profit and public service organisations.[299] If it were otherwise, it would prove meaningless for any organisation operating in a non-profit sector to register a mark for its services, since any competing third party could make unauthorised use of it without ever incurring liability. As the court notes, quoting McCarthy: 'retention of a distinct identity [by a non-profit organization that sells no goods] is just as important as it is to a commercial company'.[300] The enquiry in this regard is not so much whether the defendant seeks economic profit from the unauthorised use of the mark, but rather whether such use is liable to confuse the public as to source. And confusion can just as well occur in relation to non-profit services as it does for for-profit services, or even goods.

[299] ibid 90.

[300] ibid 89, quoting McCarthy (n 291) § 9:5.

Applying this reasoning to the facts at hand, the court concluded that: (a) defendant had undertaken a series of political activities, for instance: raised money, engaged in political organising or sought politicians to run on its slate; (b) those activities meant that defendant was rendering services that are characteristic of political parties; (c) while not for profit, such services met the requirements of the Lanham Act; (d) defendant had used plaintiff's mark in connection with its services; and (e) since plaintiff's mark was registered for, *inter alia*, 'dissemination of information in the field of public policy', defendant's use was liable to confuse consumers as to the origin of the services rendered and, thus, to infringe plaintiff's mark.[301]

The court engaged with the reasoning in *Lucasfilm* and *LL Bean* at defendant's request. Aware of the conflicting holdings despite the obvious similarity of facts, it devoted several paragraphs to distinguish this case from the preceding ones, going as far as holding that the court in *Lucasfilm* 'reached the right result but did not correctly describe the reason'.[302] In its view, and based on its previous analysis of what constitutes 'services' under the Lanham Act, the *Lucasfilm* court had been wrong to hold that '[p]urveying points of view is not a service'.[303] As a result, the reason why defendants' use of the 'Star Wars' mark did not constitute infringement lay in the fact that it was not being used in such a way as to create confusion as to origin, but rather to convey an idea for which reference to plaintiff's product was necessary. The court was even more critical of the reasoning in *LL Bean*, holding that there is no necessary contradiction

[301] 'United We Stand America' trade mark registration before the USPTO. Available on its online database <http://tmsearch.uspto.gov/bin/showfield?f=doc&state=4805:qxzhad.2.2> accessed 23 September 2019.

[302] *United We Stand Am* (n 239) 91.

[303] ibid 91.

between third party use of a mark being at the same time 'editorial or artistic' and 'commercial', as the decision in *LL Bean* suggests. In fact, it is very often the case that works consisting of recoded marks are sold in commerce. Therefore, what the court in *LL Bean* must have meant to say is that defendant had to use plaintiff's mark to be able to convey its humorous message, which ought to be allowed so long as such use does not lead to consumers being confused as to source.

It would thus appear that the court in *United We Stand America* is reinterpreting previous cases that conflict with its holding in an attempt to avoid any contradictions in the interpretation of the Lanham Act. To do this, the court reconfigures the scope of both requirements (i.e. use in commerce and use in connection with goods or services) with a view to restricting the scenarios in which defendants will be able to rely on them to escape liability. Despite its efforts at harmonisation, however, some courts have continued to rely on the requirement of use in commerce as interpreted under Section 45 of the Lanham Act, as well as on a narrower interpretation of the requirement that use be in connection with goods or services, to refuse finding for infringement in cases where defendant's expressive use is not trade-relevant.[304] Notably, in *Radiance Foundation v NAACP*, the Court of Appeals for the Fourth Circuit held as follows in 2015:

> [T]o give this requirement [that use be in connection with goods or services] a "broad construction" […] would expose to liability a wide array of noncommercial expressive and charitable activities. Such an interpretation would push the Lanham Act close against a First Amendment wall, which is

[304] See, for instance, *Bosley Medical Institute* (n 297). The court's analysis is particularly interesting for current purposes. Siding with the interpretation of use in commerce as applying solely to acquisition of rights (and not to infringement), the court appears to equate non-commercial use with use in connection with goods and services. In fact, the court went on to grant relief to plaintiff precisely on this ground. See also *The Radiance Foundation* (n 297); *Farah v Esquire Magazine* 736 F.3d 528 (D.C. Cir. 2013); *Utah Lighthouse Ministry* (n 297); *Taubman Co v Webfeats* 319 F.3d 770 (6th Cir. 2003); *Porous Media Corp v Pall Corp* 173 F.3d 1109 (8th Cir. 1999).

> incompatible with the statute's purpose and stretches the text beyond its breaking point. We decline to reach so far.
>
> At least five of our sister circuits have interpreted this element as protecting from liability all noncommercial uses of marks.[305]

As a result, courts in the US are still divided as to how best to interpret the Lanham Act. Therefore, and until the US Supreme Court –or, for that matter, Congress by amending the Lanham Act– puts an end to the ongoing controversy by deciding on these issues, there is room to argue that the requirements of use in commerce and use in connection with goods or services can be (and very often are) interpreted by US courts in a similar way to how European courts interpret the requirement of use in the course of trade. More importantly, when thus interpreted, these requirements serve to adjudicate in defendant's favour in interaction cases where third party use of plaintiff's mark occurs outside the market.

3.2.1.2. Use That Is Not Deemed Expressive

There is a string of cases that do not sit comfortably within the proposed taxonomy. These are cases where courts have found that defendants' speech rights are unaffected not because owners' exclusive rights do not interfere with their expressive interests, but rather because their use of plaintiffs' marks is not deemed expressive. In other words, cases where despite speech protection not being triggered, use of the mark is not insulated from infringement. Very few such cases have been decided to date.[306]

[305] *The Radiance Foundation* (n 297) 11. The circuits to which the court is referring to in this passage are those cited in the preceding note.

[306] *Ate My Heart* (n 6); *Miss World* (n 6); *Uitgeverij Byblos BV v Joanne Kathleen Rowling et al* [2004] ECDR 7 (Court of Appeals of Amsterdam).

Accordingly, it seems fair to categorise them as oddities within the case law addressing the interaction between marks and speech. Two decisions from the High Court of England and Wales in interim relief proceedings are particularly deserving of attention. Overwhelmed by the lack of guidance in this area, the High Court is at pains to elucidate how marks and speech ought to interact. This is acknowledged by Pumfrey J himself in *Miss World Ltd v Channel 4 Television Corp*. His decision has gained notoriety in the field for the candid recognition that '[t]he scope of the intervention of Article 10 [ECHR] in matters concerning registered trade marks is far from well worked out. Indeed, I think it is fair to say that it is almost completely unworked out.'[307]

In *Miss World*, plaintiff had requested the High Court to prevent defendant from airing a transvestite and transsexual beauty pageant under the name 'Mr Miss World' on grounds that it infringed its well-known 'Miss World' marks. In granting interim relief to plaintiff, the court rejected defendant's claim that its unauthorised use of the mark is deserving of protection under the fundamental right to freedom of expression. According to the court, defendant's use of the mark is not the kind that engages Article 10 ECHR.

How the court reaches this conclusion is not entirely clear. Given the lack of any meaningful precedents in Europe, the court seeks guidance in the South African case of *Laugh It Off Promotions v South African Breweries*, perhaps the best known recoding case worldwide.[308] In a nutshell, plaintiff in that case was the owner of the reputed

[307] *Miss World* (n 6) [41]. Authors have also commented on the state of confusion surrounding this area of the law. For instance, writing in the US context, David Simon has advanced that '[t]he issue of what constitutes a parody in trademark law, and what legal effect that finding should have, has been confusing courts for decades'. David A Simon, 'The Confusion Trap: Rethinking Parody in Trademark Law' (2013) 88 Washington LR 1021, 1024.

[308] *Laugh It Off Promotions* (n 241).

‘Carling’ marks for beer. As regards recoding of the mark, defendant had substituted: (a) ‘Black Label’ with ‘Black Labour’; (b) ‘Carling Beer’ with ‘White Guilt’; (c) ‘America’s Lusty, Lively Beer’ to ‘Africa’s lusty lively exploitation since 1652’; and (d) ‘enjoyed by men all around the world’ to ‘No regard given worldwide’. Defendant had affixed all recoded signs onto T-shirts that it offered for sale. The Constitutional Court of South Africa found in favour of defendant, insulating its unauthorised use of the mark for expressive purposes on free speech. After quoting extensively from *Laugh It Off*, the High Court compares the facts of both cases to find that the message conveyed by the recoded marks, as well as the manner in which they are used by defendants is, from the perspective of the protection afforded by freedom of expression, very different in each case. Accordingly, use of ‘Mr Miss World’ on a TV programme cannot be deemed expressive in the sense of triggering protection under Article 10 ECHR.[309]

The court reaches this conclusion in application of what appears to be a very narrow test for determination of when trade mark use will be deemed expressive. In the words of the court: ‘absent a sign which is really telling a political story, making a political point or identifying some matter of public importance, I find the idea that use of a trade mark can of itself generally engage Article 10 of the Convention difficult’.[310] Unfortunately, the court fails to explain not only why it adopts such a high threshold for determination of expressive use, but, most importantly, why defendant’s use in the case at issue did not meet such threshold. One can easily think of arguments in favour of defendant’s use ‘making a political point or identifying some matter of public

[309] The court advances that recoded trade mark use of the type seen in the *Laugh It Off* case would likely also be deemed expressive under Article 10 ECHR. *Miss World Ltd* (n 6) [41].

[310] ibid [47].

importance' when trying to reclaim the heteronormative and cisnormative meanings associated with the 'Miss World' marks and beauty pageants through its recoded use of the mark. The court's reluctance to engage in more nuanced analysis of the interaction between marks and speech was partly the result of the complexity of this area of law. Pumfrey J himself admits as much: '[t]his is a difficult area and I do not wish to go into it more than necessary'.[311] This is regrettable. The court missed out on an early opportunity to bring much needed clarity to the field. Understandably, however, the court's hands were tied due to the strict procedural requirements imposed by interim relief actions, as well as the lack of any meaningful guidance from the CJEU.

The High Court was given a second chance to try to elucidate how marks and speech ought to interact in European trade mark law in *Ate My Heart Inc (AKA Lady GaGa) v Mind Candy*.[312] Renowned pop star Lady Gaga filed for a preliminary injunction against defendant, an online children's computer game developer who is behind the successful Moshi Monster games, featuring a series of characters parodying popular celebrities. For instance, 'Lady Goo Goo' is said to parody Lady Gaga, who is portrayed as a baby rock star with blonde hair and big sunglasses in a way that is reminiscent of the pop star, as shown below:[313]

[311] ibid [26].

[312] *Ate My Heart Inc* (n 6).

[313] 'Lady Goo Goo' image downloaded from the Moshi Monsters Fandom website <https://moshimonsters.fandom.com/wiki/Lady_GooGoo> accessed 27 September 2019.

Relying on several EU trade marks for 'Lady Gaga', plaintiff sought to restrain defendant from releasing a pop song that featured 'Lady Goo Goo' singing to very similar lyrics and tune as Lady Gaga's worldwide hit 'Bad Romance' on iTunes and other media platforms, and to remove the videoclip from YouTube, where it had already been released.

Before delving into the infringement analysis, the court had to elucidate whether defendant's use of the recoded mark really amounted to parodic use of the kind that ought to be deemed expressive. After a rather confused analysis, the court concludes that defendant's use of 'Lady Goo Goo' and the other Moshi Monsters, having been born with the clear intention of parodying well-known celebrities, had 'morphed into something rather different, namely a character who is being used to enhance the commercial success of [defendant's] brand, and now to sell records'.[314] As a result, the court did not consider defendant's use to be parodic nor, accordingly, deserving of protection under Article 10 ECHR, granting interim relief to plaintiff on all counts (i.e. a

[314] *Ate My Heart* (n 6) [46].

prima facie case had been made out for likelihood of confusion, blurring, tarnishment and free riding).

This decision is striking for two reasons. Firstly, and despite their obvious similarities, the court seems to be unaware of the earlier decision in *Miss World*, which is not cited. Instead, the court relies (as had done Pumfrey J) on the South African *Laugh It Off* case, comparing defendants' use of the marks in each case to conclude that there are obvious differences between them.[315] In particular, and unlike defendant's recoded use of the 'Carling' marks in *Laugh It Off*, the Moshi Monsters cannot be said to constitute pure parodies of the celebrities that they are inspired on. Although the court fails to properly justify this finding, it seems to have given considerable weight to the commercial success of the Moshi Monsters. In doing so, the court appears to confuse the analysis of the parodic nature of defendant's recoded use with the requirement that use be in the course of trade. What is perhaps more surprising is the court's characterization of defendant's recoded use in *Laugh It Off* as purely parodic despite its obvious commercial component (i.e. the recoded marks were printed on T-shirts offered for sale). The court likely felt that defendant's recoded use of plaintiff's marks was free riding on their reputation to such an extent that there could hardly be any room for a parody-based defence. However, and to avoid the seeming inconsistency, it would have been desirable for the court to further explore the differences between both cases.

In light of these decisions, it would appear that courts in the UK have so far adopted a high threshold for determination of expressive use in interaction cases. We must, however, be cautious not to run into hasty conclusions. These decisions can hardly

[315] ibid [45]-[47].

be said to provide meaningful precedents in this area of the law given how they fail to address the interaction between marks and speech with the required nuance.[316]

3.2.2. Second Category: Affected Speech in Recoding Litigation: Expressive Use That Is Liable to Confuse Consumers or to Dilute the Mark

3.2.2.1. Europe

Case law dealing with the interaction between marks and speech in Europe is scarce.[317] As we have seen in the previous section, most such cases have been decided on grounds that defendants' freedom of expression is not curtailed by the exclusive rights of trade mark owners, whether because their unauthorised recoded use was: (a) not in the course of trade; or (b) not deemed expressive. As a result, the number of cases where European courts have found defendants' speech rights to be interfered with by trade mark rights is extremely limited.[318]

Before analysing some of these cases in more detail, it should be noted that it is foreseeable that more recoding disputes will be adjudicated in the near future in

[316] Another example where defendant's speech defence was dismissed by the court on grounds that its recoded use was not expressive is *Uitgeverij Byblos BV* (n 306). The Court of Appeal of Amsterdam granted plaintiff's request for interim relief in a dispute involving recoded use of the 'HARRY POTTER' mark as 'TANJA GROTTER' by a publishing house in the title and content of a book resembling the wizarding world created by J.K. Rowling. According to the court, defendant's actions were bound to dilute plaintiff's reputed mark by blurring and free riding. Strictly speaking, defendant's free speech defence was raised in response to plaintiff's copyright infringement claim. However, the court's analysis of the parodic intent underlying defendant's recoded use is relevant for current purposes insofar as it provides yet another example of the differing thresholds required by European courts for determination of when recoded use will be deemed expressive. The court gave considerable weight to the fact that defendant itself 'did not regard it as such […] [but rather] took [Tanja Grotter] entirely seriously, and not as a parody of [Harry Potter]'. ibid [26]. This was confirmed by the lack of 'any parodying elements' in the Tanja Grotter stories that could support defendant's argument. ibid [28].

[317] This has also been noted by commentators, notably by Fhima (n 186) 303.

[318] *Nadia Plesner* (n 7); *Mercis BV v Punt.nl BV* (2011) LJN: BS7825, ER 2010 23 (Court of Appeals of Amsterdam); *Violet Postcard (Lila-Postkarte)* (n 7); *Comité National contre les Maladies Respiratoires et la Tuberculose v Société JT International GmbH et al* Case No 1601 (2007) 38 IIC 357 (Cour de Cassation).

Europe. The reason for this being that the recitals to the latest versions of the EU Trade Mark Regulation and Trade Mark Directive address for the very first time the potential conflict that may arise between trade mark rights and freedom of expression in interaction cases.[319] A conflict that both texts appear to circumscribe to recoding litigation (and, consequently, to speech as a limit to owners' exclusive rights) when they propose that 'use of a trade mark by third parties for the purpose of artistic expression should be considered as being fair as long as it is at the same time in accordance with honest practices in industrial and commercial matters'.[320] But the recitals do not end there. They go on to require that the Regulation/Directive 'be applied in a way that ensures full respect for fundamental rights and freedoms, and in particular the freedom of expression'.[321] This can arguably be read as accommodating the proposed reconceptualization of the interaction between marks and speech, insofar as it requires decision makers to factor in and protect all the fundamental rights at stake in recoding cases (i.e. of all individuals involved in trade mark use).

Plaintiff in *Lila-Postkarte* was the food and beverage manufacturing powerhouse Kraft Foods, owner of, *inter alia*, the reputed mark 'Milka', as well as a colour mark for lilac, all in relation to 'fine bakeries and confectionery'.[322] Defendant in this case was in the business of designing and selling postcards, often with a humorous or satirical content. Plaintiff launched an infringement action before the German courts against

[319] EU Trade Mark Regulation, Recital 21; Trade Mark Directive, Recital 27.

[320] ibid.

[321] ibid.

[322] *Violet Postcard (Lila-Postkarte)* (n 7).

defendant's unauthorised use of its word and colour marks on a lilac postcard, the English translation of which would read as follows:

It is calm above the tree tops,
Somewhere a cow is bellowing.
Moo!

Rainer Maria Milka[323]

Plaintiff's infringement action was upheld before both the district court and the court of appeals on grounds that defendant's unauthorised use of the marks took unfair advantage of their reputation without due cause. When the case reached the Federal Court of Justice, however, these decisions were overturned. Although the court agreed that defendant's recoded use took advantage of the distinctive character of plaintiff's reputed marks, such use was deserving of protection under the right to freedom of artistic expression. Following settled case law on the interpretation of this right under the German Constitution, the court adopted a low threshold for determination of what amounts to artistic expression. This is in contrast with the higher threshold adopted by the English High Court in *Miss World* and *Ate My Heart*, adding to the uncertainty governing this area of law in the EU.[324]

To reach its decision, the Bundesgerichtshof engaged in a balancing exercise whereby it pitted plaintiff's fundamental right to (intellectual) property against defendant's right to freedom of artistic expression. In a nutshell, provided that

[323] The attribution to the famous writer Rainer Maria Rilke is a play on words using plaintiff's mark. Translation from German taken from Martin Senftleben, 'A Clash of Culture and Commerce: Non-Traditional Marks and the Impediment of Cyclic Cultural Innovation' in Irene Calbioli and Martin Senftleben (eds), *The Protection of Non-Traditional Trademarks* (OUP 2018) 322 fn 64.

[324] *Ate My Heart* (n 6); *Miss World* (n 6).

defendant's unauthorised use is not purely commercial, and absent disparagement or vilification of plaintiff's mark, freedom of artistic expression ought to prevail over the right to property. According to the court, both requirements were met in this case, for the aim pursued by defendant's recoded use of the marks was to spark 'a satirical discussion of the omnipresence of the plaintiff's advertising as expressed in the design of the card'.[325]

The court should be commended for its effort to spell out the opposing interests at stake in interaction cases, even if its analysis is by no means exhaustive and lacks the level of detail and sophistication that is called for in this complex area of law. Importantly, the court acknowledges that the freedom of artistic expression 'is not without restrictions'.[326] It identifies two such restrictions: the disparaging aim pursued by defendant through recoded use of the mark and the commercial nature of the use. Unfortunately, the court remains silent as to the existence of other restrictions. Furthermore, the court fails to provide much guidance on the content of either of the restrictions identified. As regards the disparaging or vilifying aim pursed by defendant, we are simply told that use for satirical purposes is not disparaging. It is unclear whether any and all instances of satire or parody ought to be deemed as not disparaging of plaintiff's marks, for it is easy to conceive of parodic uses that can harm the reputation of a mark. For instance, defendant's recoding of the 'Carling' mark in the South African *Laugh It Off* case can hardly be said not to disparage plaintiff's marks.[327] In fact, it can be argued that the aim of satire and parody is precisely to poke fun at the original mark

[325] *Violet Postcard (Lila-Postkarte)* (n 7) 119.

[326] ibid 122.

[327] *Laugh It Off Promotions* (n 241).

by ridiculing or commenting on it and, consequently, will always result in some form of disparagement, even if to a very limited extent in some cases, including in *Lila-Postkarte*. Therefore, it would have been desirable for the court to engage in more nuanced analysis of this restriction in light of the very unique characteristics of parodic and satirical uses of marks.

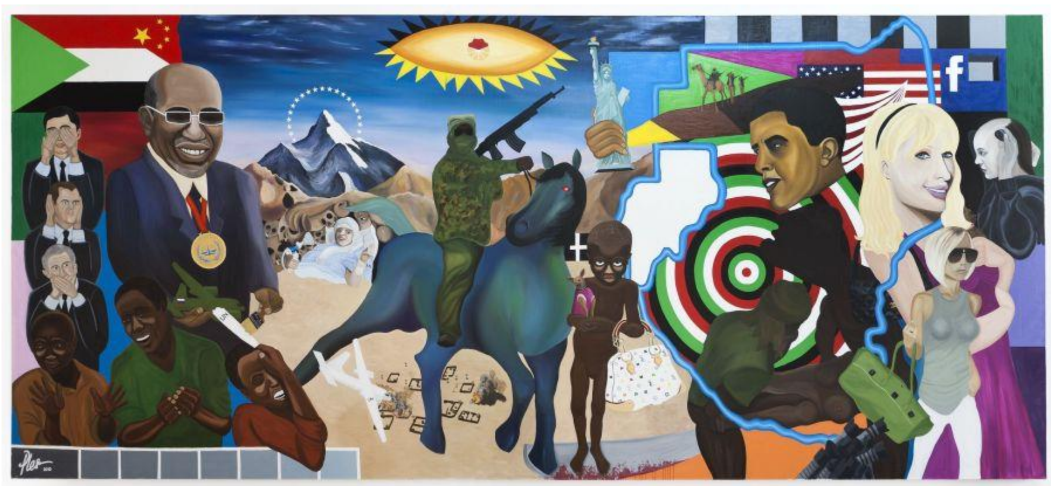
In relation to the commercial nature of defendant's use, the court is similarly succinct in its analysis, holding that recoded uses for satirical purposes ought not to be deemed exclusively commercial. As a result, the court not only fails to provide examples of types of uses that will be deemed exclusively commercial, but would appear to adopt a very generous test for commerciality in interaction cases. Once again, this is in contrast with the approach of the High Court in *Ate My Heart*, where the commercial aim pursued by defendant was sufficient to label its recoded use of plaintiff's mark as not expressive (despite the court's acknowledgement that the Moshi Monsters were, at least to a certain degree, parodies of the celebrities they found inspiration on).[328]

In *Nadia Plesner v Louis Vuitton*, the luxury goods powerhouse filed for interim relief before the Court of The Hague against artist Nadia Plesner on grounds of infringement of its design rights in the following graphic symbols (which it uses for handbags and other leather accessories):[329]

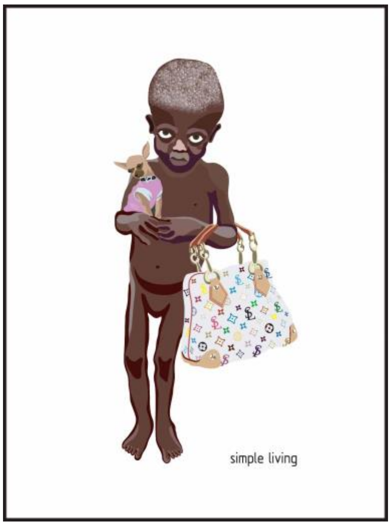
[328] *Ate My Heart* (n 6).

[329] *Nadia Plesner* (n 7). Images of plaintiff's design and 'Audra' bag obtained from the decision, available in its English version as an Annex to Lucie Guibault, 'The Netherlands: Darfurnica, Miffy and the Right to Parody!' [2011] JIPITEC 236.

Plaintiff opposed defendant's use of its protected design in her painting entitled 'Darfurnica', as well as on T-shirts and posters, all of which were offered for sale at an ongoing exhibition. In particular, Louis Vuitton opposed the use of its design as part of the artist's critical message towards the media's coverage of the lifestyle of the rich and famous, instead of more relevant news events such as the war in Darfur (Sudan). As shown below, the painting and merchandising complained of by plaintiff featured a drawing of an emaciated child affected by the war carrying a chihuahua and one of plaintiff's bags featuring the protected design: [330]



[330] Images downloaded from Nadia Plesner's website <http://www.nadiaplesner.com/simple-living--darfurnica1> accessed 19 September 2019.



According to the artist, the depiction of the child constituted a critical take on the excessive media coverage of the socialite Paris Hilton, who so often makes it to the cover of news outlets and magazines by virtue of her opulent life. The lower court had granted relief to plaintiff in *ex parte* proceedings, ordering Plesner to cease any and all uses of the protected design. On appeal, however, the Court of The Hague overturned this decision, holding that 'the interest of Plesner to (continue to) be able to express her (artistic) opinion through [her] work […] should outweigh the interest of Louis Vuitton in the peaceful enjoyment of its possession'.[331]

In reaching this decision the court took into consideration several arguments, all of which weighed in favour of defendant's speech interests in this case. Firstly, according to settled case law from the ECtHR, freedom of (artistic) expression is afforded a high level of protection under the Convention. Secondly, the court was sceptical of the extent to which design rights extend to cover reputation –whether of the design or of its right holder. This was particularly problematic in a case where plaintiff had heavily relied on the extent of its reputation to ground its infringement claim against defendant. The

[331] *Nadia Plesner* (n 7) [4.6].

court seems to be surprised by plaintiff's choice of intellectual property regime on which to ground its claim, judging by its insistence that Louis Vuitton only relied on its design rights. Plaintiff's claim appears better suited to trade mark law, especially in light of the reputation that the 'Louis Vuitton' marks enjoy.[332] Furthermore, the fact that plaintiff and its products are very well known ran counter to its interests in this case, for it 'implies that [it] must accept critical use as the present one to a stronger degree than other rightholders'.[333] This argument is extracted from the case law of the ECtHR dealing with defamation in the context of Article 10 of the Convention, where the Strasbourg court has on occasion held that 'large public companies inevitably and knowingly lay themselves open to close scrutiny of their acts and […] the limits of acceptable criticism are wider in the case of such companies'.[334] Unfortunately, the court failed to provide any further guidance in this regard. In particular, it would have been useful for the court to explore the extent to which this doctrine is of application in the context of intellectual property rights infringement, which differs substantially from that of defamation. Perhaps in an attempt to avoid engaging in this discussion, the court was careful to attach its analysis of this particular ground to the overall success enjoyed by Louis Vuitton as a global luxury goods company –thus detaching it from the infringement analysis. In any event, it is unclear the extent to which this doctrine is of application in

[332] Louis Vuitton's reliance on its design rights, instead of its reputed marks, might be explained by the earlier decision of the Paris Tribunal de Grande Instance (of May 2008) involving the same parties, where plaintiff had successfully relied on its registered design rights to prevent Plesner from using its design in France. The French decision, which is unpublished, is discussed by the Court of The Hague in *Nadia Plesner* (n 7).

[333] ibid [4.8].

[334] *Steel and Morris v United Kingdom* App No 68416/01 (ECtHR, 15 February 2005) [94].

the trade mark context, where the fact that a given mark is well known or enjoys a reputation requires, on the contrary, that it be afforded reinforced protection.[335]

Thirdly, the court finds unlikely (and plaintiff failed to provide supporting evidence to this end) that the public will think, upon seeing defendant's depiction of the emaciated child carrying plaintiff's bag, that Louis Vuitton is in any way involved in the conflict in Darfur. And, fourthly, Plesner's use of the protected design does not free ride on plaintiff's reputation, but rather is intended to pass her critical commentary on the biases of contemporary media outlets. As a result, her use is 'to be regarded […] as functional and proportional and that it does not serve a mere commercial purpose'.[336]

As regards the commercial nature of defendant's use, therefore, the position of the Court of The Hague resembles that of the German BGH in *Lila-Postkarte*.[337] Both adopt a generous test for commerciality, whereby recoded uses for commentary/satirical purposes ought not to be deemed exclusively commercial. As pointed out earlier, this is in contrast with the position of the English High Court.[338] Interestingly for current purposes, the court engages in analysis of the type of speech at issue in this case, i.e. political, artistic or commercial. Although in regrettably succinct terms, the court rejects that Plesner's use of plaintiff's design as an eye-catcher for its activities (i.e. on promotional material for her art exhibition, including the invitation, T-

[335] This is a contentious issue in contemporary trade mark doctrine that builds into the overarching debate regarding the justification of harm in dilution discussed in Chapter 1. Some courts have held that the more reputed a mark is, the more difficult it will be to prove that its distinctiveness or reputation has been negatively affected by the type of expressive uses that defendants often undertake in interaction cases. For instance, in *Haute Diggity Dog*, the Court of Appeals for the Fourth Circuit held that 'because the famous mark is particularly strong and distinctive, it becomes more likely that a parody will not impair the distinctiveness of the mark'. *Haute Diggity Dog LLC* (n 8) 267. This is further explored in the following section.

[336] *Nadia Plesner* (n 7) [4.8].

[337] *Violet Postcard (Lila-Postkarte)* (n 7).

[338] *Ate My Heart* (n 6); *Miss World* (n 6).

shirts and posters) 'degenerate[s] it into an expression of a "pure commercial nature"'.[339] Unfortunately, the court fails to explain why this is the case or to explore the implications of this finding, in particular, whether the outcome of the case would have differed upon concluding that defendant's speech was commercial. In any event, the court's finding is useful insofar as it can help navigate the fine line that separates commercial expression from artistic and political expression in cases of recoded use of designs/marks for commercial purposes.

To sum up, the decisions in *Lila-Postkarte* and *Nadia Plesner* show that, despite national divergences, courts in Europe have had recourse to the fundamental right to freedom of expression to shield defendant's use from infringement in interaction cases.[340] These are cases where defendant's speech rights have been pitted solely

[339] *Nadia Plesner* (n 7) [4.9].

[340] Other examples include: *Mercis BV* (n 318); *Comité National contre les Maladies Respiratoires et la Tuberculose* (n 318). In *Mercis*, the Court of Appeals of Amsterdam denied relief to plaintiff in a recoding case dealing with both trade mark and copyright infringement of the well-known 'Miffy' rabbit in The Netherlands. Plaintiff's claims were dismissed on appeal on grounds that defendant's use of the protected marks and works was parodic. Unfortunately, the discussion relating to trade mark infringement is rather succinct and lacking in nuance. The court failed to engage in a balancing exercise of any sort, simply concluding that the parodic use was sufficiently detached from the original marks and, thus, there could be no likelihood of confusion. The court remained silent as to whether there could by any dilution of plaintiff's marks nor, consequently, the need to invoke defendant's fundamental right to freedom of expression. *Mercis BV* (n 318). In *Comité National contre les Maladies Respiratoires et la Tuberculose*, the French Cour de Cassation relied on freedom of expression to insulate from infringement an association's recoded use of several elements of the get-up of the 'Camel' marks for cigarettes in posters and stickers as part of an anti-smoking campaign. According to the court, defendant's humorous intent did not constitute an abuse of its right to freedom of expression insofar as it was acting in pursuance of a public health objective (and, thus, within the scope of its activities) using means appropriate to achieving such aim. *Comité National contre les Maladies Respiratoires et la Tuberculose* (n 318). The decision of the England and Wales Court of Appeals in *L'Oréal* is also worth mentioning here. When the case went back to the referring court, Jacob LJ argued that the interpretation of free riding by the CJEU contravened the protection afforded by the fundamental right to freedom of expression of both defendants (i.e. who were in the business of selling smell-alike perfumes using comparison lists including some of L'Oréal's registered marks for perfumes) and consumers of smell-alike perfumes, who had a right to listen to truthful information. As was the case in *Miss World* and *Ate My Heart*, Jacob LJ also found guidance in the *Laugh It Off* case, holding that: '[t]hat the right to free speech may trump trade mark rights was recognised by the Constitutional Court of South Africa'. *L'Oréal* (n 32) [13]. Since the CA had to follow the ruling of the CJEU, it did not provide further insights as to how the balancing exercise should have been undertaken in this case.

against plaintiff's property rights, thus failing to acknowledge the expressive richness involved in trade mark use.

3.2.2.2. United States

As anticipated, the volume of case law dealing with the interaction between marks and speech in recoding litigation in the US is quite substantial. This has allowed courts to develop a sophisticated framework for addressing interaction cases. US Congress has also assisted in this process, amending the Lanham Act on several occasions to ensure that an adequate balance is struck between the opposing interests at stake in such cases. This has resulted in a rather complex framework, whereby the tension between owners' exclusive rights and recoders' speech interests is resolved differently depending on the type of interaction at issue. Three forms of interaction can be identified, depending on whether defendant's unauthorised use of plaintiff's mark is actionable under: (a) likelihood of confusion; or (b) dilution. In the latter scenario, the court will either: (i) apply one of the exclusions provided for under the Lanham Act, notably fair use or noncommercial use; or (ii) where defendant's use is 'as a trade mark' (i.e. identifies the source of goods), conducting the dilution analysis irrespective of First Amendment protection.

Before exploring each of them in further detail, it should be noted that these are all cases where US courts have conceptualised the interaction between marks and speech as operating unidirectionally, in the sense that only the expressive interests of recoders have been taken into consideration. A survey of this case law will allow to show that, very much like their European counterparts, US courts are not acknowledging the expressive richness involved in trade mark use and, as a result, are failing to adjudicate interaction cases in the most nuanced manner.

3.2.2.2.1. Likelihood of Confusion

Courts in the US apply free speech considerations in very different ways upon assessment of likelihood of confusion. These range from instances where defendant's speech-based arguments are dismissed without further analysis, to cases where courts engage in very detailed exploration of defendant's expressive interests. In *Anheuser-Busch Inc v Balducci Publications*, the court recognised as much when it held that '[t]here is no simple, mechanical rule by which courts can determine when a potentially confusing [recoding use] falls within the First Amendment's protective reach'.[341] Against this backdrop, it is no easy endeavour to suggest a standard way in which likelihood of confusion is addressed by US courts hearing interaction disputes. In some instances, the balancing analysis is intertwined with that of likelihood of confusion.[342] In others, courts try to elucidate first whether defendant's use is liable to confuse consumers. It is only where the answer to this question is in the affirmative that the court then goes on to address defendant's speech interests.[343] In yet other cases courts have begun by determining the extent, if at all, to which defendant is entitled to protection under the First Amendment, and then moved on to assess likelihood of confusion.[344]

[341] *Anheuser-Busch* (n 267) 776.

[342] *Cliffs Notes Inc v Bantam Doubleday Dell Pub Group* 886 F.2d 490 (2d Cir. 1989); *Smith v Wal-Mart Stores Inc* 537 F.Supp.2d 1302 (N.D. Ga. 2008).

[343] *Mutual of Omaha Insurance Co v Novak* 836 F.2d 397 (8th Cir. 1987); *Anheuser-Busch Inc v Balducci Publications* (n 267); *Gucci Shops Inc v RH Macy & Co* 446 F. Supp. 838 (S.D.N.Y. 1977); *Hard Rock Cafe Licensing Corp v Pacific Graphics Inc* 776 F. Supp. 1454 (W.D. Wash. 1991).

[344] *Tommy Hilfiger Licensing v Nature Labs LLC* 221 F. Supp. 2d 410 (S.D.N.Y. 2002).

The court's preferred approach is ultimately dependent on the perceived role that the First Amendment plays in the infringement analysis at issue. In many instances of likelihood of confusion, US courts have been reluctant to grant broad speech protection to recoders. As discussed earlier on in this chapter, the reason for this is that speech rights are not intended to insulate defendants from infringement in instances of commercial fraud, i.e. where consumers are deceived as to the commercial origin of the goods or services bearing the recoded mark. This has been acknowledged on multiple occasions. For instance, in *Tommy Hilfiger Licensing v Nature Labs LLC*, the court held that:

> [W]hen another's mark is used for source identification in a way likely to cause consumer confusion, it is actionable under the Lanham Act. […] The First Amendment affords no protection because trademark law permissibly regulates misleading commercial speech.[345]

As a result, in instances where the First Amendment is not implicated, or only to a very limited extent, defendant's expressive use 'is not a defence to trademark infringement, but rather is another factor to be considered in the likelihood of confusion equation'.[346] This has fundamental implications for the manner in which interaction cases are decided by courts in these scenarios, notably it subjects the balancing exercise to the fact-intensive inquiry involved in likelihood of confusion analysis. In other cases, however, courts have been willing to recognise that defendant's speech rights can be implicated upon assessment of likelihood of confusion. This is particularly the case in fact patterns involving recoded use of marks in relation to artistic works, whether as part of their title

[345] ibid 415.

[346] *Hard Rock Cafe* (n 343) 1462. Arguing likewise, see: *DC Comics v Mad Engine Inc* 117 U.S.P.Q.2d 1327 (C.D. Cal. 2015); *Dr Seuss Enters LP v Penguin Books USA Inc* 109 F.3d 1394 (9th Cir. 1997).

or of their content.[347] But not only. Speech rights have also been factored in by courts deciding whether defendant's recoded use of marks for parodic purposes is liable to mislead consumers.[348] In light of these disparities, I propose to categorise interaction cases giving rise to likelihood of confusion claims according to whether defendant was found to infringe plaintiff's mark, or not.

Given courts' reluctance to grant broad speech protection to recoders in likelihood of confusion cases, there are numerous instances where courts have refused to shield defendants' unauthorised use from infringement on First Amendment grounds.[349] In *Gucci Shops Inc v RH Macy & Co*, for instance, the court upheld plaintiff's request for a preliminary injunction on the basis that defendant's use of its reputed mark 'GUCCI' in the recoded form 'GUCCHI GOO', in relation to a diaper bag, was likely to confuse consumers.[350] This was so regardless of the parodic intent pursued by defendant, whose speech interests were dismissed after a rather cursory analysis. In *Mutual of Omaha Insurance Co v Novak*, defendant's use of the recoded sign 'Mutant of Omaha' (to express his aversion to nuclear war) on T-shirts and other goods that it offered for sale was deemed likely to confuse consumers into thinking the insurance company Mutual of Omaha had sponsored them.[351] Notably, the court engaged in a – somewhat superficial– balancing exercise whereby it pitted plaintiff's property rights against defendant's speech interests, finding that the former 'need not yield to the

[347] *University of Alabama Board of Trustees v New Life Art Inc* 683 F3d 1266 (2012); *Mattel* (n 1); *Rogers v Grimaldi* 875 F2d 994 (2d Cir 1989).

[348] Amongst others: *Anheuser-Busch* (n 267); *Cliffs Notes* (n 342).

[349] *VIP Products* (n 8); *Anheuser-Busch* (n 267); *Hard Rock Cafe* (n 343); *Mutual of Omaha* (n 343); *Gucci Shops* (n 343); *Harley Davidson Inc v Grottanelli* 164 F.3d 806, 813 (2d Cir. 1999); *Deere & Co v MTD Prods* 41 F.3d 39 (S.D.N.Y. 1994); *Grey v Campbell Soup Co* 650 F. Supp. 1166 (C.D. Cal. 1986).

[350] *Gucci Shops* (n 343).

[351] *Mutual of Omaha* (n 343).

exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist'.[352] According to the court, there were many other ways that defendant could have expressed his anti-nuclear message that did not involve infringing on plaintiff's marks. In *Hard Rock Cafe Licensing Corp v Pacific Graphics Inc*, a request for interim relief, the court upheld plaintiff's claim that defendant's use of 'Hard Rain Cafe' on heat transfers for printing on garments was likely to confuse consumers into thinking they originated from plaintiff.[353] The court found that defendant's intent to poke fun at the constant rains in Seattle by recoding plaintiff's reputed marks did nothing to shield its unauthorised use from infringement. In *Anheuser-Busch*, the court found defendant's mock advertisement on the back cover of its humour magazine for 'Michelob Oily', a supposedly new brand of beer, likely to infringe plaintiff's 'Michelob' marks.[354] According to the court, defendant had failed to take the necessary steps to avoid confusing consumers, whether:

> [B]y using an obvious disclaimer, positioning the parody in a less-confusing location [the back cover of magazines is usually reserved to sponsored ads], altering the protected marks in a meaningful way [defendant's recoding was insufficient to differentiate it from the original mark], or doing some collection of the above.[355]

In other words, defendant's parody was not a successful one insofar as it managed to conjure up the original mark in the viewer's mind, but failed to convey at the same time

[352] ibid 911, quoting *Dallas Cowboy Cheerleaders Inc v Pussycat Cinema Ltd* 604 F.2d 200 (2d Cir. 1979).

[353] *Hard Rock Cafe* (n 343).

[354] *Anheuser-Busch* (n 267).

[355] ibid 776.

that it was not the original. Accordingly, defendant's use was not entitled to insulation under the First Amendment.

There are, however, many more instances where US courts have found defendants' expressive uses to lie outside the strictures of trade mark law.[356] These can be classified into three groups. Firstly, cases where defendant's expressive use of the mark is as a title describing the underlying work, or as the content of an artistic work. Secondly, cases where courts undertake the likelihood of confusion analysis irrespective of defendant's speech rights –either because the court fails to apply any speech-related test, or because defendant's use is entitled to such limited protection under the First Amendment that the Lanham Act will prevail upon a finding of confusion. And, thirdly, cases where courts' analysis of likelihood of confusion is informed by defendants' speech rights as protected under the First Amendment.

The first category of cases involves unauthorised use of marks as a title describing the underlying work, or as the content of an artistic work. The first such case was the landmark decision in *Rogers v Grimaldi*.[357] Decided in 1989, this case was launched by celebrity actress Ginger Rogers against the producers and distributors of a fictional movie entitled 'Ginger and Fred' (depicting the retired life of two Italian cabaret dancers who, while still young, had imitated Ginger Rogers and Fred Astaire) on grounds that it infringed her trade mark rights under the Lanham Act.[358] The court dismissed Ginger's appeal, upholding the appealed decision, though not its reasoning. The lower court had relied on the expressive, non-commercial nature of defendant's use of the

[356] Amongst others: *Hormel Foods Corp v Jim Henson Productions Inc* 73 F.3d 497 (2d Cir. 1996); *Tommy Hilfiger* (n 344); *Toho Co v Sears Roebuck & Co* 645 F.2d 788 (9th Cir. 1981); *Cliffs Notes* (n 342).

[357] *Rogers* (n 347).

[358] More precisely, Section 43(a) of the Lanham Act.

mark to conclude that the Lanham Act could not apply to movie titles that embody the artist's expression 'because of the undisputed artistic relevance of the title to the content of the film'.[359] On appeal, the court rejected this view on grounds that it would lead to too broad an interpretation of the First Amendment, since it would insulate from trade mark liability all movie titles that are relevant to the content of the film, even where they are misleading –an outcome that is clearly contrary to the aim of the Lanham Act. This could be avoided through adoption of a more nuanced approach to the interaction between marks and speech in such cases. Movies (and other artistic works) are sold in commerce and, as such, courts must ensure, through enforcement of the Lanham Act, that their titles do not mislead consumers into thinking that they originate from another source. At the same time, courts must provide, as mandated by the First Amendment, sufficient room for artists to exercise their artistic freedom in choosing the title that they believe best portrays their work. According to the court, striking the appropriate balance between the expressive interests of artists and the need to prevent consumer confusion requires that the Lanham Act 'be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression'.[360]

The relevance of this test in subsequent case law cannot be overstated, despite (or, perhaps, as a result of) its simplicity.[361] As noted in *University of Alabama Board of Trustees v New Life Art Inc*, '*Rogers* […] is the landmark case for balancing trademark and

[359] *Rogers* (n 347) 997.

[360] ibid 999.

[361] Amongst others: *University of Alabama* (n 347); *Mattel* (n 1); *Anheuser-Busch* (n 267).

First Amendment rights'.[362] Its success presumably lies in the fact that it manages to lay out the tension between trade mark rights and speech in rather commensurable terms, aiding courts in the balancing exercise by stressing the underlying policy objectives that each regime aims to pursue.

The court in *Rogers* went on to apply this test to the facts at issue. Under this test, titles containing marks will only give rise to liability in two instances: (a) when the title bears no relation to the underlying work, since the lack of artistic relevance will not justify invocation of the First Amendment; or (b) when the title, even though it bears relation to the underlying work, explicitly misleads consumers as to the source or the content of the work, in which case the requirements of the Lanham Act will take precedence over the First Amendment. In its reasoning, the court gave much weight to the fact that consumers do not usually regard titles of artistic works as providing information as to source, but rather look to titles to know about the content of the work. Put differently, titles of artistic works do not convey information in exactly the same way as 'the names of ordinary commercial products' do.[363] Decision makers should account for this difference by applying the infringement provisions of the Lanham Act with rigor in this context, so as to avoid unduly restricting the artistic expression of creators. The court went on to find that the title 'Ginger and Fred' had artistic relevance to the content of the movie, since the main characters featured in the film are retired dancers who once imitated Ginger Rogers and Fred Astaire, and are nicknamed Ginger and Fred. Additionally, the title did not explicitly mislead consumers as to: (a) the source of the work, for it did not indicate that Rogers endorsed the movie or had any role whatsoever

[362] *University of Alabama* (n 347) 1277.

[363] ibid 1000.

in it; or (b) the content of the work, given that the title is not misleading consumers into thinking that the movie is a biographical account of Rogers and Astaire's life, but rather is referring to the fictional characters' nicknames. This led the court to conclude that First Amendment principles required that defendant's expressive use of plaintiff's mark be allowed.

Of the many cases that followed the test developed in *Rogers*, *Mattel* probably deserves the most attention, for several reasons.[364] Firstly, the opinion was authored by Judge Kozinski, a high-profile, controversial figure in US intellectual property law. Secondly, the case received major media coverage due to the popularity of the parties involved: (a) Mattel Inc., the company behind the Barbie doll empire; and (b) the record labels responsible for the success of the pop band of Scandinavian origin Aqua, which topped billboards worldwide in the late 90s with their hit song 'Barbie Girl'.[365] Thirdly, and most importantly, this case is arguably the most sophisticated piece of legal reasoning dealing with the interaction between marks and speech to date.

Mattel sued the record labels on grounds that use of 'Barbie' by defendant in the title of its 'Barbie Girl' song amounted to trade mark infringement. In a heavily cited opinion that contains countless pearls of wisdom, the court upheld the appealed decision, dismissing Mattel's claim on all counts. Although plaintiff's claims were grounded on both likelihood of confusion and dilution, in this subsection we will deal only with the former, since it is upon analysis of consumer confusion that the court applied the *Rogers* test. Judge Kozinski agreed with the underlying rationale in *Rogers*,

[364] *Mattel* (n 1).

[365] See, for instance, coverage of the case by the CNN. Bill Mears, 'Barbie song appeal strikes an off note for high court' *CNN*, 27 January 2003 <http://edition.cnn.com/2003/LAW/01/27/scotus.barbie.song/> accessed 9 September 2019.

arguing that titles of artistic works rarely function as origin signals and, thus, the infringement provisions of the Lanham Act ought to be applied with caution. In the words of the court: '[a] title tells us something about the underlying work but seldom speaks to its origin'.[366] Applying the *Rogers* test, the court concluded that defendants' recoded use did not infringe plaintiff's mark since: (a) it is relevant to the underlying work, which talks about the Barbie doll and the values that defendants' believe she represents; and (b) it is not misleading as to the origin of the song nor suggests that it was produced by Mattel.

US courts have applied the *Rogers* test in contexts other than titles of artistic works, more precisely, when defendant's mark is used as part of the *content* of an artistic work.[367] In *University of Alabama*, the court was asked to rule on whether defendant, a painter known for his historical University of Alabama football scenes that portrayed players wearing the official uniform (which included some of plaintiff's marks), was liable for infringement.[368] Following *Rogers*, the court went on to dismiss plaintiff's claims. It did so on grounds that full protection of defendant's speech rights mandated a narrow construction of the Lanham Act when adjudicating expressive use of marks in artistic works. The court held that defendant's use of plaintiff's marks on his paintings was relevant to the underlying work, since depiction of the sports uniforms is required for an accurate portrayal of historical scenes of the football team. Also, use of plaintiff's marks on the paintings did not amount to endorsement or sponsorship by the University, but rather clearly embodied defendant's artistic expression.

[366] *Mattel* (n 1) 10491.

[367] *ESS Entertainment 2000 Inc v Rock Star Videos Inc* 547 F.3d 1095 (9th Cir. 2008); *University of Alabama* (n 347).

[368] *University of Alabama* (n 347).

The *Rogers* test has recently come to the forefront of the debate as a result of the decision in *Gordon v Drape Creative Inc*.[369] Defendants in this case offered for sale greeting cards using the marks 'Honey Badger Don't Care' and 'Honey Badger Don't Give a S---' with small variations. The District Court applied the *Rogers* test to find in favour of defendant. This decision was overturned on appeal on grounds of insufficient evidence to show that defendants' use of the marks is not, under the second prong of the *Rogers* test, explicitly misleading as to the origin of the cards. This was only after the Court of Appeals withdrew its first opinion on the matter,[370] issuing a superseding opinion several months later. In its first opinion, the court had found the evidence to be inconclusive also in relation to the first prong of the *Rogers* test, i.e. whether defendants' use of the marks was artistically relevant to the underlying work. Although the court had agreed that defendant's recoded use of the marks was expressive and, thus, deserving of protection under the First Amendment, it had been unable to determine, in light of the available evidence, whether 'defendants [have] added their own artistic expression beyond that represented by the mark'.[371] In so finding, the court appeared to have introduced a requirement of creative merit, even of transformativeness, more akin to copyright law.[372] This could have proved very

[369] *Gordon v Drape Creative Inc* 909 F.3d 257 (9th Cir. 2018).

[370] *Gordon v Drape Creative Inc* 897 F.3d 1184 (9th Cir. 2018) (withdrawn).

[371] ibid 28.

[372] In US copyright law, determination of whether defendant's unauthorised use of a protected work will be insulated from infringement on fair use grounds requires balancing a series of factors, including transformative use, which looks at whether defendant 'adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message'. *Campbell v Acuff-Rose Music* 510 US 569 (1994) 579.

problematic, not least since it would have added to the prevailing uncertainty in this area of the law.[373]

Unfortunately, however, the court did not entirely dispel these concerns in its superseding opinion. The court conceded that the first limb of the *Rogers* test was satisfied since plaintiff's 'mark is certainly relevant to defendants' greeting cards; the [trade marked] phrase is the punchline on which the cards' humor turns'.[374] However, as regards the second limb of the test, the court held that recoding of a mark can be explicitly misleading as to the origin of the underlying work where defendant: (a) is 'us[ing] the mark in the same way as [plaintiff]'; and (b) 'has [not] added his or her own expressive content to the work beyond the mark itself'.[375] Because there was insufficient evidence to rule on these issues, the court remanded for further proceedings. The second factor still brings to mind the vernacular of copyright law, notably transformative use.[376] By threatening the clarity brought about by the *Rogers* test, the court's reasoning constitutes yet another example of the degree of fragmentation currently governing interaction cases.

The second category of cases where defendants' expressive interests have prevailed involves instances where courts undertake the likelihood of confusion analysis irrespective of defendant's speech rights –either because the court fails to apply any

[373] For further commentary on the withdrawn decision, see Rebecca Tusnhet, 'The Ninth Circuit don't care: successful Rogers defense reversed because plaintiff's trademark is "artistic"' (Rebecca Tushnet Blog, 8 August 2018) <https://tushnet.com/2018/08/08/the-ninth-circuit-dont-care-successful-rogers-defense-reversed-because-plaintiffs-trademark-is-artistic/> accessed 28 September 2019.

[374] *Gordon* (n 369) 1724.

[375] ibid 1724–25.

[376] Rebecca Tushnet has discussed the superseding opinion too. See 'Honey Badger don't care for different reasons: court fixes artistic relevance but still doubles down on transformativeness' (Rebecca Tushnet Blog, 26 November 2018) <https://tushnet.com/2018/11/26/honey-badger-dont-care-for-different-reasons-court-fixes-artistic-relevance-but-still-doubles-down-on-transformativeness/> accessed 28 September 2019.

speech-related test, or because defendant's use is entitled to such limited protection under the First Amendment that the Lanham Act will prevail upon a finding of confusion. In *Tommy Hilfiger*, for instance, the court found that defendant's recoded use of plaintiff's mark as 'Timmy Holedigger' to identify one of its pet perfumes was not liable to mislead consumers.[377] In reaching this conclusion, the court began by rejecting defendant's claim to reinforced protection under the First Amendment. According to the court:

> [B]ecause the mark is being used at least in part to promote a somewhat nonexpressive, commercial product, the First Amendment does not extend to such use, or to the extent that it does, the balance tips in favor of allowing trademark recovery, if in fact consumers are likely to be confused.[378]

The court then went on to apply the classic infringement test. Upon dismissing plaintiff's infringement claim, the court took into consideration the humorous intent underlying defendant's use. In *Hormel Foods Corp v Jim Henson Productions Inc*, defendant's use of 'SPA'AM' as a porcine character in a Muppets movie was found not to infringe plaintiff's 'Spam' mark for potted meat.[379] Although the court gave considerable weight to the parodic aim pursued by defendant upon analysis of likelihood of confusion, it remained silent as to the possibility of invoking free speech protection. Importantly, therefore, the fact that First Amendment protection was not factored in by courts in these cases, or only slightly, does not mean that the expressive nature of defendant's use did not play a role in the courts' reasoning. On the contrary: the recoding aim pursued by defendants

[377] *Tommy Hilfiger* (n 344).

[378] ibid 416. This line of reasoning was also followed in *VIP Products LLC v Jack Daniel's Properties* No. CV-14-2057 (D. Ariz. 2016) 16.

[379] *Hormel Foods* (n 356).

heavily informed the confusion analysis. This was acknowledged by the court in *Tommy Hilfiger* when it held that:

> [E]ven without recourse to the First Amendment, [defendant's] comical adaptation is still relevant to the extent that the joke is clear enough to result in no confusion under the statutory likelihood of confusion analysis. In such cases, "parody is not really a separate 'defense' as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to source, sponsorship or approval."[380]

And, finally, the third category involves cases where courts' analysis of likelihood of confusion is informed by defendants' speech rights as protected under the First Amendment. In *Cliffs Notes Inc v Bantam Doubleday Dell Pub. Group*, plaintiff was in the business of selling study notes under the name 'CliffsNotes', using a characteristic cover design consisting of black and yellow stripes (protected as a trade mark).[381] Defendants launched a parody version featuring a very similar cover design under the name 'SpyNotes', which prominently stated 'A Satire' several times. Relying on the test developed in *Rogers* (and, thus, applying it in a context other than the title/content of an artistic work), the court engaged in a balancing exercise whereby it concluded that the low risk of likelihood of confusion in this case was outweighed by defendants' expressive interests. The court's finding was heavily influenced by the many differences

[380] *Tommy Hilfiger* (n 344) 416, quoting *Schieffelin & Co v Jack Co of Boca Inc* 725 F. Supp. 1314 (S.D.N.Y. 1989) 1323. Importantly, as regards consideration of the first factor in the likelihood of confusion analysis (i.e. the strength of plaintiff's mark), the court factored in the parodic intent pursued by defendant as follows: '[i]n the usual trademark case, a strong mark is a factor pointing toward a likelihood of confusion. However, "[w]here the plaintiff's mark is being used as part of a jest … the opposite can be true."' *Tommy Hilfiger* (n 344) 415, citing *Yankee Pub Inc v News America Pub Inc* 809 F. Supp. 267 (S.D.N.Y. 1992). This approach has also been followed in *Ebony Media Operations LLC v Univision Communications Inc* No. 18-cv-11434-AKH (S.D.N.Y. Jun. 3, 2019); *Louis Vuitton Malletier SA v My Other Bag Inc* 156 F.Supp.3d 425 (S.D.N.Y. 2016) (to avoid confusion with other cases where Louis Vuitton is also plaintiff, defendant's name will be used hereinafter).

[381] *Cliffs Notes* (n 342).

that existed between plaintiff's original mark and defendant's recoded version, which rendered the parody a successful one –i.e. it was able to bring to mind the original mark while at the same time being sufficiently detached from it to convey a humoristic message. This is where *Cliffs Notes* differs from the editorial parody in *Anheuser-Busch*, where defendant had gone through such efforts to make its parody seem authentic that the court concluded that the public was likely to be confused.[382]

3.2.2.2.2. Dilution

As we saw at the beginning of the chapter, injunctive relief in dilution cases is devoid of the commercial fraud rationale that justifies encroachment on First Amendment rights in instances of likelihood of confusion. As a result, dilution claims in interaction cases have been rife with controversy –alongside the broader debate as to the need for, and appropriate scope of, antidilution statutes. The main concern is that in the absence of robust speech protection, the broad enforcement powers granted to owners of reputed marks under blurring and tarnishment will too easily tilt interaction disputes against defendants. Many scholars rightly fear this could lead to the suppression of very valuable forms of expression at the behest of overzealous right holders resorting to dilution as an effective means of preventing critical or parodic commentary on their marks.[383] To prevent this, the antidilution provisions of the Lanham Act contain a list of exclusions insulating from liability:

[382] This is explicitly acknowledged by the court. *Anheuser-Busch* (n 267) 776.

[383] The volume of literature to this end is overwhelming. Relevant examples include: Dogan and Lemley (n 110); Desai (n 101); Desai (n 146); William McGeveran, 'Rethinking Trademark Fair Use' [2008] Iowa LR 49; McGeveran (n 104); Dreyfuss (n 228); Dogan and Lemley (n 146); Litman (n 146); Lemley (n 154); Kozinski (n 14); Dreyfuss (n 99); Robert C Denicola, 'Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols' [1982] Wisconsin LR 158.

> (A) Any fair use […] of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with--
>
> (i) advertising or promotion that permits consumers to compare goods or services; or
>
> (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.
>
> (B) All forms of news reporting and news commentary.
>
> (C) Any noncommercial use of a mark.[384]

These exclusions have proved very effective in shielding from dilution most recoded uses of marks for expressive purposes.[385] Chronological considerations mandate that we begin by looking at noncommercial use, an exclusion that was already featured in the Federal Trademark Dilution Act as adopted in 1995 (i.e. the federal antidilution statute in its original form).[386] In *Mattel*, Judge Kozinski interpreted this exclusion in rather broad terms, to the delight of many academics and decision makers.[387] Relying on the legislative history of the FTDA, he interpreted 'noncommercial use' to mean 'not purely commercial [speech, in the sense that] if it does more than propose a commercial transaction […], then it is entitled to full First Amendment protection'.[388] Put differently, any recoded use that is found to advance defendant's expressive agenda will be deemed to be noncommercial and, thus, to fall within the exclusion. This is so regardless of the

[384] Lanham Act, Section 43(c).

[385] This has been noted by McGeveran (n 383) 60.

[386] Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3, 109 Stat. 985 (1995) (codified at 15 U.S.C. § 1125(c) (2000)).

[387] *Mattel* (n 1). Scholars that have praised this decision include: Dogan and Lemley (n 110); McGeveran (n 383); Dogan and Lemley (n 146). Courts that have followed Kozinski's interpretation of the noncommercial exclusion include: *Lamparello v Falwell* 420 F.3d 309 (4th Cir. 2005); *Smith* (n 342); *Brown v Twentieth Century Fox Film Corp* 799 F. Supp. 166 (D.D.C. 1992).

[388] *Mattel* (n 1) 10498. Judge Kozinski's interpretation rested on the judicial interpretation of 'commercial speech' under First Amendment doctrine, which is defined as 'speech that does no more than propose a commercial transaction'. *Pittsburgh Press Co v Pittsburgh Commission on Human Relations* 413 U.S. 376 (1973) 385.

potential commercial intent underlying defendant's use. The implications of this reading of the exclusion are thus far-reaching, not least since the court seemed oblivious to the fact that commercial use of a mark can adopt many different forms, including those that are intended to distinguish defendant's goods or services. As we will see upon analysis of the fair use exclusion, which only insulates from dilution uses other than 'as a trade mark', this can prove problematic in ensuring the consistent interpretation of the Lanham Act.

In light of this very broad interpretation of the exclusion, it will not come as a surprise to the reader that the court went on to find that the use by the pop band Aqua of the reputed mark 'Barbie' in the title of its song 'Barbie Girl' was not purely commercial and, thus, not liable to dilute plaintiff's mark. According to the court:

> Barbie Girl is not purely commercial speech, and is therefore fully protected. To be sure, [defendant] used Barbie's name to sell copies of the song. However, as we've already observed […], the song also lampoons the Barbie image and comments humorously on the cultural values Aqua claims she represents. Use of the Barbie mark in the song Barbie Girl therefore falls within the noncommercial use exemption to the FTDA.[389]

Subsequent cases have relied on this interpretation of the noncommercial exclusion.[390] In *Smith v Wal-Mart Stores Inc*, for instance, the court found defendant's recoding of the reputed 'WAL-MART' marks as 'Walocaust' to convey his critical message of the consumerist values promoted by the chain of stores to be noncommercial, despite defendant's use on T-shirts, mugs and other objects that it offered for sale.[391] As was the case in *Mattel*, the court considered that defendant's recoded use of plaintiff's

[389] *Mattel* (n 1) 10499.

[390] *Lamparello* (n 387); *Brown* (n 387); *Smith* (n 342).

[391] *Smith* (n 342).

marks did more than propose a commercial transaction. To justify this finding in light of the obvious commercial nature of defendant's use, the court stressed that his primary intention had been expressive 'and that commercial success was a secondary motive at most'.[392] Furthermore, the court relied on First Amendment case law recognising T-shirts and other apparel as expressive goods and, thus, entitled to protection as forms of speech, even when sold instead of given away.[393]

Other courts have not, however, followed Judge Kozinski's interpretation of the noncommercial exclusion. As we have seen, in *Tommy Hilfiger*, the court found that defendant's use of 'Timmy Holedigger' to sell its own brand of pet perfumes was not entitled to First Amendment protection despite having at the same time a parodic intent.[394] The court acknowledged this 'dual purpose of making an expressive comment and selling a noncompeting product, an area where it has been noted that line-drawing becomes rather difficult', and yet decided not to apply the exclusion.[395] It should be noted that the court addressed the commercial intent of defendant's use only upon analysis of likelihood of confusion and, thus, did not specifically discuss the noncommercial exclusion in its decision. However, this finding was clearly meant to extend to dilution, for the court's blurring and tarnishment analysis is premised on defendant's recoded use serving to market its own line of pet perfumes –thus being

[392] ibid [192].

[393] The case law cited by the court to this end includes: *Ayres v City of Chicago* 125 F.3d 1010 (7th Cir. 1997); *Heffron v Int'l Soc'y for Krishna Consciousness Inc* 452 U.S. 640 (1981).

[394] *Tommy Hilfiger* (n 344). Although decided very shortly after the decision in *Mattel* was handed down, the court was aware of Judge Kozinski's opinion at the time, which is cited at the very end of its judgment to 'advise[plaintiff] to chill'. ibid 425, quoting *Mattel* (n 1).

[395] *Tommy Hilfiger* (n 344) 415. The court's brief reference to previous decisions where the line between commercial and expressive uses of marks was deemed to be blurry include: *Deere* (n 349); *NY Stock Exchange v New York, New York Hotel LLC* 69 F. Supp. 2d 479 (S.D.N.Y. 1999).

commercial in nature. As was the case with likelihood of confusion, the parodic intent underlying defendant's recoded use led the court to conclude that plaintiff's reputed mark was not being diluted.

In 2006, Congress passed legislation to amend the dilution provisions. Amongst other changes, the Trademark Dilution Revision Act introduced the fair use exclusion.[396] Under fair use, defendants will be insulated from liability when their use of plaintiff's mark in its recoded form meets two cumulative requirements: (a) is not use 'as a trade mark', in the sense that it does not serve to identify the commercial origin of defendant's goods; and (b) fulfils an expressive purpose, more precisely, conveys a meaning intended to identify, parody, criticise or comment on plaintiff's mark or its goods. Once the court is satisfied that both requirements are met, the Lanham Act mandates that plaintiff's dilution action be dismissed.[397] This was the case, for instance, in *Louis Vuitton Malletier SA v My Other Bag Inc*, where Louis Vuitton's blurring and tarnishment claims against a seller of canvas tote bags featuring drawings of plaintiff's well known handbags on one side, and the text 'My Other Bag…' on the other, were dismissed on fair use grounds.[398] Similarly, in the recent decision in *Ebony Media Operations LLC v Univision Communications Inc*, the court found that defendant's use of plaintiff's reputed mark 'Ebony' in a magazine article featuring a mock cover (of plaintiff's Ebony magazine) with humorous headlines and a photo of the owners amounted to fair use.[399] Perhaps

[396] Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1731 (2006). For a detailed exploration of the changes brought about by the Revision Act, see Dogan and Lemley (n 146).

[397] Cases where courts have dismissed plaintiff's dilution claims on fair use grounds include: *Ebony Media Operations* (n 380); *My Other Bag* (n 380); *Architectural Mailboxes LLC v Epoch Design LLC* 2011 WL 1630809 (S.D. Cal.); *World Wrestling Federation Entertainment Inc v Big Dog Holdings Inc* 280 F. Supp. 2d 413 (W.D. Pa. 2003).

[398] *My Other Bag Inc* (n 380).

[399] *Ebony Media Operations* (n 380).

surprisingly, the court's reasoning under dilution was extremely succinct. However, because defendant's recoded use was clearly parodic (a finding explored in greater detail in the likelihood of confusion analysis) and in no way intended to designate its own magazine, the exclusion ought to apply without the need to engage in further discussion.

Where defendants' recoded use is 'as a trade mark', they will be precluded from relying on the fair use exclusion.[400] As a result, the Lanham Act requires courts to adjudicate these claims in application of a classical dilution analysis irrespective of First Amendment protection. The fact that First Amendment protection is unavailable to defendants does not, however, mean that the expressive aim underlying their recoded uses will not be factored in by the courts.[401] On the contrary, the expressive nature of defendant's use will very often play a role in the court's reasoning. For instance, in *Louis Vuitton Malletier SA v Haute Diggity Dog LLC*, the court dismissed plaintiff's dilution claims against defendant's use of 'Chewy Vuitton' for pet toys in the shape of handbags.[402] In reaching this conclusion, the court gave substantial weight to the parodic intent underlying defendant's recoded use, holding that:

> The TDRA, however, does not require a court to ignore the existence of a parody that is used as a trademark, and it does not preclude a court from considering parody as part of the circumstances to be considered for determining whether the plaintiff has made out a claim for dilution by blurring.[403]

[400] For a critical take on this line of case law, see Dogan and Lemley (n 110).

[401] We saw earlier that this was also the case in instances of likelihood of confusion where courts failed to make recourse to First Amendment protection, or where they found that defendant's recoded use was deserving of very limited protection under this provision.

[402] *Haute Diggity Dog* (n 8). More recently, the court reached a similar finding in *Starbucks Corp v Wolfe's Borough Coffee Inc*, where defendant's recoded use of the reputed 'Starbucks' marks as 'Charbucks' in both its coffee products and coffee shop was not enjoined. *Starbucks Corp v Wolfe's Borough Coffee Inc* 736 F.3d 198 (2d Cir. 2013).

[403] *Haute Diggity Dog* (n 8) 267.

The specific weight accorded to defendant's expressive aim will, however, vary depending on the set of facts at issue, as well as on the court's intuitive notion as to how interaction cases ought to be adjudicated. As regards this latter factor, an overview of the case law reveals that some courts are more sympathetic to defendants' recoded uses of marks for expressive purposes than others.[404] The court in *Haute Diggity Dog*, for instance, seemed quite sceptical of Louis Vuitton's claims, going as far as to argue that recoded use of marks for expressive purposes often has the opposite effect of dilution and can, in fact, strengthen the distinctiveness of a reputed mark.[405] In the words of the court: '[i]ndeed, by making the famous mark an object of the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon'.[406] Moreover, the court further increased plaintiff's burden of proof when it went on to hold that 'because the famous mark is particularly strong and distinctive, it becomes more likely that a parody will not impair the distinctiveness of the mark'.[407]

On the opposite end of the spectrum, the court in *VIP Products LLC v Jack Daniel's Properties* found defendant's use of 'Bad Spaniels' for chew toys for dogs in the shape of a liquor bottle to be dilutive of plaintiff's reputed mark for whiskey (as well as giving rise to confusion).[408] In siding with plaintiff on both counts, the court seemed particularly unimpressed by defendant's speech arguments, equating recoded uses of marks for expressive purposes with actionable free riding. In the words of the court:

[404] This is a criticism that Dogan and Lemley have extended beyond dilution, noting that 'courts treat [parody] in an ad hoc way that reflects their own subjective assessment of the value of parody and the morality of free rides'. Dogan and Lemley (n 110) 103.

[405] Arguing likewise, see *Tommy Hilfiger* (n 344).

[406] *Haute Diggity Dog* (n 8) 267.

[407] ibid 267.

[408] *VIP Products* (n 8). For a discussion as to why defendant's use was not entitled to the fair use exception provided for under the Lanham Act, see the previous decision of the court: *VIP Products* (n 378).

> A defendant's claim of parody will be disregarded where the purpose of the similarity is to capitalize on a famous mark's popularity for the defendant's own commercial use. […]
>
> Here, [defendant]'s intent was clear that it sought to capitalize on Jack Daniel's popularity and good will for its own gain, and therefore its claim of parody is disregarded.[409]

This finding is particularly problematic. Quite apart from conjuring up free riding-type arguments –an infringement ground that, unlike its European counterparts, is not provided for under the Lanham Act–,[410] the decision in *VIP Products* is irreconcilable with the earlier *Haute Diggity Dog* case. In light of their contrasting outcomes despite the similarity of facts, these decisions provide fertile ground for criticism of the US approach to interaction cases. Although it is still early to jump to conclusions, for the decision in *VIP Products* could be overturned on appeal, the time seems to be ripe for the Supreme Court to step in and bring some much needed clarity to this area of law.[411] For, ultimately, these decisions highlight the degree of uncertainty that governs interaction cases in the US too. An uncertainty that is not limited to dilution claims, but

[409] *VIP Products* (n 8) [99]-[100]. It should be noted that the court's assessment of the parodic intent underlying defendant's recoded use of plaintiff's mark was undertaken upon analysis of likelihood of confusion (and not dilution). However, insofar as the court's finding relates to defendant's intent, it is presumably the case that the court would have reached the same conclusion in the dilution context had it gone further in its tarnishment analysis to assess intent. In any event, whether confined to likelihood of confusion analysis or not, the court's remarks are very telling of the fragmented approach to defendant's speech concerns amongst US courts.

[410] This assertion is, however, not without controversy. Some US commentators have argued that the antidilution provisions of the Lanham Act, while not explicitly providing for free riding as a cause of action, have as their underlying purpose to prevent free riding. In any event, a finding of infringement on dilution grounds in the US requires more than a mere showing of free riding. See, for instance, D Franklyn, 'Debunking Dilution Doctrine: Toward A Coherent Theory of the Anti-Free-Rider Principle in American Trade Mark Law' [2004] Hastings LJ 117. For a historical account of the misappropriation origins of dilution, see Barton Beebe, 'The Supressed Misappropriation Origins of Trademark Antidilution Law: The Landgericht Elberfeld's Odol Opinion and Frank Schechter's "The Rational Basis of Trademark Protection"' in Rochelle C Dreyfuss and Jane C Ginsburg (eds), *Intellectual Property at the Edge: The Contested Contours of IP* (CUP 2014). This has also been noted by Gangjee and Burrell (n 146) 548.

[411] *VIP Products* (n 8), appeal docketed: No 18-16012 (9th Cir June 4, 2018).

rather extends to likelihood of confusion, where courts have also adopted a wide variety of approaches to reach contrasting outcomes. In this regard, Dogan and Lemley have argued that:

> [D]espite increasing attention to speech interests in recent years, the law's treatment of parody reflects too much uncertainty, leaving would-be parodists vulnerable to threats of legal action by trademark holders. In particular, given the flexibility of likelihood of confusion analysis, parodists' fate is usually determined by the subjective judgment of courts, whose treatment of parody often seems to turn on instinct rather than trademark principles.[412]

Furthermore, in the dilution context, the exclusions have not managed to bring the desired level of clarity and certainty. Although hailed for bringing about reinforced protection for expressive uses of reputed marks, the adoption of the fair use exclusion in 2006 was not without controversy. In particular, it is unclear the extent to which the noncommercial and fair use exclusions overlap, nor which ought to prevail in case of conflict, especially in instances where defendant's recoded use fulfils a dual purpose of conveying an expressive meaning and identifying the origin of its own goods. In one such case, *Smith*, where defendant's recoded version of plaintiff's 'WAL-MART' mark was printed on T-shirts offered for sale, the court remained silent as to the applicability of the fair use exclusion and relied exclusively on the noncommercial exclusion.[413] To the extent that this allowed the court to avoid engaging with this thorny topic, it can be seen as a missed opportunity. While we wait for future courts to adjudicate on this issue, this seeming contradiction between the exclusions only serves to add to the uncertainty in an area of law particularly sensitive to chilling effects on speech.

[412] Dogan and Lemley (n 110) 94.

[413] *Smith* (n 342).

The overlap between the exclusions has also been noted by commentators. Dogan and Lemley have pointed out that the amendments to the dilution provisions were intended to broaden the scope of protection afforded to defendants under the First Amendment. Therefore, it would be inconsistent with the legislature's intent to read the fair use exclusion as precluding the applicability of the noncommercial exclusion. In their own words:

> That overlap [between the different exclusions] may mean that one or more of these provisions end up being superfluous, but that is better than the alternative. It would be perverse to conclude that an excess of Congressional enthusiasm for the trademark use requirement should be interpreted to have the opposite effect of undermining it.[414]

Less hopeful than Dogan and Lemley, McGeveran (who was the first scholar to call attention to this problem) has relied on this and other shortcomings identified in the dilution provisions to call for a more simplified exclusions regime that ensures the consistent application of robust free speech protection in trade mark disputes.[415] Although it is difficult to argue against calls for simpler, more consistent laws, McGeveran's proposed changes to the law would seem to operate for the most part as a blanket exclusion. His emphasis is not so much on substantive reform as it is on procedural reform. For this author, whose fundamental concern in interaction cases is the protection of a very limited set of interests (more precisely, the expressive rights of recoders), improvement of the law rests on ensuring relief to defendants in as many cases as possible, as fast and cheaply as possible.

[414] Dogan and Lemley (n 146) 554.

[415] McGeveran (n 383).

However, it is the precisely the substance that is in urgent need of reform in interaction disputes. Notably, courts need to acknowledge the expressive richness involved in trade mark use. Only then will they be able to develop the conceptual framework required to properly police the boundary between trade mark rights and freedom of expression. A conceptual framework that will bring more clarity to the law in this area by rendering the opposing interests in interaction cases more commensurable and, thus, easier to balance. In turn, this will allow courts to develop a consistent body of case law that can finally put an end to the chilling effect on speech that the current regime so often has.

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CHAPTER 4

THE INTERACTION BETWEEN TRADE MARKS AND FREEDOM OF EXPRESSION IN OWNERSHIP CASES: WHEN SPEECH VALIDATES TRADE MARK RIGHTS

4.1. Preliminary Considerations

The central proposition of my thesis is that interaction cases would be better adjudicated through acknowledgement of the plurality of expressive interests involved in trade mark use. This proposition rests on a counterintuitive premise: that the relationship between marks and speech is not unidirectional, in the sense that speech does not necessarily operate as a defence to trade mark rights. Instead, it operates as a two-way street, where freedom of expression can, at the same time, limit and validate trade mark rights.

In the previous chapter we looked at the ways in which freedom of expression has been invoked by defendants in recoding litigation to carve out defences to their recoded uses of marks for expressive purposes. These are cases where speech operates as a limit to the exclusive rights granted to trade mark owners. By contrast, the purpose of the present chapter is to explore case law and scholarly literature where freedom of expression is invoked to validate trade mark rights. Going back to the proposed taxonomy, these are cases that fall within the 'affected speech' category. Unlike in the recoding context, however, the speech rights that are being curtailed are not those of recoders, but rather those of trade mark owners/applicants, who rely on their fundamental right to freedom of expression to challenge the validity of measures of public law that encroach on their ability to use, or to register, a mark. I have proposed to group them under the label of ownership cases, which I now turn to analyse. This will be followed by an overview of the –admittedly, scarce– literature arguing that speech can also validate trade mark rights.

4.2. Speech-Based Challenges to Refusals to Register a Trade Mark

There is a growing body of case law, both in Europe and the US, where freedom of expression has been invoked to validate trade mark rights not by owners, but rather by individuals whose applications for registration have been refused by trade mark-granting authorities. This topic has been particularly controversial in recent years in the US as a result of the landmark Supreme Court decisions in *Tam* and *Brunetti* holding several grounds for refusal of registration provided for under the Lanham Act to be unconstitutional on First Amendment grounds.[416] Although European decision makers have not gone as far in their protection of applicants' speech interests under the ECHR and the EU Charter, there are numerous decisions acknowledging that refusals to register a mark can indeed interfere with their freedom of expression. In so doing, they constitute relevant precedents of the ability of speech to validate trade mark rights on this side of the Atlantic too.

4.2.1. Europe

Absolute grounds for refusal of registration of marks that are immoral or that contravene public policy can be found in trade mark statutes worldwide. In Europe, Article 4 of the Trade Mark Directive provides as follows:

> 1. The following shall not be registered or, if registered, shall be liable to be declared invalid:

[416] *Brunetti* (n 223); *Tam* (n 9).

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

Equivalent provisions can be found in Article 7(1)(f) EU Trade Mark Regulation and Section 3(3)(a) UK Trade Marks Act. Under these provisions, trade mark applications consisting of expressions that can cause outrage or offend the public for reason of their immorality or their contravention of public policy will be denied access to the register. As noted on several occasions by the UK's Appointed Person,[417] the refusal to register a mark on any of these grounds is inherently paradoxical, insofar as the sign will remain available for use by all traders to distinguish their goods or services, instead of being used solely by the would-be owner.[418] Accordingly, a finding that a sign is immoral or contrary to public policy may lead to the counterintuitive scenario where the sign is used more, rather than less, in the course of trade. However, this provision is often justified on grounds that signs that consist of anti-social subject matter should not be afforded the institutional backing that ensues from trade mark protection.[419] It should be noted that Arnold QC (as he then was) did not find this explanation to be entirely persuasive in *French Connection Ltd's Trade Mark Registration*.[420] In his view, conceptualizing

[417] In the UK, appeals from decisions by the Registrar of Trade Marks can be brought before the High Court or the Lord Chancellor's Appointed Person (see Sections 76 and 77 UK Trade Marks Act 1994). For an overview of the Appointed Person's role and jurisdiction, as well as a discussion of the admissibility of references for a preliminary ruling launched by the Appointed Person, see the decision of the CJEU in Case C-259/04, *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* [2006] ECR I-03089 [18]-[25].

[418] *Ghazilian* (n 9); *French Connection* (n 4); this has also been noted by Griffiths, 'Is There a Right to an Immoral Mark?' (n 225) 442, 448–49.

[419] *R 2804/2014-5, Application of Square Enix Ltd (trading as Mechanical Apartheid)* 6 February 2015 (EUIPO Board of Appeal); *R 168/2011-1, Application of Türpitz* 30 November 2010 (EUIPO Board of Appeal); *R 495/2005-G, Jebaraj Kenneth* (n 4) [13]; also noted by Arnold QC –though, as discussed, he is unpersuaded by this argument– in *French Connection* (n 4); see also Griffiths, 'Is There a Right to an Immoral Mark?' (n 225) 429.

[420] *French Connection* (n 4).

registration as 'an official seal of approval' is inconsistent with the act of registration, which does not imply endorsement by the authorities, but rather the administrative recognition that an applied-for sign meets the requirements set forth by trade mark law.[421] He thus proposed an alternative justification for this ground of refusal: 'to prevent the conferring of intellectual property rights which a court would refuse to enforce'.[422]

It is no easy endeavour to systematise the case law in this area. As acknowledged by Hobbs QC in *Basic Trade Mark SA's Application*, an overview of the marks that have been denied registration on this ground reveals the 'difficulty (probably the impossibility) of formulating an all-purpose test for determining when the relevant prohibition is applicable'.[423] There are several reasons for this. Firstly, the lack of clear guidance from the CJEU on the interpretation of this ground of refusal, especially as regards its relationship with Article 10 ECHR, has created a sense of uncertainty in the field.[424] It is, therefore, surprising that no reference for a preliminary ruling has been launched to date before the CJEU by the courts of Member States asking for guidance on the interpretation of this provision –notably from the UK, where the Appointed Person has been hearing appeals on speech grounds since 2001.[425]

Secondly, there appears to be a lack of consensus as to the correct interpretation of each of the grounds for refusal, including whether public policy and morality overlap

[421] ibid [56].

[422] ibid [57].

[423] *Basic Trade Mark SA's Application* [2006] ETMR 24 (Lord Chancellor's Appointed Person) [13].

[424] This is expressly recognized by AG Bobek in Case C-240/18, *Constantin Film Produktion v EUIPO* (2019) EU:C:2019:553 [4].

[425] *Ghazilian* (n 9).

or, on the contrary, they impose different requirements on trade mark applicants. In *Couture Tech v OHIM*, the General Court upheld the EUIPO's refusal to register a figurative sign depicting the coat of arms of the former USSR on grounds that it would be contrary to public policy and accepted principles of morality in those Member States which had been subject to the Soviet regime.[426] In reaching its decision, the GC: (a) applied both grounds interchangeably, without differentiating between them; and (b) relied on the provisions of the Hungarian Criminal Code banning the use of so-called 'symbols of despotism' (including several elements reminiscent of the Soviet Union, such as the hammer and the five-point red star) to conclude that the public would find them to contravene public policy or morality in, at least, Hungary. Similarly, in *PAKI Logistics v OHIM*, the GC's decision to uphold the EUIPO's refusal to grant registration to the sign 'PAKI' did not seem to make much of a distinction between public policy and morality when it held that:

> [S]igns consisting of terms that amount to racist insults are contrary, as a result of their deeply offensive and denigrating nature, to public policy or morality […], especially since the fight against all forms of discrimination constitutes a fundamental value of the European Union.[427]

By contrast, in *Application of Square Enix Ltd*, the EUIPO denied registration of the sign 'MECHANICAL APARTHEID' on public policy grounds only.[428] According to the Board of Appeals, the term 'apartheid' 'is contrary to the European Union's public policy, since it contradicts the indivisible, universal values on which the Union is founded, i.e. human

[426] Case T-232/10, *Couture Tech* (n 5).

[427] Case T-526/09, *PAKI Logistics GmbH v OHIM* (2011) ECR II-00346 [15] (author's translation from French).

[428] *R 2804/2014-5, Square Enix* (n 419).

dignity, freedom, physical integrity, equality and solidarity, and the principles of democracy and the rule of law'.[429]

In yet other cases, decision makers have assessed whether an applied-for sign ought to be denied registration in application of the morality exclusion only. This was the case, for instance, in *Federico Cortés del Valle López v OHIM*, where the GC upheld the EUIPO's refusal to register the sign 'Que buenu ye! HIJOPUTA' (where the last word would translate from Spanish into 'son of a bitch') exclusively on morality grounds. According to the court, '[t]he average consumer of the goods claimed in the application, who is representative of a sense of public morality removed from the extremes, will construe the expression under scrutiny to be deeply offensive and, consequently, morally objectionable'.[430] Similarly, in *Ghazilian's Application*, the UK Appointed Person denied registration to the sign 'TINY PENIS' in application of the morality exclusion only. This was expressly acknowledged by Thorley QC: '[i]t is common ground on this appeal that the relevant aspect of section 3(3)(a) is the accepted principles of morality. No question of public policy arises'.[431] The Appointed Person then went on to find that:

> Placing myself in the shoes of the "right-thinking" member of the public […], I have concluded that this trade mark would cause greater offence than mere distaste to a significant section of the public. The offence resides in the fact that an accepted social and family value is likely to be significantly undermined.[432]

[429] ibid [30].

[430] Case T-417/10, *Federico Cortés del Valle López v OAMI* (2012) ECLI:EU:T:2012:120 [17] (author's translation from Spanish).

[431] *Ghazilian* (n 9) [11].

[432] ibid [49].

In *Scranage's Trade Mark Application*, the Appointed Person also relied on the morality exclusion when it upheld the appealed decision to deny registration of the sign 'FOOK', which was considered to be phonetically similar to 'fuck'. In the words of Kitchin QC:

> Although [the word 'fuck'] 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.[433]

Finally, in yet other cases, decision makers have found that both grounds for refusal are concurrently met. For instance, in *Application of Falcon Sporting Goods AG*, the EUIPO denied registration of the sign 'BIN LADIN' on the basis that the public would very easily associate the applied-for sign with the leader of the terrorist group Al Qaeda and, thus:

> [I]t is abundantly clear that it is contrary to public policy and the accepted principles of morality, since terrorist crimes are absolutely contrary to the ethical and moral principles recognised not only in all European Union Member States but in all civilised nations.[434]

Similarly, in *Basic*, the Appointed Person confirmed the denial of registration of the sign 'JESUS' on both public policy and morality grounds when it held that:

> [T]he word JESUS as a trade mark would cause greater offence then 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' [i.e. public policy] and 'protection of morals' under Article 10 ECHR.[435]

[433] *Scranage's Trade Mark Application* O/182/05, 23 June 2005 (Lord Chancellor's Appointed Person) [11].

[434] *R 176/2004-2, Application of Falcon Sporting Goods AG (trading as BIN LADIN)* 29 September 2004 (EUIPO Board of Appeal) [17].

[435] *Basic* (n 423) [26].

To further complicate things, in *Constantin Film Produktion v EUIPO*, the GC has recently held that public policy and morality very often overlap and, thus, there is no need to distinguish between the two.[436] This case, which upholds the decision of the EUIPO to deny registration to the sign 'Fack Ju Göhte', is currently before the CJEU on appeal. In his opinion, AG Bobek has strongly disagreed with this view, arguing that 'the conceptual difference between [public policy and morality] has repercussions for what exactly is to be assessed and how'.[437] Although the AG agrees that both concepts can sometimes overlap, neither their source nor subject matter coincides. He then goes on, in a much-needed attempt to systematize the interpretation of the public policy/morality exclusions under EU law, to define each ground. In his view, 'public policy' is top-down in nature, in the sense that it stems from a public authority's 'normative vision of values and goals' as set out in its laws and policy documents.[438] In contrast, 'accepted principles of morality' make reference to the set of values, principles and beliefs that govern society at a given point in time –they are, thus, bottom-up in nature. If followed by the CJEU, these definitions could prove very useful in guiding future decision makers.

But the lack of consensus does not end here. The abovementioned decisions also highlight the degree of disparity in the approaches adopted by different decision makers to the interpretation and application of the public policy/morality exclusions. Two decisions have, however, made an effort to clarify the applicable tests by systematising these approaches. I am referring to the decisions of the Grand Board of Appeal of the

[436] Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek [59] discussing the appealed decision from the GC: Case T-69/17, *Constantin Film Produktion* (n 5) [23].

[437] Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek [60]. This was also the opinion of Arnold QC in *French Connection* (n 4) [59].

[438] Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek [75]-[83].

EUIPO in *Application of Jebaraj Kenneth* and of the UK Appointed Person in *French Connection*.[439] It should be noted that despite originating from different jurisdictions, both decisions show awareness of, and willingness to learn from, the precedents stemming from the other –this is likely in an attempt for consistency.

In *French Connection*, the Appointed Person was asked to adjudicate on the incompatibility of the registered trade mark 'FCUK' (an acronym for French Connection UK –although the name of the claimant is French Connection Ltd) with accepted principles of morality. In finding that the mark should remain on the register, Arnold QC gave considerable weight to: (a) the fact that the sign 'FCUK' 'is not the swear word ['fuck'] even though it can be used, and has been used, to evoke the swear word'; and (b) the overwhelming lack of evidence, despite the extended use of the mark by its owner over the years, that the sign had in any way caused outrage amongst the public.[440] Before reaching its decision, Arnold QC extracted a series of principles from the case law (both from the Appointed Person and the EUIPO BoA)[441] that ought to guide courts' interpretation of the morality exclusion, notably:

> For [the exclusion] to apply, there must be a generally accepted moral principle which use of the mark would plainly contravene.
> 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 [the exclusion] to apply.
> [The exclusion] does 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 […].

[439] *R 495/2005-G, Jebaraj Kenneth* (n 4); *French Connection* (n 4).

[440] *French Connection* (n 4) [89]-[90].

[441] Amongst others: *Ghazilian* (n 9); *Basic* (n 423); *Scranage* (n 433); *R 111/2002-4, Application of Dick Lexic Ltd's* [2005] ETMR 99 (EUIPO Board of Appeal).

> 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.[442]

In *Jebaraj Kenneth*, the EUIPO Grand Board of Appeal partially upheld the refusal to grant registration of the sign 'SCREW YOU' in relation to goods that are used by the general public, for it 'would inevitably cause a significant section of that public to be upset and affronted'.[443] And partially overturned as regards goods that are sold in sex shops, where 'the relevant consuming public is unlikely to be perturbed by the use of the [applied-for] term'.[444] In reaching this decision, the Grand Board provided guidance on the interpretation of the exclusions, notably: (a) it defined the objective standard from which the notions of public policy and morality ought to be assessed as 'the standards of a reasonable person with normal levels of sensitivity and tolerance';[445] and (b) it framed the inquiry in less exacting terms, as the 'ascertain[ment of] when a sign crosses the boundary from being merely irreverent or distasteful to being seriously abusive and likely to cause deep offence'.[446] To assist future decision makers in this endeavour, the Grand Board went on to explain that '[s]igns which contain slightly rude words or mild sexual innuendo might not be refused, but signs which contain manifestly profane language or depict gross obscenity have no place on the register'.[447]

[442] *French Connection* (n 4) [60].

[443] *R 495/2005-G, Jebaraj Kenneth* (n 4) [27].

[444] ibid [29].

[445] This standard has been followed in, amongst others: Case T-417/10, *Federico Cortés del Valle López* (n 430) [17]; Case T-526/09, *PAKI Logistics* (n 427) [12]; by contrast, Thorley QC referred to the 'right-thinking' member of the public in *Ghazilian* (n 9) [49] (although it should be borne in mind that this was a very early decision).

[446] *R 495/2005-G, Jebaraj Kenneth* (n 4) [19].

[447] ibid [19].

And, thirdly, there is much uncertainty as to how the protection afforded by the right to freedom of expression under Article 10 ECHR ought to operate in the registration context. Although most decision makers have acknowledged that refusals for registration can interfere with applicant's speech rights, this is still a contested issue in EU law. Most of the controversy stems from the case law of the General Court, which has issued irreconcilable decisions in this regard. In response to appellant's free speech claim in its recent decision in *Constantin Film Produktion*, the GC seems to have rejected that freedom of expression can have any role whatsoever in trade mark law by holding that 'in the field of art, culture and literature, there is a permanent concern about preserving freedom of expression that does not exist in the field of trade marks'.[448] This is very problematic, not least since it contradicts its own case law, as well as the recitals to the EU Trade Mark Regulation and Trade Mark Directive, the case law of the ECtHR and the EUIPO Boards of Appeal, and several opinions from the Advocates General.[449] On appeal before the CJEU, and to avoid such a conflicting interpretation –that AG Bobek characterizes as 'clearly incorrect'–, he proposes to read the GC's decision in the sense that 'freedom of expression […] must be taken into account in the overall balancing exercise, [but its] protection […] is not the primary goal of trade mark protection'.[450] The proposed interpretation allows for easy reconciliation of the decision of the GC with settled case law. At a more abstract level, however, this discussion serves

[448] Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek [21], citing Case T-69/17, *Constantin Film Produktion* (n 5) [28]-[29].

[449] Respectively: Case T-232/10, *Couture Tech* (n 5). Recital 21 EU Trade Mark Regulation; Recital 27 Trade Mark Directive; *Casado Coca* (n 185); *R 2804/2014-5, Square Enix* (n 419); *R 495/2005-G, Jebaraj Kenneth* (n 4); Case C-547/14, *Philip Morris Brands SARL and Others* (n 220), Opinion of AG Kokott; Case C-376/98, *Germany v European Parliament* (n 221), Opinion of AG Fennelly.

[450] Case C-240/18*, Constantin Film Produktion* (n 424), Opinion of AG Bobek [57].

to highlight the degree of uncertainty that currently governs not only the interpretation of the morality/public policy exclusions, but, more importantly, the relationship between trade marks and freedom of expression in EU law. Hopefully, this discussion will serve as an incentive for the CJEU to provide, once and for all, guidance on the interaction between marks and speech when it issues its decision in this case in the coming months.

Furthermore, in its previous decision in *Federico Cortés del Valle López*, the GC dismissed appellant's free speech claim on rather unexpected grounds when it held that 'refusal to register [appellant's mark] does not have an impact on appellant's ability to market its products using the applied-for sign nor, consequently, on its freedom of expression'.[451] This has been followed by the GC in subsequent decisions, as well as by the EUIPO Boards of Appeal on several occasions.[452] These cases are not only in direct conflict with the GC's earlier case law (where it seemed open to the possibility of appellants arguing that refusals to grant registration can interfere with their freedom of expression),[453] but also with the earlier decision of the EUIPO Grand Board of Appeal in *Jebaraj Kenneth*. According to the Grand BoA:

> 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 trade marks without registering them, it does represent a restriction on freedom of

[451] Case T-417/10, *Federico Cortés del Valle López* (n 430) [26] (author's translation from Spanish).

[452] Case T-54/13, *Efag Trade Mark Company v OHIM (FICKEN LIQUORS)* (2013) EU:T:2013:593 [44]; Case T-417/10, *Federico Cortés del Valle López* (n 430) [26]; *R 510/2012-4, Application of New Apostolic Church International* 10 September 2015 (EUIPO Board of Appeal) [73].

[453] Case T-232/10, *Couture Tech* (n 5). This also seems to be the interpretation of AG Bobek in Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek [51] & fn 24. In his view, the GC had already acknowledged that freedom of expression is implicated in trade mark law in *Couture Tech* and, thus, rejecting it later on was contradictory. By contrast, Enrico Bonadio has read *Couture Tech* as dismissing appellant's free speech claim on grounds that the refusal of registration does not preclude it from using the sign to market its goods. Enrico Bonadio, 'Brands, Morality and Public Policy: Some Reflections on the Ban on Registration of Controversial Trademark' (2015) 19 Marquette IP LR 43, 56.

> expression in the sense that businesses may be unwilling to invest in large-scale promotional campaigns for trade marks which do not enjoy protection through registration because the Office regards them as immoral or offensive in the eyes of the public.[454]

Regrettably, the GC does not engage in discussion of this decision (which is not once cited) nor, for that matter, with any other decision addressing the role of freedom of expression in determining the validity of refusals to grant a trade mark on public policy/morality grounds. This is all the more surprising in light of the many other decisions where the EUIPO Boards of Appeal or the UK Appointed Person (as well as the GC in *Couture Tech v OHIM*, as already mentioned) have repeatedly held that the protection afforded to freedom of expression under Article 10 ECHR can be triggered by refusals of registration and, thus, ought to be taken into consideration in the balancing exercise.[455] In *Square Enix*, for instance, the EUIPO BoA held that:

> A judicious application of [the public policy/morality] provision necessarily entails balancing the right of traders to freely employ words and images in the signs they wish to register as trade marks against the right of the public not to be confronted with disturbing, abusive, insulting and even threatening trade marks.
>
> In this context, it is necessary to also have regard to Article 10 [ECHR] […]. The right to freedom of expression embodied therein includes commercial expression and is subject only to certain restrictions prescribed by law, which are necessary in a democratic society.[456]

In *Basic*, Hobbs QC recognised the prominent role that freedom of expression plays in determining the scope of these exclusions when he found that:

[454] *R 495/2005-G, Jebaraj Kenneth* (n 4) [15].

[455] Case T-232/10, *Couture Tech* (n 5).

[456] *R 2804/2014-5, Square Enix* (n 419) [11]-[12]. Although not acknowledged, the first part of this passage (i.e. par 11) is quoted from the earlier decision of the Grand BoA in *R 495/2005-G, Jebaraj Kenneth* (n 4) [14].

> [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.[457]

In his view, the public policy/morality exclusion already incorporates the free speech guarantee afforded to trade mark applicants under Article 10 ECHR, since the 'prevention of disorder' and 'protection of morals' constitute two of the criteria specifically provided for under the Convention. Therefore, the exclusion does not seek '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'.[458] Upon dismissing appellant's claims, Hobbs QC placed special emphasis on the compatibility of his decision with the requirements imposed by freedom of expression when he argued that:

> [T]he word JESUS […] should […] be regarded as seriously troubling in terms of the public interest in the 'prevention of disorder' and 'protection of morals' under Article 10 ECHR. […] It is legitimate to apply the [exclusion] to branding which is anti-social by reason of its ability to undermine an accepted social and religious value to a significant extent. […]
>
> 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 [the] Act.[459]

[457] *Basic* (n 423) [6].

[458] ibid [6]. A similar argument was put forward by Thorley QC in *Ghazilian*, with the caveat that he was doubtful of the relevance of free speech to oppose the denial of registration. However, he did not 'find it necessary to enter this debate', since the '[t]he same principles are at work' in both Article 10 ECHR and the public policy/morality provision. 'To redefine this as saying that [one] should only refuse registration where there is a pressing social need to do so, is, to my mind, merely a matter of words'. *Ghazilian* (n 9) [21].

[459] *Basic* (n 423) [26]-[27].

Hobbs QC's interpretation of the exclusion as already incorporating the requirements provided for under Article 10 ECHR has recently been challenged. In its opinion in *Constantin Film Produktion v EUIPO*, AG Bobek has rejected this argument upon discussion of appellant's free speech claim in the following terms:

> [T]he proposition […] that fundamental rights and the balancing of them have already been taken into account by the legislature when drafting [the exclusion] is difficult to defend. There is no indication whatsoever of how exactly such a balance ought to be achieved in individual cases. To suggest that this issue has already been adequately addressed by merely inserting the concepts of public policy and accepted principles of morality into Article 7(1)(f) is, in view of the multifaceted rights and interests at stake, simply untenable.[460]

Unfortunately, the AG has failed to provide an alternative reading of the role that freedom of expression ought to play upon interpreting the public policy/morality exclusion. It seems, therefore, that we are left once again with more questions than answers –yet another incentive for the CJEU to provide clear guidance in this regard in its pending decision.

In *Scranage*, Kitchin QC's decision to deny registration to the sign 'FOOK' was also scrutinised under Article 10 ECHR. However, his analysis of the compatibility with free speech was rather cursory: 'use of ['FOOK'] 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.'[461] Finally, in *French Connection*, Arnold QC recognised the need to ensure that denials of registration are compatible with freedom of expression as one of the

[460] Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek [53].

[461] *Scranage* (n 433) [11].

interpretive criteria stemming from the case law that decision makers ought to take into account. In his own words:

> [The exclusion] should be interpreted and applied consistently with Article 10 ECHR. 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. Furthermore, 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.[462]

Showing familiarity with the case law of the ECtHR on the interpretation of Article 10 of the Convention, Arnold QC thus proposes that the compatibility between refusals of registration and freedom of expression be scrutinised under the proportionality test developed by the Strasbourg court. As a result, a court hearing a challenge to the validity of a decision denying registration should identify whether it responds to a 'pressing social need' and is 'proportionate'. While the former requirement has been very easily met in light of the public policy/morality protection rationale underpinning the exclusion, proportionality *stricto sensu* has not yet been addressed with the required level of detail by decision makers. As we have already seen, abstract guidance has been provided by different decision makers, notably by the EUIPO Grand BoA in *Jebaraj Kenneth*. However, this is arguably not the same thing as engaging in a nuanced balancing exercise that ensures the proper application of the proportionality limb of the test, notably through the furnishing of evidence that the applied-for sign is bound to cause outrage amongst the public.[463]

[462] *French Connection* (n 4) [60].

[463] This has also been noted by Jonathan Griffiths in relation to the decision of the EUIPO Grand BoA in *Jebaraj Kenneth*. Griffiths, 'Is There a Right to an Immoral Mark?' (n 225) 446.

Perhaps the sole exceptions to this would be the decision of the UK Appointed Person in *French Connection* and the Opinion of AG Bobek in *Constantin Film Produktion*.[464] Admittedly, their evidence-based assessment of immorality is not phrased in terms of ensuring compatibility with Article 10 ECHR. However, insofar as they both concede that applicants' freedom of expression ought to be safeguarded upon interpreting and applying the exclusions, their requirement of a showing of immorality feeds into the proportionality limb of the test. In *French Connection*, Arnold QC's holding that the registered mark 'FCUK' ought to remain on the register was heavily reliant on the lack of evidence showing that the public, who had been exposed to use of the mark for a long period of time, had been outraged in any way. Similarly, in *Constantin Film Produktion*, AG Bobek's recommendation to the CJEU that the appealed decision be set aside is based on the lack of evidence showing that 'Fack Ju Göhte' is contrary to accepted principles of morality. In fact, evidence furnished by the applicant shows that the opposite is true insofar as the public has not been outraged as a result of the use of this sign in the title of its very successful movie. In reaching this decision, the AG seeks to impose on the EUIPO a duty to:

> [G]round[its decisions to refuse registration] in a specific social context, [in the sense that] it cannot ignore factual evidence that either confirms or possibly casts doubt on EUIPO's own views on what does or does not conform to accepted principles of morality within a given society at a given time.[465]

If confirmed by the CJEU, the evidentiary requirement suggested by the AG has the potential to drastically reduce the number of instances where applied-for signs will be

[464] *French Connection* (n 4) [89]-[90].

[465] Case C-240/18*, Constantin Film Produktion* (n 424), Opinion of AG Bobek [83].

denied registration on public policy/morality grounds. This is arguably in recognition of the protection afforded to applicants' freedom of expression under Article 10 ECHR.

The lack of consensus as to the role that freedom of expression ought to play in the registration context has also been echoed by trade mark scholars. For instance, Enrico Bonadio believes that:

> [R]efusal of registration still represents an indirect restriction of applicant's free speech under both Article 10 ECHR or the First Amendment as companies may be unwilling to invest in large-scale promotional and marketing campaigns for signs that are not registered, which would have chilling effects on commercial expression.[466]

By contrast, both Jonathan Griffiths and Marco Ricolfi have argued that free speech can hardly be said to be curtailed as a result of refusals of registration, since applicants are still able to market their goods using the contentious sign, alongside all other traders.[467]

Against this backdrop, it seems reasonable to argue that, in most instances, refusals to register a mark can be challenged on free speech grounds in Europe. What is less clear, however, is the extent to which such challenges will be successful in light of the low level of scrutiny applied by European decision makers, which has resulted in most challenges being dismissed. In any event, and going back to the overarching argument put forward in this thesis, these cases reveal that: (a) owners can invoke freedom of expression in the registration context as a mechanism for validating trade mark rights; and (b) reliance on freedom of expression in the registration context operates unidirectionally, in the sense that decision makers only take into consideration

[466] Bonadio (n 453) 56.

[467] Griffiths, 'Is There a Right to an Immoral Mark?' (n 225) 448-49; Ricolfi (n 106) 471.

the expressive interests of would-be right holders. In so doing, they fail to acknowledge the potential for diverse expressive use of marks by different sets of users.

As we saw in Chapter 1, trade mark use contributes to meaning-making in signs. Therefore, the reinforced protection afforded to signs by means of registration can incentivise processes of reclaim in meaning, both from right holders and other expressive users. Where these processes could lead, over time, to the meaning in those signs evolving to convey a positive message, it is difficult to see how refusals to grant them registration as trade marks could be compliant with Article 10 ECHR –even in the European context where, as we have seen, the interpretation of what is deemed to cause outrage amongst the population is rather broad. This was precisely the argument put forward by appellant in *Square Enix* when it claimed that the EUIPO's refusal to grant registration to the sign 'MECHANICAL APARTHEID' would prevent it 'from commenting on (the abhorrent policy of) racial segregation in the context of its work' –the most straightforward form of reclaiming meaning in a sign.[468] Unfortunately, however, the Board of Appeal failed to address this claim. In any event, and judging from other cases where decision makers have refused to give much weight to the manner in which the applicant intends to use the mark, it is difficult to see how the meaning-reclaim argument put forward in this case could have been successful. For instance, in *French Connection*, Arnold QC held as follows:

> A mark is only objectionable under [the exclusion] 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

[468] *R 2804/2014-5, Square Enix* (n 419) [3].

> 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.[469]

Despite this finding, there are two ways in which applicant's meaning-reclaim argument could have been reinforced. Firstly, by reference to the expressive interests of other sets of users, notably consumers of the branded goods and a large proportion of the public, who would contribute to, and benefit from, the reclaim in meaning to which registration of the sign 'apartheid' can lead to. This would allow the court to factor in the protection afforded under freedom of expression to all of these other users. And, secondly, by arguing that the applied-for sign is deserving of reinforced protection under Article 10 ECHR as a form of political speech. Naturally, this would only be possible in instances where the sign is clearly expressive, in the sense of seeking to own and reclaim terms that convey political ideas that are socially relevant, as in the case of 'apartheid'. Because such terms ought to be afforded heightened protection as political expression, it is arguably the case that refusals to grant them registration might not meet the stricter test of proportionality provided for under Article 10 ECHR. This was precisely the argument put forward by Judge Dyk from the US Court of Appeals for the Federal Circuit in his partially dissenting/partially concurring opinion in *Tam* (later appealed before the US Supreme Court, as will be analysed in further detail in the following section).[470] Although he disagreed that the disparaging clause of the Lanham Act ought to be struck down on First Amendment grounds, he sided with the majority on the need to allow registration of the sign 'THE SLANTS' to ensure respect for applicant's speech rights. In his own words:

[469] *French Connection* (n 4) [88].

[470] *In re Tam* 808 F.3d 1321 (Fed. Cir. 2015).

> [Appellant's] choice of mark reflects a clear desire to editorialize on cultural and political subjects. Mr. Tam chose THE SLANTS at least in part to reclaim the negative racial stereotype it embodies. […]
>
> Given the indisputably expressive character of Mr. Tam's trademark in this case, the government's recognized interests in protecting citizens from targeted, demeaning advertising and proscribing intrusive formats of commercial expression […] are insufficient to justify [the refusal to register the mark].[471]

Aware of the unique role that marks play in processes of meaning-making in signs in contemporary societies, Judge Dyk's argument is premised on a rather sophisticated understanding of the speech interests of trade mark applicants. Therefore, and despite not lying within the framework of the ECHR, there is much that European courts can learn from this decision. Notably, the need to protect highly expressive signs (i.e. that do more than propose a commercial transaction) through the grant of trade mark rights to ensure respect for applicants' speech interests, so long as such interests are guided by democratic principles. Otherwise, refusal to grant registration in such instances can effect a disproportionate interference with applicants' right to freedom of expression, even in the European context. Because freedom of expression is said to provide protection only in cases where socially-desirable messages are being pursued by applicants-reclaimers, Judge Dyk's rationale is very much in tune with the European approach to this fundamental right. It would, thus, be interesting to see what the EUIPO (or the GC and CJEU on appeal) or the UK Appointed Person would make of this argument if they were to ever address it in the future.

Before moving on to the next section, it is relevant to allude one last time to the opinion of AG Bobek in *Constantin Film Produktion*. Upon discussion of the role that

[471] ibid 1373-74.

freedom of expression plays in trade mark law, he makes an explanatory comment in the footnotes that would appear to open the door to the possibility of factoring in the expressive interests of more than one stakeholder in interaction cases adjudicated in Europe. In the words of the AG:

> In the present case, freedom of expression has been invoked by [the trade mark applicant]. But naturally, freedom of expression, as well as other rights and interests that form part of the equation, is not limited to the holders (or possible holders) of the rights conferred by trade mark protection. Indeed, freedom of expression can be also invoked by those wishing to make unauthorised use of a trade mark, for reasons that they consider socially important.[472]

Following AG Bobek's approach would allow European courts to move away from the unidirectional conception of the relationship between marks and speech that currently governs interaction cases by acknowledging the plurality of expressive users involved in trade mark use. Although admittedly circumscribed to the expressive interests of right holders and recoders (out of the five types of users that have been identified in this thesis), his opinion constitutes a welcome first step towards the employment of the more sophisticated conceptual framework proposed in this thesis. In any event, and judging from the language employed by the AG, his assertion can be easily read to encompass all other types of expressive users, since there is no suggestion that recoders are the only additional type of user involved in expressive use of marks.

4.2.2. United States

Refusal of registration on public policy/morality grounds is perhaps the area of trade mark law where the differences in the degree of protection afforded under free speech

[472] Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek fn 27.

between Europe and the US are more acute. In its recent decisions in *Tam* and *Brunetti*, the US Supreme Court has gone as far as to strike down from the Lanham Act the provisions that exclude from registration signs that are disparaging, immoral or scandalous after holding that they contravene the protection afforded to speech under the First Amendment and are, thus, unconstitutional.[473] Before I continue, it should be noted that both decisions engage in in-depth discussions of rather complex First Amendment doctrines that are idiosyncratic of the US approach to speech protection. Since the core of these doctrines is not directly relevant to the arguments developed in this thesis, and in the interest of simplification, I will focus on the essential arguments put forward by the court.[474]

Section 1052(a) of the Lanham Act mandates the USPTO to deny registration of any sign that 'consists of or comprises *immoral* […] or *scandalous* matter; or matter which may *disparage* […] persons […], institutions, beliefs, or national symbols, or bring them into contempt, or disrepute'.[475] In *Tam*, the lead member of a dance-rock band was denied registration of the sign 'THE SLANTS' (a derogatory term for people of Asian descent) on grounds that it contravened the disparaging clause of the Lanham Act. In *Brunetti*, appellant was the owner of a clothing business. His application for registration

[473] *Tam* (n 9) (striking down the disparaging clause of the Lanham Act); *Brunetti* (n 223) (striking down the scandalous and immoral clauses of the Act).

[474] For a more nuanced discussion of these decisions, see the growing body of literature on the subject, notably: Gary Myers, 'Trademarks & the First Amendment after Matal v. Tam' (2019) 26 JIPL 67; Clay Calvert, 'Merging Offensive-Speech Cases with Viewpoint-Discrimination Principles: The Immediate Impact of Matal v. Tam on Two Strands of First Amendment Jurisprudence' (2018) 27 William & Mary Bill of Rights Journal 829; Niki Kuckes, 'Matal v. Tam: Free Speech Meets Disparaging Trademarks in the Supreme Court' (2018) 23 Roger Williams University LR 122; Sara Gold, 'Does Dilution Dilute the First Amendment: Trademark Dilution and the Right to Free Speech after Tam and Brunetti' (2018) 59 IDEA 483; Lisa P Ramsey, 'Free Speech Challenges to Trademark Law after Matal v Tam' (2018) 56 Houston LR 401.

[475] 15 U.S.C. §1052(a) (emphasis added).

as a federal trade mark of the sign 'FUCT' (that can be pronounced as either four letters, i.e. F-U-C-T, or the offensive term 'fucked') was not allowed on the register on immoral or scandalous grounds. Both decisions were overturned on appeal. Importantly, the challenges raised by both applicants were not circumscribed to the validity of the PTO decisions denying registration to their applied-for signs, but rather went beyond to question the constitutionality of the grounds for refusal under the First Amendment.

In finding for appellants in both cases, the Supreme Court relied on the doctrine of viewpoint discrimination, according to which 'government may not discriminate against speech based on the ideas or opinions it conveys'.[476] In other words, the protection afforded to speech under the First Amendment does not discriminate according to the content of the expression. As a result, injurious, offensive or hateful speech is deserving of the same degree of protection from governmental interference as speech that promotes positive ideals or democratic values. Applying this doctrine to the disparagement clause in *Tam*, the court found that 'an applicant may register a positive or benign mark but not a derogatory one. The law thus reflects the

[476] *Brunetti* (n 223) 4. It should be noted that viewpoint discrimination is not the only claim discussed by the Supreme Court in its decisions, especially in *Tam*. However, as explained by Justice Kagan writing for the majority in *Brunetti*, viewpoint discrimination constitutes the central claim in both cases, as well as the ground on which all 8 justices (Justice Gorsuch did not take part in the decision in *Tam*) agreed upon in *Tam* –there was disagreement between the justices as to whether the exclusions amount to a condition on a government benefit, or ought to be regarded simply as an interference with free speech. ibid 4–5. For the sake of precision, the reader should also be aware that the reasoning put forward in each of the two 4-judge opinions in *Tam* is slightly different also as regards viewpoint discrimination, even if they end up reaching the same conclusion. This is also acknowledged by Justice Kagan in *Brunetti*. ibid 5. The situation in Europe is quite different, where the ECtHR has repeatedly held that government-imposed bans on speech that conveys certain messages, in particular hate speech, can effect a proportionate interference with the right to freedom of expression enshrined in Article 10 ECHR. See, amongst others: *Leroy v France* App no 36109/03 (ECtHR, 2 October 2008); *Féret v Belgium* App no 15615/07 (ECtHR, 16 July 2009); *Sürek v Turkey (No 1)* App no 26682/95 (ECtHR, 8 July 1999); *Balsytė-Lideikienė v Lithuania* App no 72596/01 (ECtHR, 4 November 2008).

Government's disapproval of a subset of messages it finds offensive, the essence of viewpoint discrimination.'[477] Similarly, in *Brunetti*, the Supreme Court found that:

> [T]he statute […] distinguishes between two opposed sets of ideas: those aligned with conventional moral standards and those hostile to them [i.e. immoral signs]; those inducing societal nods of approval and those provoking offense and condemnation [i.e. scandalous signs]. The statute favors the former, and disfavors the latter. […]
>
> The […] viewpoint bias in the law results in viewpoint-discriminatory application. […] [T]he PTO has refused to register marks communicating "immoral" or "scandalous" views about (among other things) drug use, religion, and terrorism. But all the while, it has approved registration of marks expressing more accepted views on the same topics.[478]

Because they contravene the constitutional protection afforded to free speech under the First Amendment, these exclusions have been struck down from the Lanham Act. The repercussions of these decisions are far-reaching. Not only do they open the floodgates for registration as trade marks of signs that convey the most profane and hateful of messages, but they set a high constitutional bar for any future attempt from Congress to reinstate the exclusions. Even if they were to be narrowly tailored, government would still have a hard time proving that they are viewpoint-neutral insofar as any refusal of registration on disparaging, immoral or scandalous grounds is ultimately dependent on the content of the message conveyed by the sign.

There remains, however, one aspect of the interaction between marks and speech that these decisions fail to provide an answer to. In *Tam*, the Supreme Court was asked to rule on whether marks ought to be characterized as commercial speech in all instances, or whether some marks, if not all, have an expressive component allowing to

[477] *Tam* (n 9) 1771.

[478] *Brunetti* (n 223) 6.

convey meaning beyond source identification, in which case they would be deserving of reinforced protection under the First Amendment. This was relevant to the case, since the applied-for sign 'THE SLANTS' 'not only identifies the band but expresses a view about social issues'.[479] In dodging a bullet, however, the court saw no need to answer this question in the case at hand since the disparagement exclusion could not even withstand the lower level of scrutiny that applies to commercial speech. It is regrettable that the court remained silent on this issue. Acknowledgment that the communicative dimension of certain marks lies beyond the sphere of commercial speech could go a long way in ensuring adequate protection of the expressive function of marks, especially in light of the ever-blurrier line that separates the marketplace from the political, social and cultural spheres.

In any event, and going back to the broader argument explored in this thesis, these decisions constitute the most compelling examples of the ability of speech to validate trade mark rights. Furthermore, and as was the case in Europe, they also go to proving the fundamental shortcoming identified in interaction cases: that the relationship between marks and speech is conceptualised in unidirectional terms.

4.3. Speech-Based Challenges to the Validity of Measures Restricting Trade Mark Use

Since the 1960s, legislation aimed at furthering public health has been implemented in certain industries –most notably, the tobacco, alcohol and food industries– through advertising bans, health warnings and, more recently, plain packaging. The rationale behind these measures is to reduce the appeal that unhealthy products have to

[479] *Tam* (n 9) 1764.

consumers by: (a) reducing the advertising that the trade mark performs; and (b) better informing consumers of the risks that consumption of these products pose to their health. Consequently, these measures impact the way in which marks can be used in the market, hindering their ability to perform not only their advertising function, but all other functions. As we will see in further detail upon analysis of each type of measure, their fundamental aim is to target the advertising function of marks by reducing the appeal that certain signs have on consumers, especially fanciful logos. However, the spillover effect of these measures often has an impact on marks' ability to perform their origin function (with the ensuing increase in consumers' search costs and the decrease in market efficiency), as well as to develop and convey expressive meaning (thus precluding right holders and all other categories of users from using them for communicative purposes).

Most health-furthering, trade mark-restrictive measures adopted to date consist of advertising bans and health warnings targeting the tobacco industry. In more recent years, however, several countries have gone as far as to enact legislation requiring that tobacco products bear standardised packaging. Most of these measures have been introduced in pursuance of the health objectives set forth by the World Health Organization, which was responsible for the drafting and adoption of the Framework Convention on Tobacco Control in the early 2000s.[480] The FCTC constitutes the most comprehensive treaty to date in the fight against tobacco consumption. Amongst other measures, Article 11 requires parties to the Convention to impose labelling requirements on the packages of tobacco products, *inter alia*, that they bear health

[480] WHO Framework Convention on Tobacco Control (Geneva 21 May 2003) 2302 UNTS 166, 42 ILM 518 (2003), entered into force 27 February 2005.

warnings covering 50% or more of the package space, and no less than 30%. Although the text of the Convention does not contain any reference to standardised packaging, the Guidelines for Implementation of Article 11 FCTC recommend that Member States adopt plain packaging legislation.[481] Let us look at each of these measures in further detail.

Advertising bans prohibit any, and in some cases all, forms of advertising, e.g. advertising on billboards, newspapers, television, internet, point of sale, or even sponsorships.[482] While most advertising bans do not target trade mark use specifically, they arguably have an impact on tobacco manufacturers' ability to realise certain trade mark functions to their full potential, notably the advertising and expressive functions.[483] As regards the advertising function, and going back to the automobile example, AB Volvo would struggle to convey an image of safety through its 'Volvo' mark if it were not allowed to advertise its products, even though the advertising ban does not directly affect trade mark use. As we saw in Chapter 1, advertising constitutes the principal communication vehicle between undertakings and consumers in the contemporary marketplace and, thus, plays a crucial role in allowing a mark to develop brand image. This also explains why an advertising ban would have an impact on the expressive function of the 'Volvo' mark too, for it would preclude it from developing

[481] WHO Framework Convention on Tobacco Control, Elaboration of Guidelines for Implementation of Article 11 of the Convention (August 21, 2008) FCTC/COP/3/7.

[482] For a comprehensive study of all possible forms of advertising of tobacco products, see WHO, 'Banning Tobacco Advertising, Promotion and Sponsorship - What You Need to Know' <https://apps.who.int/iris/bitstream/handle/10665/83779/WHO_NMH_PND_13.1_eng.pdf;jsessionid=F8FEB858810194504B4492C51D3940F3?sequence=1> accessed 15 September 2019.

[483] Advertising bans can sometimes impinge on trade mark use directly, either by: (a) precluding owners of marks of tobacco products, or their licensees, from using them on products other than tobacco, i.e. clothing or travel services; and (b) by precluding tobacco manufacturers from using marks already associated with other goods on tobacco products. The aim of these prohibitions is to prevent tobacco manufacturers from circumventing advertising bans.

more complex meanings of the sort required to engage in expressive use of the mark (i.e. the family-oriented values conveyed by the 'Volvo' brand). Many countries have imposed advertising bans for tobacco products, for instance: Finland and France in 1976, or the European Union in 1989.[484]

Health warnings require tobacco manufacturers to give up a (increasingly higher) percentage of their package space to allow for messages warning consumers of the health risks associated with smoking tobacco products. Consequently, they take up part of the space that would otherwise be available for trade marks. This can lead, in instances where health warnings occupy most of the package space, to marks not fitting, or only in very reduced form. Health warnings are, therefore, particularly problematic when coupled with advertising bans, for product packaging becomes the only remaining billboard for manufacturers to advertise their products. Given their larger size, fanciful logos consisting of stylized words and/or images often bear the heaviest burden. These marks tend to be the most easily recognizable amongst consumers, thus doing most of the heavy lifting not only in terms of distinguishing the goods of one manufacturer from those of its competitors (i.e. origin function), but also of attracting consumers and retaining their custom (i.e. advertising function). As a result, enlarged health warnings can leave right holders with no other choice but to remove some of their logos altogether from the packaging, or to shrink them to such an extent that they lose their ability to properly fulfil these functions. In turn, this can severely impair the marks' ability to develop brand image, further curtailing its advertising potential and affecting

[484] Respectively: Finnish Law 693 of 13 August 1976 (Finland); *Loi* n° 76-616 (n 216) (France); Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities [1989] OJ L 298/23 (banning the advertising of tobacco products on television) (EU).

its ability to develop the sort of complex meanings that are required to perform an expressive function. Furthermore, by forcing manufacturers to showcase their marks alongside the unappealing –even gruesome at times– content of health warnings, their marks go on to become associated with a negative image. Against this backdrop, it would seem that quite apart from better informing consumers of the risks associated with the consumption of goods bearing them, health warnings also serve to curtail marks' ability to perform their advertising and expressive functions. It is arguably also the case that the loss of distinctiveness and prominence in the package space that results from health warnings has, in turn, a spillover effect into the origin function of marks. Many countries have enacted legislation requiring health warnings for tobacco products, such as the US in 1965, France in 1976 or the EU in 2001.[485] The most restrictive health warnings adopted to date are found in Nepal, Thailand and Timor-Leste, who require that tobacco products bear combined health warnings (i.e. consisting of both texts and images) covering 90%, 85% and 85% of their front surfaces, respectively.[486]

In more recent years, several countries have gone even further in their efforts to reduce the consumption of goods that pose a threat to health through the adoption of plain packaging legislation. By prohibiting the use of marks consisting of logos and

[485] Respectively: The Cigarette Labelling and Advertising Act (n 216) (US); Loi n° 76-616 n (216) (France); Tobacco Products Directive 2001 (n 216).

[486] Respectively: Manish Gautam, 'Tobacco firms to display warnings on 90pc cover' *The Kathmandu Post* (Kathmandu, 31 October 2014) <https://kathmandupost.com/miscellaneous/2014/10/31/tobacco-firms-to-display-warnings-on-90pc-cover> accessed 16 September 2019 (Nepal); 'Thailand - New regulations on graphic health warnings introduced' (WHO FCTC website, June 2013) <https://www.who.int/fctc/implementation/news/news_thai/en/> accessed 17 September 2019 (Thailand); 'Timor-Leste: pictorial warnings required on tobacco packages and progress is made towards plain packaging' (WHO FCTC website, September 2018) <https://untobaccocontrol.org/impldb/timor-leste-pictorial-warnings-required-on-tobacco-packages-and-progress-is-made-towards-plain-packaging/> accessed 17 September 2019 (Timor-Leste).

shapes, and severely restricting the manner in which word marks can be used, PPL constitutes the ultimate form of trade mark-restrictive, health-furthering legislation. But PPL imposes additional requirements, notably: (a) the external appearance of the package cannot be embellished; and (b) all packages must conform to certain requirements of size and shape, have a matt finish and feature a drab dark brown colour (which is deemed to be an unpleasing colour for humans). Furthermore, PPL is usually coupled with legislation requiring that packages bear enlarged health warnings covering from 75% to 90% of its surface (a percentage that varies depending on the jurisdiction).

Adoption of such a sweeping measure is justified on the need to preclude trade marks from performing their advertising function in relation to unhealthy products, which is said to incentivise consumers into buying them –whether they be new consumers buying them for the first time, or repeat purchasers. As already explained, fanciful marks are better suited to attracting and retaining consumers, hence the total ban on the use of figurative and shape marks. Absent use, however, advertising is far from the only function that will be affected.[487] Because only word marks can now be used, and they must appear on a prescribed area of the packet and in a standardised size and font, right holders can hardly develop any form of brand meaning in PPL scenarios, hence preventing the mark from performing their expressive function too. Proponents of PPL argue that this is consistent with the aim pursued by this measure, which seeks to preserve the core, source-identifying function of marks. The objection that is often raised to this line of reasoning is that PPL goes too far in its goal to limit the

[487] This has been acknowledged by, *inter alia*, the DSB of the WTO in its panel report upholding the validity of Australia's TPPA. *WTO, Australia: Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging - Panel Report* (28 June 2018) WT/DS435/R, WT/DS441/R, WT/DS458/R and WT/DS467/R [7.2563]-[7.2569].

ancillary functions of marks. Because PPL is so restrictive of trade mark use, its encroachment on the advertising and expressive functions of marks overlaps with the origin function to the extent that they are all hollowed out. This idea is very effectively conveyed by Bonadio:

> The main problem surrounding [PPL] lies in the fact that it is not possible to curb the promotional effects of packaging without 'touching' some distinctive elements of the brand: indeed the two elements of trade marks (promotional and distinctive) overlap. If governments adopt measures aimed at neutralising the promotional effects of brands, it is inevitable that doing this will also lower their (abstract) distinctiveness.[488]

In similar terms, Sam Ricketson has argued that '[i]n terms of strict trade mark theory, the marks are stripped of all their advertising or promotional capacity while retaining a bare shred of their function of denoting origin'.[489]

With the adoption of the TPPA in 2011, Australia became the first country to ever enact PPL for tobacco products. Others have followed suit, including the UK, Ireland, France, New Zealand, Norway, Hungary, Saudi Arabia, Thailand, Canada, Slovenia, Uruguay, Turkey or Singapore.[490] Yet other countries have introduced legislative proposals for the adoption, in the near future, of PPL, including: Finland, Chile or South Africa.[491] As regards the expansion of PPL to other industries, South Africa forbids the use of marks depicting babies or humanised figures for use in baby milk formula since

[488] Enrico Bonadio, 'Bans and Restrictions on the Use of Trademarks and Consumers' Health' (2014) 4 IPQ 326, 339-40.

[489] Sam Ricketson, 'Plain Packaging Legislation for Tobacco Products and Trade Marks in the High Court of Australia' (2013) 3(3) Queen Mary Journal of IP Law 224, 230.

[490] For a comprehensive list of the countries that have enacted, or are in the process of enacting, PPL, see 'Cigarette Package Health Warnings: International Status Report', Canadian Cancer Society (September 2018) <https://www.cancer.ca/~/media/cancer.ca/CW/for%20media/Media%20releases/2018/CCS-international-warnings-report-2018---English---2-MB.pdf?la=en> accessed 18 September 2019.

[491] ibid.

2013, with the aim of incentivising breast-feeding.[492] And it is very likely that PPL will continue to expand to other countries and industries. Very recently, in June 2019, England's Chief Medical Officer made headlines in major news outlets after announcing that she would be taking onboard a think tank's proposal to implement standardised packaging for confectionery, crisps and sugary drinks in the upcoming formal review of child obesity by the UK government.[493] Further evidence of the potential expansion of PPL to industries other than tobacco in the not so distant future can be found in the adoption, by several countries, of health-furthering, trade mark-restrictive measures for alcoholic drinks and sugary/fatty foods. For instance: (a) Chile mandates that the sign 'STOP' be affixed to the packaging of products that are high on fat, sugar and salt;[494] (b) Peru requires that similar health warnings that read 'high in calories' or 'high salt' be used on the packaging of foods that meet said characteristics;[495] and (c) Turkey mandates that the packaging of alcohol products bear graphic health warnings cautioning against underage drinking, driving after drinking and drinking when pregnant, all of which must be accompanied by the text: 'Alcohol is not your friend'.[496]

[492] Regulations Relating to Foodstuffs for Infants and Young Children of 6 December 2012 GN R 991 in GG 35941.

[493] Simon Walters, 'Sweets, crisps and fizzy drinks could soon be sold in cigarette-style plain packaging under latest plans to tackle Britain's obesity epidemic' *The Daily Mail* (3 June 2019) <https://www.dailymail.co.uk/news/article-7100797/Sweets-fizzy-drinks-sold-cigarette-style-plain-packaging.html> accessed 15 September 2019. The think tank's report is available for download on IPPR's website <https://www.ippr.org/research/publications/ending-the-blame-game> accessed 15 September 2019.

[494] Alberto Alemanno, 'Health Warnings on Junk Food' (*O'Neill Institute*, 27 March 2013) <http://www.oneillinstituteblog.org/health-warnings-on-junk-food/> accessed 18 September 2019.

[495] Gonzalo Bernal Neumann, 'Sugar is the New Tobacco: The Peruvian Junk Food Law in Light of the WTO Law after the Seals Dispute' (2014) Fourth Biennial Global Conference of the Society of International Economic Law Working Paper 2014-23 <http://ssrn.com/abstract=2463704> accessed 18 September 2019.

[496] 'Turkish authority introduces 'Alcohol is not your friend' tag on bottles' *Hürriyet Daily News* (Istanbul, 12 August 2013) <http://hurriyetdailynews.com/turkish-authority-introduces-alcohol-is-not-your-friend-tag-on-bottles-.aspx?pageID=238&nID=52372&NewsCatID=341> accessed 18 September 2019.

Given the intensity of the restrictions that these measures impose on owners' ability to use their marks, it is not surprising that their validity has been challenged before the courts on numerous occasions. This is true of advertising bans, health warnings and, in more recent years, plain packaging. In the vast majority of cases, these challenges have been grounded on owners' fundamental right to (intellectual) property, leading courts to engage in a balancing exercise that has almost invariably tilted in favour of the protection of public health.[497] Oftentimes these measures have been challenged on other grounds, for instance, the lack of competence of the legislative body or their incompatibility with other fundamental rights, notably freedom of expression. We will now turn to analyse the latter cases in more detail.

4.3.1. Europe

In 1998, the EU adopted the Tobacco Products Advertising Directive, which provided that 'all forms of advertising and sponsorship [of tobacco products] shall be banned in the [EU]'.[498] The validity of the Directive was challenged before the CJEU by both tobacco manufacturers and Germany on several grounds, including its incompatibility with the protection afforded to freedom of expression under Article 10 ECHR.[499]

[497] This has been the case, for instance, in the challenges launched by tobacco manufacturers to the validity of: (a) in the EU, the Tobacco Products Directive 2001 was challenged in Case C-491/01, *Secretary of State for Health* (n 221); the Tobacco Products Directive was again challenged in its more recent version of 2014 in Case C-547/14, *Philip Morris Brands* (n 220); (b) in Australia, the TPPA was challenged in *JT International* (n 221); (c) in the UK, the SPTPR was challenged in case *R (on the application of British American Tobacco (UK) Ltd) and Others v Secretary of State for Health* [2016] EWHC 1169 (Admin).

[498] Directive 98/43/EC of the European Parliament and of the Council of 6 July 1998 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products OJ L 213, Article 3.

[499] Case C-376/98, *Germany v European Parliament* (n 221).

Unfortunately, the court failed to engage with this claim when it annulled the Directive on grounds of improper legal basis under the EC Treaty.

Guidance can, however, be found in the opinion of AG Fennelly, who dealt extensively with this ground. The AG begins his analysis by identifying the type of speech at issue in this case. Because advertising falls within 'the provision of information, expression of ideas or communication of images as part of the promotion of a commercial activity', it is entitled to protection under Article 10 ECHR as commercial expression.[500] The AG goes on to apply the proportionality test developed by the ECtHR to interferences with commercial expression, according to which a measure encroaching on speech will be valid when the legislature had 'reasonable grounds' for its adoption. In the case at hand, this translates into the:

> [S]upply [of] coherent evidence that the measure will be effective in achieving the public interest objective invoked –[…] a reduction in tobacco consumption relative to the level which would otherwise have obtained– and that less restrictive measures would not have been equally effective.[501]

AG Fennelly adopts a rather generous approach to the evaluation of the evidence put forward by the EU. The reason for this is twofold. Firstly, he is aware of the difficulty of assessing evidence in the context of social scientific studies addressing projected consumer behaviour. And, secondly, the relevance of the social interest at stake entails that '[e]videntiary requirements may be less strict where public health is [concerned]'.[502] Accordingly, because the EU had furnished evidence of 'a correlation both between tobacco advertising and the taking up of smoking, particularly among the

[500] Ibid Opinion of AG Fennelly [153].

[501] ibid [159].

[502] ibid [161].

young, and between the banning of advertising and reductions in average per capita tobacco consumption', the advertising ban was found to legitimately encroach on manufacturers' freedom of commercial expression.[503] The sophistication of AG Fennelly's proportionality analysis is deserving of praise. Quite apart from showing familiarity with the jurisprudence of the ECtHR, his assessment is anchored on the furnishing of evidence on the ability of the challenged measure to attain the health objective pursued.

As already noted, advertising bans do not directly impinge on trade mark use, but rather forbid commercial communication between undertakings and consumers through the use of different means, including trade marks. This explains why the AG's reasoning does not specifically address, upon analysis of the advertising ban on tobacco products, restrictions on trade mark use. However, to the extent that marks can be said to perform an advertising function that is liable to be directly affected by other trade mark-restrictive measures, such as health warnings or plain packaging, the rationale of the AG is of relevance to our discussion. In any event, the applicability of his reasoning to restrictions directly targeting trade mark use can hardly be questioned in light of his finding in relation to the Directive's additional prohibition on the use of marks already associated with other goods on tobacco products. The AG believes these restrictions on trade mark use to effect an interference with freedom of expression that the UE has failed to properly justify on grounds of protection of public health. This finding is thus premised on the notion that trade mark use implicates freedom of expression. This is explicitly recognized by the AG in his opinion: 'the application of […] a brand or mark to

[503] ibid [162].

a product also constitutes an exercise of freedom of commercial expression'.[504] The relevance of AG Fennelly's words for purposes of the argument developed in this thesis cannot be overstated. Firstly, they constitute an acknowledgment, within the EU's highest judicial body, of the communicative role that marks play in the marketplace and, hence, of their entitlement to protection under the fundamental right to freedom of expression when their use is threatened by measures of public law. This has also been noted by Fhima, who believes that '[t]his decision is interesting because the Advocate General was prepared to apply ECHR principles directly in order to protect the use of trade marks in speech'.[505] And, secondly, by finding the prohibition on trade mark use invalid for lack of evidence of the health benefits derived from such measure that would justify the encroachment on freedom of expression, the AG's opinion is a valuable precedent of the role of speech as validating trade mark rights in the EU.

In 2016, the CJEU was once again given the opportunity to address the compatibility of trade mark-restrictive measures with freedom of expression in the challenge brought by tobacco manufacturers to the legality of the Tobacco Products Directive in its latest version of 2014.[506] This case was launched before the High Court of England and Wales by tobacco manufacturers seeking to prevent the implementation of said Directive, and was referred to the CJEU for a preliminary ruling. Amongst other requirements, the Directive mandates that packages of tobacco products: (a) bear enlarged health warnings covering 65% of their front and back surfaces (a considerable

[504] ibid [176]. That restrictions on trade mark use will likely be deemed by the ECtHR to interfere with freedom of expression has been conceded by Jonathan Griffiths and Marco Ricolfi. Griffiths, 'Is There a Right to an Immoral Mark?' (n 225) 447-48; Ricolfi (n 106) 472.

[505] Fhima (n 186) 313.

[506] Case C-547/14*, Philip Morris Brands* (n 220).

increase from the 30% required by the previous Directive of 2001); and (b) do not feature any misleading information intended to promote them, such as the expressions 'low-tar', 'ultra-light', 'without additives' or 'slim'.[507] Manufacturers' claim that the Directive was incompatible with their fundamental right to freedom of expression was restricted to the second requirement regarding misleading information.

Unfortunately, in holding the Directive valid on all challenged grounds, the CJEU missed another opportunity to engage in a fruitful analysis of the compatibility of trade mark-restrictive legislation with fundamental rights. It is surprising that the judgment does not even once mention the words 'trade mark', 'brand' or 'intellectual property' upon consideration of the questions referred by the national court. As regards the requirement that packages of tobacco products bear enlarged health warnings, the CJEU concludes that: (a) it is not arbitrary in light of the international standards and recommendations set out under the FCTC; and (b) given its contribution to public health, it does not have a 'disproportionate impact on the ability of manufacturers to communicate information about the product concerned to consumers', for there is still sufficient space available for manufacturers to affix their marks.[508] As regards the prohibition to label tobacco products, or their packaging, with misleading information intended to encourage their consumption, the court acknowledges that 'it constitutes […] an interference with a business's freedom of expression and information'.[509] An interference, however, that must be deemed proportionate for: (a) it is narrow in scope, in the sense that 'the essence of […] [the right] is not affected […] [:] far from prohibiting

[507] ibid [138]-[42].
[508] ibid [209].
[509] ibid [148].

the communication of all information about the product, [it] prohibit[s] only the inclusion of certain elements and features';[510] and (b) pursues a legitimate health objective, where 'human health protection […] outweighs the [expressive] interests put forward by [tobacco manufacturers]'.[511] Although the court does not say so explicitly, it would seem to reach this decision in application of a low level of scrutiny given that claimants essentially 'rely […] on the freedom to disseminate information in pursuit of their commercial interests'.[512]

Regrettably, the court's reasoning is rather cursory. Judging by the high degree of protection afforded under the EU Charter and the ECHR to the right to health on the one hand (as acknowledged by the court), and the right to freedom of expression on the other, it is striking that the CJEU fails to engage in a more nuanced balancing exercise here. Instead, and by way of adopting a highly deferential approach to review of the acts of the EU legislature, the court appears to consider its proportionality test satisfied so long as the challenged measure pursues the promotion of health. This prevents the court from engaging in sophisticated analysis of the colliding interests at stake, notably by requiring proof of the attainment of the health objective pursued (as AG Fennelly had done in the Advertising Directive case). Furthermore, instead of hinting that commercial speech is deserving of less protection than other forms of speech, the court would have been best advised to thoroughly engage with the case law of the ECtHR dealing with interferences with freedom of expression. Similarly, it would have been useful for the court to further explore whether the scope of the prohibition was in fact narrow. It can

[510] ibid [151].

[511] ibid [156].

[512] ibid [155].

be easily argued that the type of information that manufacturers are precluded from communicating on the packaging is precisely that which is of most value to them, i.e. information that seeks to attract consumers by informing them of some characteristic of the product that they may be particularly interested in. Therefore, the fact that all other information is still available for use on the packaging appears to be of little use in practice.

Fortunately, the opinion of AG Kokott proves more useful. In her view, the interference effected by enlarged health warnings on the fundamental right to property of tobacco manufacturers is proportionate on grounds that: (a) 'the protection of human health has considerably greater importance in the value system under EU law than the essentially economic interests of undertakings';[513] and (b) the essence of trade mark rights is not affected by enlarged health warnings, '[a]s it is […] still possible to use trade marks as such in marketing tobacco products'.[514] More importantly for current purposes, AG Kokott analyses whether the restrictions imposed by enlarged health warnings on tobacco manufacturers' freedom of expression is proportionate –even though the question by the referring court was limited to the restrictions imposed on speech by the prohibition on the use of misleading information.[515] In doing so, she acknowledges both that traders' interest in expressing their opinion through trade mark use merits protection under the fundamental right to freedom of expression, and that health warnings interfere with said freedom. However, she fails to explain how they interfere, i.e. whether by removing space on the package that could otherwise be

[513] Case C-547/14, *Philip Morris Brands* (n 220), Opinion of AG Kokott [204].
[514] ibid [205].
[515] ibid [211].

devoted to trade mark use, or by requiring tobacco manufacturers to convey a health-related message against their will, or even both. She begins her proportionality analysis by conceding that freedom of expression calls for the application of a stricter test than that which applies to other freedoms (for instance, the freedom to conduct a business). However, she goes on to conclude that the requirements contained in the Directive effect a proportionate interference with freedom of expression for two reasons: (a) they promote public health, 'which has been recognised as having a particularly high importance'; and (b) they impact commercial expression, which is deserving of limited protection under the ECHR.[516] In her own words:

> [T]he dissemination of opinions and information which –as in this case– are intended to pursue solely business interests generally warrants less protection as a fundamental right than other expressions of opinion in the economic sphere or even political expressions of opinion.[517]

However, the AG fails to apply the test developed by the ECtHR to interferences with the right to freedom of commercial expression. This is in contrast with the opinion of AG Fennelly in the Advertising Directive case, who applied a 'reasonable grounds' test that was heavily reliant on the EU's ability to provide evidence that the measure encroaching on speech was likely to lead to a reduction in smoking. Despite this shortcoming, the opinion of AG Kokott constitutes another valuable precedent of the role of speech as being amenable to validate trade mark rights in the EU.

[516] ibid [233].

[517] ibid [233].

4.3.2. United States

In 2009, Congress passed legislation requiring, for the very first time in the US, that tobacco products bear combined health warnings covering 50% of the front and back surfaces of their packaging.[518] The same statute delegated on the FDA the authority to select the images that would make up the graphic component of the warnings. Pursuant to this authority, the FDA promulgated a set of nine images showcasing some of the most common tobacco-related illnesses with the aim of dissuading consumers from smoking.[519]

In *RJ Reynolds Tobacco Company et al v Food & Drug Administration et al*, the validity of this regulation was successfully challenged before the federal courts on First Amendment grounds.[520] The court analyses first whether the proposed graphic health warnings can be said to impinge on tobacco manufacturers' speech. According to settled case law in the US, '[a]ny attempt by the government […] to compel individuals to express certain views' will have an impact on speech.[521] In the court's opinion, by requiring tobacco manufacturers to affix shocking images intended to discourage smoking on the packaging of their products, the challenged regulation compels plaintiffs to express the FDA's views towards the health risks posed by tobacco products and, thus, interferes with their right to speech. The court goes on to acknowledge that certain forms of government-compelled speech are constitutional under the First Amendment, provided that certain requirements are met. Since these requirements vary depending

[518] The Family Smoking Prevention and Tobacco Control Act, 123 Stat. 1776 (2009).

[519] Required Warnings for Cigarette Packages and Advertisements, 76 Fed. Reg. 36,628 (June 22, 2011).

[520] *RJ Reynolds Tobacco Company* (n 221).

[521] ibid 10, quoting *Wooley v Maynard* 430 U.S. 705 (1977) 714-15.

on the level of scrutiny in play, the court engages in a very nuanced analysis of that which ought to apply in this case. Three levels of scrutiny can be applied: (a) lower-level scrutiny, which applies to purely factual information imposed by the government to protect consumers from misleading information conveyed by the manufacturer;[522] (b) intermediate scrutiny, where government-compelled speech will be deemed constitutional where it 'directly advances the [substantial] governmental interest asserted, and […] it is not more extensive than is necessary to serve that interest' (often applied to commercial speech);[523] and (c) strict scrutiny, which requires the government to prove that its actions are 'narrowly tailored to achieve a compelling government interest' (often applied to political speech).[524]

According to the court, the graphic component of the proposed health warnings consists of 'inflammatory images […] [that] […] are unabashed attempts to evoke emotion (and perhaps embarrassment) and browbeat consumers into quitting'.[525] As a result, the FDA's argument that the health warnings constitute factual information about the health risks derived from smoking (which would call for application of lower-level scrutiny) is untenable. The court thus goes on to apply intermediate scrutiny, since

[522] The interpretation of the type of information that will be subject to lower-level scrutiny has been a controversial subject in US jurisprudence. Relying on prior case law, the court in *Reynolds* applied a narrow interpretation, according to which lower-level scrutiny must only be applied to factual information that ought to be disclosed in order to protect consumers from misleading information conveyed by the manufacturer. This interpretation has since been broadened to apply to 'purely factual' and 'uncontroversial' disclosure requirements imposed by the government. See *National Association of Manufacturers et al v SEC* 800 F.3d 518 (D.C. Cir. 2015).

[523] *RJ Reynolds Tobacco Company* (n 221) 22 quoting *Central Hudson Gas & Electric Corporation v Public Service Commission of New York* 447 S Ct 557 (1980) 566.

[524] *RJ Reynolds Tobacco Company* (n 221) 13.

[525] ibid 20.

the affected speech is of a commercial nature.[526] The burden of proof imposed on the FDA under this test is quite considerable, especially as regards showing that the challenged measure 'directly advances' the public health objective that it is said to pursue. The FDA was unable to show as much, hence why the measure was held to be unconstitutional. According to the court:

> FDA has not provided a shred of evidence –much less "substantial evidence" […]– showing that the graphic warnings will "directly advance its interest" in reducing the number of Americans who smoke. FDA makes much of the "international consensus" surrounding the effectiveness of large graphic warnings, but offers no evidence showing that such warnings have directly caused a material decrease in smoking rates in any of the countries that now require them. […]
>
> The […] [FDA] estimated the new warnings would reduce U.S. smoking rates by a mere 0.088%, […], a number the FDA concedes is "in general not statistically distinguishable from zero." […] Indeed, because it had access to "very small data sets," FDA could not even reject the statistical possibility that the Rule would have no impact on U.S. smoking rates.[527]

Two things should be noted about this case. Firstly, it highlights the robust speech protection afforded to individuals by the First Amendment –including commercial speech– and its potential to validate trade mark rights. Secondly, this case brought to a halt the FDA's efforts to curb smoking rates in the US through the adoption of ever-stricter trade mark-restrictive measures. This explains why the US has one of the most lenient policies in this regard, with health warnings for cigarettes being restricted to text, and only on the side of the packet.

There is room to wonder whether this is likely to change in the near future. In the recent decision in *Cigar Association of America v FDA*, FDA's enlarged health

[526] This is explicitly recognized by the court. ibid 21, quoting its previous decision in *United States v Philip Morris USA Inc* 566 F.3d 1095 (D.C. Cir. 2009) 1142-43.

[527] *RJ Reynolds Tobacco Company* (n 221) 25-27.

warnings for cigars were found to be constitutional on grounds, *inter alia*, that they do not infringe cigar manufacturers' First Amendment rights.[528] It should be noted, however, that the required health warnings consist exclusively of text and must cover only 30% of the front and back surfaces of cigar packages. Therefore, in comparison with the combined health warnings for cigarettes challenged in *Reynolds*, the encroachment imposed on trade mark use for cigars is rather limited. It is precisely on this basis that the district court decides, after acknowledging that the proposed health warnings interfere with manufacturers' speech, to assess their constitutionality under lower-level scrutiny (i.e. which applies to purely factual and uncontroversial information). According to the court, whereas the graphic health warnings in *Reynolds* were 'controversial' and 'inflammatory', the textual warnings required for cigars are 'unambiguous and unlikely to be misinterpreted by consumers'.[529] Under lower-level scrutiny, the government must simply show that the measure is 'reasonably related' to the aim pursed and not 'unjustified or unduly burdensome'.[530] This does not prove cumbersome for the FDA, who easily persuades the court that: (a) informing consumers of the health risks derived from smoking cigars constitutes a substantial government interest; and (b) the provision of accurate information of the health risks associated with smoking in the form of health warnings 'in a size, format, and manner that consumers will readily notice and retain satisfies the "means-end fit" requirement under [lower-level scrutiny]'.[531]

[528] *Cigar Association of America* (n 222).

[529] ibid 46.

[530] ibid 50.

[531] ibid 61.

A comparison between both cases reveals the fundamental repercussions derived from the level of scrutiny applied. In intermediate scrutiny, the evidentiary requirements are rather strict. Perhaps so much so that it seems unlikely that the government will be able to meet the required burden of proof in the near future. As noted by the court in *Reynolds*, because variations in smoking rates over time are heavily dependent on a myriad of factors, researchers will have a hard time gathering robust evidence of reductions in smoking prevalence that are the direct result of one factor alone, i.e. enlarged health warnings.[532] In contrast, in lower-level scrutiny, the burden of proof required is significantly lower. In *Cigar Association of America*, the court relied on prior case law to describe the applicable burden of proof as follows: 'constitutionality under [lower-level scrutiny] does not hinge upon some quantum of proof that a disclosure will realize the underlying purpose. A common-sense analysis will do. And the disclosure has to advance the purpose only slightly.'[533] There is room to argue that the burden of proof required under this test is too low, insofar as most measures restricting trade mark use will pass muster regardless of whether or not they contribute to the attainment of the alleged health objective.

This goes to showing how much of the discussion in ownership cases dealing with the interaction between marks and speech turns on the assessment of the type of speech involved and, consequently, on the level of scrutiny to be applied. Despite the different levels of scrutiny applied and the contrasting outcomes, these cases constitute very valuable precedents of the role of speech as validating trade mark rights in the US.

[532] *RJ Reynolds Tobacco Company* (n 221) 25–27.

[533] *Cigar Association of America* (n 222) 60, citing *Discount Tobacco City & Lottery Inc v United States* 674 F.3d 509 (6th Cir. 2012) 557.

4.4. The 'School of Speech in Trade Mark Law': Theoretical Foundations for the Proposition that Speech Can Validate Trade Mark Rights

The work of a small number of legal scholars also provides a solid theoretical foundation for the proposition that speech can validate trade mark rights. I am referring to Justin Hughes, Jason Bosland and Michael Spence.[534] Surprisingly enough, the arguments put forward by these authors have many commonalities. I say surprisingly because they all work in isolation from each other, that is, they are (with one unimportant exception) not cross-referencing each other's work and engaging in a debate, but rather are reaching similar conclusions from not so similar starting points.[535] Since none of them rely on the others' work to build up their argument, they do not consider themselves to belong to a school of thought. In view of their commonalities, however, they could very well be said to belong to what I have termed the 'School of Speech in Trade Mark Law'. I will now go on to explore these commonalities.

Firstly, the contributions of these authors are best framed within a broader debate that lies at the intersection between intellectual property law and cultural studies: the extent to which intellectual property rights serve to lock up meaning in cultural goods. Cultural studies scholars addressing the interaction between cultural production and intellectual property rights are often critical of most forms of ownership over cultural goods.[536] In their view, ownership over intangibles through the grant of

[534] Hughes (n 3); Bosland (n 120); Spence, 'The Mark as Expression/The Mark as Property' (n 263); Spence, 'Restricting Allusion to Trade Marks: A New Justification' (n 227).

[535] Spence would be an exception to the lack of cross-references since he mentions Bosland's work at a certain point, yet only engages superficially with the latter's arguments, concluding that their views are, in any event, complementary.

[536] Amongst others: Sonia K Katyal, 'Trademark Cosmopolitanism' (2013) 47 U.C. Davis LR 875; Sakulin (n 205); Sonia Katyal, 'Semiotic Disobedience' (2006) 84 Washington University LR 489; Dan Hunter, 'Culture War' [2005] Texas LR 1105; Keith Aoki, 'How the World Dreams Itself to Be American: Reflections on the

intellectual property rights too often leads to valuable meanings embodied in protected cultural artefacts being locked up or monopolised by their right holders, to the detriment of the general interest. In the trade mark context, this concern translates into third parties' inability to effectively participate in the cultural discourse revolving around marks that convey expressive meanings, to the extent that owners' exclusive rights can be invoked to prevent recoded uses of their marks. In other words, trade mark laws run counter to cultural production by shielding the meaning of marks from appropriation through dialogic practice.

It is against this backdrop in the cultural studies literature that Justin Hughes and Jason Bosland (and, to a lesser extent, Michael Spence, for his pushback is directed towards critics of antidilution statutes generally) propose an alternative reading of the role that trade mark laws play in cultural production and dialogic practice. In their view, reinforced trade mark protection of the type so often criticised by cultural studies scholars better serves the public interest than allowing for indiscriminate recoding of expressive marks.

In the case of Hughes, his pushback is directed towards critics of broad intellectual property protection who believe in the need for greater 'recoding freedom' (i.e. the freedom to express oneself through an altered version of a cultural object protected by an intellectual property right) to ensure that social meaning is not obstructed or locked-up by right holders. Hughes argues that most recipients of a cultural image are mere listeners, not recoders (which would appear to be the

Relationship between the Expanding Scope of Trademark Protection and Free Speech Norms' (1996) 17 Loyola of Los Angeles Entertainment LJ 523; Keith Aoki, 'Adrift in the Intertext: Authorship and Audience "Recoding Rights"' [1993] Chicago Kent LR 805; Coombe (n 120); Jessica Litman, 'The Public Domain' (1990) 39 Emory LJ 965.

underlying assumption of proponents of greater recoding freedom). Therefore, by placing all their emphasis on recoders, cultural studies scholars fail to account for the interests of a vast number of individuals who identify with the meaning conveyed by the mark (and other intellectual property rights, since Hughes' inquiry is not limited to trade marks) and, thus, far from wanting to recode it, wish for it to remain stable over time. Taking into consideration the interests (expressive and otherwise) of the mark's 'audience', as Hughes calls this group of individuals, requires granting broad exclusive rights to the right holder so as to ensure that the meanings conveyed by the mark can remain stable over time.

As regards Bosland, he pushes back against critics of broad trade mark protection who believe that strong trade mark rights lock-up extremely valuable cultural artefacts. He argues that, in addition to serving source-identifying and persuasive functions, marks are imbued with cultural significance. They are capable of transcending their core functions and develop into cultural artefacts that are incorporated into ordinary public discourse, allowing individuals to express themselves through their use. He thus rejects the notion that trade mark rights lock-up valuable cultural artefacts and stifle dialogic practice. In his view, trade mark protection attains quite the opposite: to facilitate dialogic practice by allowing signs to develop into cultural artefacts that can be relied upon for expressive purposes. As he rightly points out, without the protection afforded to marks by intellectual property laws there would be no cultural goods in certain signs in the first place. Accordingly, insufficient trade mark protection would ultimately go against the public interest that cultural studies scholars seek to protect by removing many cultural signs from dialogic practice altogether. For Bosland, therefore, the grant of broad rights to trade mark owners is the best way to ensure that meaning in expressive marks can remain stable over time by preventing fragmentation resulting from excessive recoding acts.

Finally, Spence’s pushback is aimed against supporters of broad trade mark protection based on their characterisation of trade mark rights as property rights. He argues that a paradigm shift from a property-centric to a speech-centric understanding of trade mark law best suits the purpose of trade marks, and allows for a better delimitation of the content of trade mark rights.[537] For Spence, marks are a form of speech and, as such, entitle owners to communicate a variety of messages through their use, including, but not limited to, trade origin. As part of their right to free speech, trade mark owners ought to be afforded protection against certain forms of compelled speech, that is, they should be entitled to refuse that their marks be used to convey a meaning with which they would disagree.

And, secondly, their proposed reinterpretations of trade mark law are based on freedom of expression, more precisely, on a counterintuitive understanding of the interaction between marks and speech. Against the prevailing notion that freedom of expression may only be relied upon to limit trade mark rights, they argue that it may also validate them.

As regards Hughes, even though he talks of ‘recoding freedom’, the backbone of such concept is speech, i.e. recoding freedom as the freedom to express oneself through an altered version of a cultural object protected by an intellectual property right. In fact,

[537] Spence’s proposal for a speech-infused understanding of trade mark law is ultimately a proposal for a reconceptualization of the regulatory approach to trade marks aimed at better delimiting the content of trade mark rights by avoiding proprietary overreach. His argument, however, seems to lead to a contradictory outcome: his speech-based proposal to avoid the over-expansive effect of the proprietary approach to trade marks serves him to justify what is arguably the broadest, most contentious expansion of trade mark law to date: antidilution statutes.

his piece is greatly concerned with determining who can speak what. In other words: how much control a right holder ought to have over the use of a protected cultural object and, consequently, over its meaning. It is in this context that he argues in favour of taking into consideration not only the expressive interests that secondary users might have in recoding a cultural object protected by an intellectual property right (e.g. other artists, parodists, etc.), but also the expressive interests of other non-owners who rely on the cultural object retaining a stable meaning (in his view, the vast majority of non-owners belong to the latter category).

Bosland's fundamental concern is the development and preservation of trade marks as valuable cultural artefacts that can be relied upon as expressive tools. Contrary to most cultural studies scholars, who criticise broad trade mark protection on grounds that it stifles dialogic practice, Bosland argues that granting owners control over their marks allows for meaning in brands to develop and to maintain stable over time, thus fulfilling a public interest in the creation and preservation of cultural objects. In his view, stability of meaning in marks can only be attained by protecting the expressive dimension of marks through antidilution statutes. Otherwise, broad deference to competitors' speech interests will lead to multiplicity of meaning and, eventually, cultural fragmentation, which is detrimental to society overall.

Finally, Spence's paradigm shift from a property-centric to a speech-centric understanding of trade mark law requires that right holders be granted protection against certain forms of compelled speech –such as would be the case where a recoder seeks to alter the meaning conveyed by a mark for expressive purposes. Otherwise, right holders would be precluded from ensuring that the meanings conveyed by their marks remain stable over time –which would, in turn, prevent them from developing their expressive autonomy as realised through use of their marks. Spence believes that the best way to grant protection to owners against compelled speech is through antidilution measures. It is relevant to note that Spence is the only one out of the three who explicitly rejects the widespread notion that freedom of expression can only be invoked as a defence in trade mark law. In his view, speech can also serve to validate trade mark rights. In his own words:

> This [that freedom of expression can validate trade mark rights] is a surprising claim. Free speech is usually thought of as only limiting, and not grounding, trade mark rights: practitioners think that free speech issues are only relevant when […] [a trade mark owner] wants to prevent an artist from using [his] trade mark in a protest work. But I hope to show that free speech, or at least a respect for expressive autonomy, is the best justification for the [expanded] scope of the trade mark protection against [dilution] afforded by [trade mark statutes].[538]

Against this backdrop, it would appear that the portrayal by cultural studies scholars of the effect that trade mark protection has on cultural production and expressive freedom is incomplete and, as a result, inaccurate. Far from locking-up valuable meaning in cultural artefacts, trade mark rights promote cultural production and further the expressive interests of individuals in a variety of ways. It is only through the exclusive rights granted to trade mark owners that distinctive signs go from signalling commercial source to becoming cultural artefacts that convey expressive meanings (Bosland's core argument). Expressive meanings that can, in turn, be relied upon not only by recoders (as the work of cultural studies scholars would suggest), but also by right holders (as advanced by Spence), consumers of branded goods (Hughes' listeners), consumers of recoded branded goods and even the public at large.

[538] Spence, 'The Mark as Expression/The Mark as Property' (n 263) 496.

However, all these communicative projects can only be deployed insofar as the expressive meanings conveyed by a mark remain stable over time (this is also true of third party recoding, since the new meaning conveyed by the recoded sign originates in the mark). It is thus inaccurate to conceptualise each and every effort by trade mark owners to preserve the expressive meanings conveyed by their marks as conducive to locking-up valuable meaning in cultural artefacts. This can be easily illustrated by reference to trade mark-restrictive measures, where owners' inability to continue using their marks freely on the packaging of their goods can have a severe impact on the expressive (and other) meanings conveyed by the mark. This, in turn, will prevent all other expressive users from pursuing their identity projects through use of the mark (whether they are aligned with, or critical of, those of the right holder). In this context, owners' efforts to retain package space (or even to regain in plain packaging) can hardly be said to run counter to cultural production and expressive freedom. Quite the contrary: trade mark rights would serve to further both goals.

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CHAPTER 5

CASE STUDY I: PLAIN PACKAGING LEGISLATION

5.1. Preliminary Considerations

The aim of the final two chapters of the thesis is to test, by means of case studies, the ability of the proposed reconceptualization of the interaction between marks and speech to refine existing judicial approaches to interaction cases. As advanced in Chapter 2, acknowledgement of the plurality of expressive interests involved in trade mark use can greatly assist courts in striking a better balance in these cases. The hope is that this will, in turn, lead to fairer, more consistent outcomes. To this end, Chapter 5 will explore how the rebalancing exercise might look like in ownership litigation, more precisely, upon assessment of the compatibility of PPL with freedom of expression. And Chapter 6 will assess the implications derived from the rebalancing exercise in instances of recoded use of marks for expressive purposes in the recoding context.

Before delving into these case studies, however, it seems appropriate to revisit the fundamental tenets of the proposed reconceptualization that were advanced in Chapter 2. At the risk of sounding repetitive, a certain degree of familiarity with the suggested reconceptualization between marks and speech is necessary to fully grasp the extent of my contribution as illustrated by the case studies. This is particularly the case where, like here, the readers now find themselves in a better position to assess the merits of the proposed improvements to the conceptual frameworks employed by courts in interaction cases. It is expected that the detailed analysis of European and US case law undertaken in Chapters 3 and 4 will allow the reader to better understand the shortcomings that my proposed reconceptualization rests upon, and seeks to redress.

The reader will recall that the core shortcoming identified in the case law is the incomplete conceptualisation of the interaction between marks and speech. The conceptual frameworks employed by courts hearing interaction cases on both sides of the Atlantic are similarly flawed insofar as they conceive of the relationship between marks and speech as being unidirectional –that is, as either advancing the interests of right holders in ownership litigation or of recoders in recoding cases. All the cases surveyed in the previous two chapters constitute proof of this. As we have seen, challenges to the validity of public measures encroaching on trade mark use or registration are grounded exclusively on their compatibility with right holders'/applicants' speech rights. No decision maker appears to have gone further in this inquiry to address the potential interferences that such measures can effect on the freedom of expression of other expressive users of marks. Similarly, in recoding litigation, courts have systematically taken into consideration solely the expressive interests of recoders upon assessment of the compatibility of unauthorised trade mark use with owners' exclusive rights. This is surprising in the face of widespread acknowledgement that expressive marks are, as we saw in Chapter 1, routinely used by individuals other than right holders and recoders to pursue their preferred identity projects. And what is even more surprising: the recognition of the expressive interests of right holders in ownership litigation does not seem to have transferred to the recoding context, nor vice versa (i.e. the expressive interests of recoders are equally not factored in by courts deciding ownership cases). I have serious difficulties finding an explanation to this. I suggested in Chapter 3 that this disconnect might have historical roots, insofar as invocation of free speech in interaction cases has been for the most part circumscribed to recoding litigation. Another explanation might be found in free speech operating as a reactive tool to safeguard the *status quo* by keeping in check the unintended consequences of: (a) ever-expanding trade mark rights; and (b) increasingly restrictive measures of public law targeting trade mark use and registration. As the case law surveyed shows, different parties have recourse to freedom of expression to pursue very different agendas. While recoders wish to shield their unauthorised uses of recoded marks for expressive purposes from infringement, right holders/applicants' aim is to continue making unobstructed use of their marks in the course of trade or, alternatively, to be granted access to the register. In other words, the opportunistic nature of parties' invocation of freedom of expression in trade mark law might also explain the seeming lack of communication between courts adjudicating ownership cases versus those adjudicating recoding cases.

Furthermore, the overview of the case law conducted in the previous chapters also goes to showing the diversity of approaches adopted by courts adjudicating interaction cases, even within the same jurisdiction. This has often led to irreconcilable outcomes despite the similarity of facts, or to divergent reasonings where the outcome is otherwise equivalent. For instance, in the US, similar expressive uses of marks by recoders have sometimes been found to infringe owners' exclusive rights, and sometimes not. This is most salient in the recent cases involving the sale of pet toys parodying well-known marks, where two different courts have applied the antidilution provisions of the Lanham Act differently to reach opposing outcomes.[539] In Europe, courts from different EU Member States have reached different outcomes in recoding litigation as a result of the adoption of divergent thresholds for determination of what

[539] *VIP Products* (n 8); *Haute Diggity Dog* (n 8).

amounts to expressive use of a mark that is deserving of protection under Article 10 ECHR. The stricter threshold imposed in the UK led the High Court to grant the preliminary injunctions requested by plaintiffs after a finding that defendants' uses were not expressive, while the more generous threshold applied by the courts of Germany and The Netherlands shielded defendants from infringement after a finding that their uses were indeed expressive.[540] In the registration context, we have seen that the EUIPO, the General Court and the UK Appointed Person have reached contrasting outcomes in similar scenarios involving challenges to refusals of registration. Moreover, both the EUIPO and the GC have gone as far as to show a worrying degree of internal inconsistency.[541]

This degree of fragmentation is partially the result of the incomplete conceptualisation of the interaction between marks and speech. By failing to acknowledge the expressive richness involved in trade mark use, the conceptual frameworks currently employed by courts are characterised by an over-simplified approach to the interaction. The proposed reconceptualization will thus allow for more nuanced adjudication. Furthermore, it will allow to bridge the existing gap between recoding and ownership cases through the recognition of a common principle. This is not to say that marks and speech interact in the same manner in both contexts, but rather that certain core principles are of application to all interaction cases, as mandated

[540] In the UK: *Ate My Heart* (n 6); *Miss World* (n 6). In Germany and The Netherlands, respectively: *Nadia Plesner* (n 7); *Violet Postcard (Lila-Postkarte)* (n 7).

[541] The EUIPO Boards of Appeal and the UK Appointed Person have, in most instances, admitted that freedom of expression is implicated in refusals to grant registration of marks. Amongst others: *R 495/2005-G, Jebaraj Kenneth* (n 4); *French Connection* (n 4), respectively. In contrast, some decisions from the EUIPO BoA and most decisions from the GC have denied such a possibility. For instance: Case T-69/17, *Constantin Film Produktion* (n 5); *R 510/2012-4, New Apostolic Church International* (n 452), respectively. As regards the GC, the exception to this would be Case T-232/10, *Couture Tech* (n 5), where the court seemed ready to accept applicant's free speech argument.

by human rights and constitutional instruments. Thorough enforcement of the guarantees enshrined in these instruments requires courts to adjudicate all interaction disputes with a view to ensuring protection of the diversity of (expressive) rights at stake –and not just the rights of a subset of expressive users depending on what they seek to attain (i.e. insulation against an infringement action, or trade mark use/registration in the face of trade mark-restrictive measures). This will result in improved enforcement of human rights instruments in trade mark disputes. The combined effect of these contributions (i.e. more nuanced adjudication coupled with a uniform approach to interaction disputes that ensures adequate enforcement of human rights guarantees) will result not only in better balanced and, thus, fairer outcomes, but also in increased consistency.

This should not be read as implying that refinement of the conceptual frameworks currently employed by courts will put an end to all instances of fragmentation. Far from that. For one thing, the CJEU in Europe and the Supreme Court in the US have a crucial role to play in the coming years to provide much-needed guidance in interaction cases. Moreover, as can be seen from the case law, this is a very complex area of law that requires courts to engage in highly sophisticated balancing exercises to ensure adequate protection of the diversity of conflicting interests at stake. It is, therefore, unrealistic to suggest that the refinement of one element in this complex scheme can put an end to all the shortcomings identified. Moreover, as will become apparent upon analysis of the case studies, the rebalancing exercises suggested can give rise to pitfalls of their own, that will demand further discussion and refinement. In particular, improving existing conceptual frameworks by focusing on competing forms of expression can create friction with trade mark doctrines as currently understood. This is particularly noticeable in the recoding context where, for instance, the lack of a theory of harm for free riding sits uncomfortably with the suggested reinterpretation of dilution grounds in the light of freedom of expression. It is thus not surprising that Elsmore has characterized 'competing expressionism [in interaction cases as] the source of a major headache'.[542] Although his inquiry is restricted to ownership cases, his observations apply to all interaction cases insofar as they invite reflection on the complexities derived from careful analysis of the interaction. As he eloquently puts it:

> The challenges posed by [health-furthering, trade mark-restrictive measures] to legal thinkers emerge not as titanic struggles for information or truth, but a competition of expression. Should one expression trump another? What about equality of expression? We enter a minefield, and digress to […] philosophical inquir[ies].[543]

Perhaps one would be best advised to follow Elsmore's example and digress. There are, however, very important lessons to be learned from the adoption of a more refined approach to the interaction between marks and speech that render the intellectual effort not only worthwhile, but also fascinating. The proposed reconceptualization is thus best understood as a –much-needed– step towards increased clarity and consistency in interaction cases.

[542] Elsmore (n 102) 107. In broader terms, Joanna Krzeminska-Vamvaka has characterized commercial speech as a 'major headache'. Joanna Krzeminska-Vamvaka, *Freedom of Commercial Speech in Europe* (Verlag Dr Kovac 2008) Ch 1.

[543] Elsmore (n 102) 107.

5.2. The Proposed Reconceptualization in Action: Challenging the Validity of PPL on Free Speech Grounds

5.2.1. Challenges to the Validity of PPL in the Case Law

As we saw in Chapter 4, PPL constitutes the ultimate form of health-furthering, trade mark-restrictive, legislation. It prohibits the use of non-word marks on packaging and severely restricts the manner in which word marks can be used: in a prescribed area of the package and in a standardised font and size. PPL is enacted in conjunction with other measures requiring manufacturers of the targeted goods to include combined health warnings covering most of the surface of the package. Although relatively few countries have enacted PPL to date, and only in relation to tobacco products, it has proved to be a very controversial measure, spanning litigation before international and domestic tribunals.

All challenges to the validity of PPL launched by trade mark owners have, so far, failed. Although the precise grounds on which these measures have been challenged vary across jurisdictions, decision makers have been called upon to either: (a) elucidate whether PPL constitutes a taking of property contrary to the protection afforded to the fundamental right to (intellectual) property under constitutional and human rights instruments and, thus, deserving of compensation;[544] or (b) to engage in a balancing exercise whereby the rights of trade mark owners are pitted against the right to (public) health.[545] In some cases, decision makers have even decided on both grounds, such as

[544] *JT International* (n 221); *R. (on the application of British American Tobacco (UK) Ltd)* (n 497).
[545] *R. (on the application of British American Tobacco (UK) Ltd)* (n 497).

was the case in the UK plain packaging saga.[546] We will now turn to analyse the most relevant cases to date in more detail.

5.2.1.1. High Court of Australia

Australia became the first country to ever enact PPL by virtue of the TPPA. Tobacco manufacturers brought challenges before the High Court of Australia against the federal government on grounds that the severe restrictions that the TPPA imposes on their exclusive rights amount to an acquisition of property on unjust terms and, thus, are unconstitutional.

In its decision of August 2012, the High Court ruled by a majority vote of six to one that, despite plaintiffs' marks (and other forms of intellectual property) constituting property under Australian laws, the TPPA did not amount to an acquisition of their property rights for constitutional purposes.[547] To reach its conclusion, the court relied on prior case law dealing with the interpretation of the concept of 'acquisition' under Australian constitutional law. To merit protection, an acquisition of property must cumulatively meet the following requirements: (a) there must be a taking of property, that is, a 'deprivation of property seen from the perspective of its owner […] [or an] extinguishment of rights'; (b) there must be an acquisition of property that 'involves receipt of something seen from the perspective of the acquirer'; (c) the benefit accruing to the government as a result of the acquisition must be proprietary in character; and

[546] ibid; on appeal: *R (on the application of British American Tobacco UK Ltd) v Secretary of State for Health* [2016] EWCA Civ 1182 (CA).

[547] *JT International* (n 221).

(d) the acquisition must be effected in unjust terms.[548] In the light of this interpretation, the High Court concluded that while the TPPA:

> [M]ay be said to constitute a taking in the sense that the plaintiffs' enjoyment of their intellectual property rights and related rights is restricted, the corresponding imposition of controls on the packaging and presentation of tobacco products does not involve the accrual of a benefit of a proprietary character to the Commonwealth which would constitute an acquisition.[549]

The High Court further held that the availability of package space (as a result of the restrictions imposed by the TPPA upon plaintiffs' trade mark rights) for the application of government-mandated health warnings:

> [D]oes not constitute such an accrual. Rather, it reflects a serious judgment that the public purposes to be advanced and the public benefits to be derived from the regulatory scheme outweigh those public purposes and public benefits which underpin the statutory intellectual property rights and the common law rights enjoyed by the plaintiffs. The scheme does that without effecting an acquisition.[550]

This line of reasoning reveals a shift in the court's analysis from an inquiry into whether the TPPA effects an acquisition of property for constitutional purposes to an exercise in balancing of rights. This transpires from the language employed by the court, where the public (health) benefits pursued by the TPPA are deemed to 'outweigh' those pursued by trade mark rights. I am not entirely persuaded by the court's reasoning. Firstly, the balancing exercise all too easily tilts in favour of the Commonwealth given the fundamental health interest pursued by the challenged measure. The court thus fails to engage in a nuanced analysis of the opposing interests at stake. And, secondly, the

[548] ibid [42].
[549] ibid [44].
[550] ibid [43].

justification of a measure on grounds that it furthers public health is a completely different inquiry to the one before the court, i.e. whether the taking of plaintiffs' (intellectual) property amounted to an acquisition of a proprietary nature on the part of the government. Answering the latter question would have required the court to explain why the Commonwealth does not benefit from the package space appropriation mandated by PPL in conjunction with enlarged health warnings. This is not the same thing as arguing that the measure is justified because it pursues the legitimate aim of furthering public health.

This is noted by Heydon J in his dissenting opinion when he argues that '[t]he problem is that acquisition is not prevented from being acquisition merely by reason of its purposes'.[551] In his view, the loss of package space by tobacco manufacturers as a result of the severe restrictions imposed on their (intellectual) property rights by the TPPA is precisely what allows the government to make use of such space to convey its own health-furthering message. He thus goes on to conclude that, when assessed in conjunction, the requirements imposed by plain packaging alongside the obligation to carry enlarged health warnings amount to a taking of property under the Australian Constitution and ought to be declared invalid. As he persuasively puts it:

> The rights the Commonwealth acquired substantially correspond with those the proprietors lost. A newly acquired right arose in the Commonwealth to command the publication of messages it desires to have sent, without charge, to the public. […]
>
> [T]he Commonwealth's purposes were achieved by nullifying many of the proprietary rights of the proprietors and passing to the Commonwealth the corresponding benefits and advantages relating to the ownership or use of property […].[552]

[551] ibid [227].

[552] ibid [218] & [227].

Heydon J's dissenting opinion is an oddity in the case law, for it constitutes the sole instance to date where PPL has been found to encroach on trade mark owners' constitutionally-protected right to (intellectual) property. It thus provides interesting food for thought. Notably, it highlights the need to assess the validity of PPL in conjunction with the requirement that packages bear enlarged health warnings. Otherwise, the court's assessment of the compatibility of these measures with fundamental rights will be incomplete, since the use of package space by public authorities to convey its health-furthering message is dependent on the encroachment on owners' rights effected by plain packaging. This finding has fundamental repercussions beyond interference with the right to (intellectual) property. This is particularly the case as regards freedom of expression, where the combined effect of both measures entails substituting owners' preferred message as conveyed through their marks with that of the government –thus amounting to compelled speech. Furthermore, because of the expressive richness involved in trade mark use, these measures also encroach on the speech interests of all other expressive users. They will be precluded from conveying their preferred messages through use of the mark as a result of the erosion of its expressive meanings due to lack of use, as well as their increasing association with the negative images conveyed by the health warnings. This argument will be explored further upon analysis of the proposed case study.

5.2.1.2. High Court of Justice of England and Wales

The UK SPTPR was also challenged unsuccessfully before the courts.[553] In an excruciatingly long decision, the High Court dismissed tobacco manufacturers' claims on all counts.[554] The court was asked to assess, *inter alia*, the compatibility of PPL with the principle of proportionality as provided for under EU primary legislation and the ECHR, as well as with the protection afforded to the right to (intellectual) property under A1P1 and Article 17 EU Charter.

As regards the principle of proportionality, the court began by noting that the manner in which the proportionality test ought to be conducted somewhat varies depending on the jurisdiction, i.e. whether EU law or the ECHR. According to Green J, however, a closer look at both tests reveals that they share four core elements and are, in essence, equivalent.[555] These elements, all of which must be fulfilled for a finding of compatibility with the principle of proportionality, are as follows: (a) the aim of the measure must be legitimate; (b) the measure must be suitable or appropriate to achieve the aim pursued; (c) the measure must be necessary to achieve such aim, in the sense that no equally effective, less restrictive measure could have been adopted instead; and (d) the measure must be proportional *stricto sensu*, i.e. the burden imposed by the measure must be proportionate to the benefits secured.

Before assessing each of these factors, however, the court had to rule on the 'intensity' with which the principle of proportionality applied in the case at issue. That

[553] *R. (on the application of British American Tobacco (UK) Ltd)* (n 497); on appeal before the CA: *R. (on the application of British American Tobacco UK Ltd)* (n 546).

[554] *R. (on the application of British American Tobacco (UK) Ltd)* (n 497).

[555] ibid [432].

is, the court had to determine the applicable margin of appreciation. Unfortunately, Green J's lengthy discussion of this point did not culminate in a clearly-defined standard of review, opting instead for a context-sensitive approach that required taking into consideration a plethora of factors –all of which pointed in favour of awarding a broad margin of discretion to the legislature.[556] Notably: (a) the protection of public health is deemed to be an extremely relevant area of legislative action, where decision makers benefit from a wide margin of appreciation; (b) the precautionary principle, which was found to be of application, cautions against declaring invalid a health-furthering measure on grounds of lack of robust evidence as to its effectiveness; (c) mechanisms were put in place by the government to review in the future the effectiveness of plain packaging as more evidence becomes available; (d) the very high status of the decision maker within the domestic legal system, in this case, Parliament; (e) the fact that the enactment process had been supervised by the European Commission; (f) the international consensus surrounding the need to reduce tobacco consumption as embodied in supranational law, notably the FCTC; and (g) the fact that public health is a shared competence between the EU and its Member States, where the latter are required by primary legislation to ensure a high level of health protection within their borders.[557]

The court went on to address each of the four factors previously identified. As regards the first factor, Green J was easily satisfied that the promotion of public health underlying PPL constitutes a legitimate aim. The second factor of the test (i.e. whether PPL is appropriate to achieve its intended aim) proved more complex. After a thorough,

[556] ibid [420] & [628].

[557] ibid [629].

often convoluted, analysis of the overwhelming amount of evidence put before the court (most of which originated in Australia, where the TPPA had been adopted several years earlier and, thus, the effects of PPL on smoking prevalence could begin to be assessed), Green J found that PPL constitutes a suitable means to protect public health by reducing smoking prevalence in the UK. In reaching this conclusion, he gave much weight to the qualitative evidence filed by the government showing that PPL: (a) reduces the appeal of the packaging; (b) increases the effectiveness of enlarged health warnings; and (c) reduces the chances of consumers being misled as to the harm posed by the goods. Importantly, it did not require a showing, by means of quantitative evidence, that the measure had achieved the aim pursued of reducing the prevalence of tobacco consumption in the UK. In this regard, Green J found the evidence to be inconclusive (while plaintiffs' evidence pointed to an increase in overall consumption of tobacco products of circa 2%, defendant's studies found a reduction of circa 1-3%) and of limited use, since plain packaging is not the only force at play in determining smoking prevalence.[558] The court thus equated consumers' reactions to PPL and enlarged health warnings (i.e. a reduction in appeal, an increase in effectiveness of health warnings and a reduction in the chances of consumers being misled) to a reduction in smoking prevalence. This was explicitly acknowledged by Green J:

> [Defendant's] research shows only that the impact of branding upon consumers is predictable and significant and that *it is a reasonable and strongly logical inference to draw that it will influence in a material way prevalence and consumption*. In other words it is a proper inference from the research base that restricting advertising and branding will be causally effective, albeit not with every person or to the maximum degree possible.[559]

[558] ibid [585].

[559] ibid [593] (emphasis added).

This inference need not, however, necessarily be true. Therefore, where the evidence is, as for PPL, inconclusive, courts would be best advised to refrain from sanctioning measures that effect a severe interference with fundamental rights by declaring them invalid. Especially in the context of measures the effectiveness of which will become more readily ascertainable in the near future and, thus, would be better adopted once the data shows that they are conducive to their intended aim. This argument, however, was precisely one of the various factors that we saw earlier served Green J to justify the broad margin of appreciation enjoyed by the legislature for the adoption of PPL. A broad margin of appreciation that can explain the low evidentiary threshold required by the court, as illustrated by its reliance on inferential reasoning.

As regards the third factor of the proportionality test (i.e. necessity), the court denied claimants' arguments that further taxation schemes, improved education campaigns or enhanced health warnings would be equally effective to PPL in attaining the purported level of reduction in smoking prevalence. Once again, the broad margin of appreciation afforded to the government imposed a very high burden of proof on claimants. Although Green J conceded that the initial burden of proof falls on defendant to show that the measure adopted is necessary, the evidentiary threshold imposed at this stage is very low insofar as 'the State can confine itself to explaining why in its view the measure it has adopted was necessary'.[560] It is only where claimants are able to provide robust evidence that a less restrictive, equally effective measure was available, that the government will be required to furnish further evidence to support its claim. This effectively shifted the burden of proof to plaintiffs, imposing a threshold that was

[560] ibid [662].

so high as to become *de facto* unreachable. There are two reasons for this. Firstly, the court expected tobacco manufacturers to be able to show 'the actual level of tax increase that […] would be sufficient to achieve the objective of standardised packaging', ideally by means of quantitative evidence.[561] This seems to be an unreasonable requirement in light of the previous finding of the court that the quantitative evidence coming out of Australia is inconclusive in terms of showing a clear reduction in smoking prevalence. For if we cannot say with any certainty what percentage of the population has either quit or not taken up smoking as a result of plain packaging, how can plaintiffs be expected to suggest a tax increase that would attain the same result? Secondly, Green J insisted that reduction of smoking prevalence is better achieved through adoption of different policies together. This raises the bar even higher for plaintiffs, who are precluded from suggesting that modification of existing measures (for instance, tax increases) can achieve the same result as plain packaging, but rather must look for new ways to curb tobacco consumption in order for their challenge under necessity to be successful. Presumably, even if tobacco manufacturers were able to propose such a new measure, the complementarity argument would prove flexible enough to allow the court to find that plain packaging is still necessary –since it would arguably further contribute to reducing smoking prevalence.

Finally, the court went on to assess the fourth factor of the proportionality test (i.e. proportionality *stricto sensu*). To this end, Green J engaged in a balancing exercise whereby the right to (intellectual) property of trade mark owners was pitted against the right to (public) health of UK citizens. In his view, the scales weighed heavily in favour of

[561] ibid [667].

defendant, for several reasons. Firstly, promotion of public health constitutes one of the highest of all public interests. This is particularly the case where the challenged measure targets a good that is known to pose a severe threat to human health. Secondly, the restrictions imposed by PPL on trade mark owners, while being quite severe, 'only' precluded them from promoting their goods, and not from distinguishing them in the course of trade. The bottom line interest of the tobacco companies in the right to promote their property was 'profit', hence an interest of a purely economic nature. And, thirdly, the benefits brought about by PPL are of such relevance and magnitude that the burden imposed on owners' rights is in no way disproportionate. To undertake this analysis, and in light of the difficulty of balancing incommensurable interests, the High Court went on to monetise the costs at stake. Data filed by defendant showed that the benefits derived from PPL as a result of the expected reduction in smoking prevalence amounted to £30 billion, while the costs imposed, mostly on right holders, amounted to barely £5.2 billion, leaving a net benefit of approximately £25 billion. Since plaintiffs had failed to provide solid evidence showing that the costs of PPL on their businesses would be higher, Green J relied on this figure to undertake his analysis. It was, thus, clear from the balancing exercise that, in monetary terms, the savings brought about by plain packaging outweighed the costs imposed on claimants' (intellectual) property rights. This finding was reinforced when non-monetised interests, which carry particular weight in the area of public health, were taken into consideration. Evidence filed by the government estimated a substantial improvement in overall quality of life derived from a reduction in tobacco consumption, notably as a result of a reduction in smoking-related diseases (and the ensuing physical and emotional pain), as well as a significant increase in extra years of life that would be 'equivalent to saving 490,000 years'.[562] Green J noted that if the balancing exercise on monetised terms had been less clear-cut, he 'would have attributed significant weight to these non-monetised considerations' – further raising the bar for claimants to succeed on a proportionality challenge.[563]

The court continued by assessing the compatibility of PPL with the protection afforded to claimants under A1P1. Not surprisingly, the court accepted that intellectual property rights, including trade marks, are deserving of protection under the fundamental right to property. Green J also agreed with claimants that PPL interferes with said right. After careful consideration, he held that PPL does not effect an expropriation of plaintiffs' rights, but rather amounts to a form of control of use (where, in light of the case law of the ECtHR, the proportionality principle and the duty to compensate apply less strictly).[564] To reach this conclusion, the court first rejected claimants' argument that their property rights had to be assessed individually for each mark since 'in practice the trade marks used by the Claimants work in conjunction with each other. It is the portfolio effect that matters'.[565] This allowed the court to avoid both the complexities derived from individual assessment of all affected marks, as well as of having to subject non-word marks to a different proportionality test to word marks (i.e. because PPL bans use of the former, interference with ownership could more easily amount to expropriation). And because tobacco manufacturers still retained ownership over their marks and could use their word marks to identify the commercial origin of

[562] ibid [707].

[563] ibid [708].

[564] ibid [732].

[565] ibid [749].

their goods, the precedents set by the court of Strasbourg led Green J to find that PPL effects a control of use and not an expropriation –this is the case 'even if what is left of a right following the state interference is limited or vestigial or non-existent'.[566]

The next step in the inquiry involved applying a fair balance test to determine whether plaintiffs were entitled to compensation as a result of having their property subjected to a control of use. According to Green J, the balancing exercise once again weighed against claimants, for two reasons. Firstly, as already explained upon analysis of proportionality *stricto sensu* upon application of the principle of proportionality, he held that right holders' proprietary interests had to give way to the right to health of UK citizens. And, secondly, he distinguished this case from prior case law where the ECtHR had granted compensation for measures effecting a control of use of property on several grounds, notably that claimants' proprietary interests sought 'to promote a product that is internationally recognised as pernicious and which leads to a health "epidemic"'.[567] Hence, the unique characteristics of tobacco as a significantly harmful and vicious product weighed heavily against claimants' claim for compensation.[568] This argument could prove of relevance upon consideration of the validity of PPL of products other than tobacco, where the risks posed to health will be less stringent (especially in terms of their reduced addictiveness) and, thus, the balancing exercise could more easily tilt in favour of granting compensation to trade mark owners.

[566] ibid [770].

[567] ibid [749].

[568] The court took this argument further to conclude that, even if the interference with claimants' property rights were to constitute an expropriation, the unique characteristics of tobacco as an extremely harmful and vicious product would advise against granting compensation, since it would fall under the 'exceptional circumstances' exclusion provided for in the test. ibid [800]-[812].

A final comment should be made regarding the challenge raised by claimants to the incompatibility of PPL with their right to property as protected under Article 17 EU Charter. Tobacco manufacturers had advanced a reading of this provision in conjunction with Article 52 of the Charter, according to which measures interfering with the rights enshrined in the Charter ought to 'respect the[ir] essence'. In their view, this safeguard operated in addition to the requirement that PPL's interference with their right to property be proportional. The High Court rejected this argument outright, holding that it would 'result i[n] legal nonsense' since courts would be precluded from reconciling clashes between fundamental rights on the basis that one prevails over the other.[569] Quite apart from rendering most public measures impinging on fundamental rights void, such an interpretation would be contrary to the EU Charter and the ECHR, as well as the case law of the ECtHR and the CJEU, which have repeatedly recognised that certain rights can take precedence over others. To illustrate this point, and prompted by claimants' arguments, Green J engaged in discussion of the decision of the CJEU upholding the validity of the Tobacco Products Directive in its latest version.[570] According to the CJEU, tobacco manufacturers' right to, *inter alia*, freedom of expression (which, as we saw in Chapter 4, had been interfered with by banning information on the packaging about the characteristics of tobacco products that was liable to mislead consumers) was trumped by the right to (public) health. Such a finding did not, as

[569] ibid [825]. Despite this finding, Green J would go on to hold that, even in the event that claimants' interpretation of Article 52 EU Charter were correct, PPL did not affect the essence of their right to property since trade mark rights are, at their core, negative rights entitling owners to prevent third parties from using identical or confusingly similar marks, not positive rights entitling owners to use their marks. For the sake of argument, Green J held that even if marks were deemed to grant positive rights of use, PPL would not affect the essence of the right to property since it does not 'include[] a right to *use* […] to facilitate a lethal health epidemic'. ibid [832] (emphasis in the original).

[570] Case C-547/14*, Philip Morris Brands* (n 220). This case, including the opinion of AG Kokott, was discussed in detail in Chapter 4.

explicitly held by the CJEU, entail an interference with the essence of such right.[571] Green J relied on this precedent to conclude that the essence of a fundamental right is not necessarily impaired where it clashes with another such right, even in instances where it 'is forced wholly to give way to a superior fundamental right'.[572] Unfortunately, he went further to read the decision of the CJEU as 'implicitly endors[ing] the absolute primacy of the right to health over the right of persons to […] express themselves or to provide information in relation to that business'.[573]

This reading of the judgment is, however, misguided. There is nothing in the language employed by the CJEU to suggest that health occupies a higher position in the hierarchy of rights than freedom of expression, let alone that such primacy ought to be considered 'absolute'. The CJEU simply stated 'that human health protection […] outweighs the interests put forward by [claimants]'.[574] There is even room to argue that the lack of such an explicit finding from the CJEU was deliberate. In her opinion in this case, AG Kokott's finding that tobacco manufacturers' freedom of expression ought to give way to the right to health arguably resulted from the latter 'ha[ving] been recognised as having a particularly high importance'.[575] While this is still not the same

[571] ibid [151]. It should be noted that AG Kokott took this argument further in her opinion when she held that 'the essence of freedom of expression […] is likewise not affected if commercial communications by undertakings which are intended solely to promote sales are restricted by an EU legislative act'. ibid Opinion of AG Kokott [236]. Taken at face value, this finding could close the door to any measures impinging on trade mark use ever constituting an interference with the essence of the right to freedom of expression, insofar as marks tend to be characterised as commercial speech. It is, therefore, reassuring that the CJEU did not make such a sweeping statement when it held that, in the case at issue, the prohibition on misleading information does not affect the essence of tobacco manufacturers' right to freedom of expression.

[572] *R. (on the application of British American Tobacco (UK) Ltd)* (n 497) [828].

[573] ibid [828].

[574] Case C-547/14*, Philip Morris Brands* (n 220) [156].

[575] ibid Opinion of AG Kokott [233].

thing as holding that the right to health enjoys 'absolute primacy' over the right to freedom of expression, it is certainly closer. In its judgment, however, the CJEU employed a different line of reasoning to that of the AG, including a reluctance to use language that could be interpreted as implying some form of hierarchical superiority between the rights at stake.

5.2.1.3. WTO DSB Panel

The validity of Australia's TPPA has also been challenged before the Dispute Settlement Body of the WTO in the dispute launched by complainants Honduras, the Dominican Republic, Indonesia and Cuba on grounds of incompatibility with international trade law, notably the TRIPS Agreement.[576] The panel report, which was issued in June 2018, dismissed complainants' claim on all counts after an excruciatingly long, often tortuous discussion of the different arguments put forward by the parties and their accompanying evidence. For the sake of brevity, I shall only address here the discussion involving the compatibility of the TPPA with Article 20 TRIPS prohibiting unjustified encumbrances on trade mark use, where the DSB panel was required to engage in a balancing exercise of sorts between the proprietary interests of trade mark owners and public health.

The panel followed a two-stage approach to the analysis of Article 20 TRIPS, elucidating first whether the restrictions imposed by the TPPA on tobacco manufacturers' ability to use their marks amounted to an 'encumbrance by special

[576] *WTO, Australia: Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging* (n 487).

requirements', and, if so, whether it was 'unjustifiable'.[577] The panel was easily persuaded that the TPPA effects an encumbrance on trade mark use. This was the case as regards not only word marks, whose use is obviously subject to 'special requirements' by appearing on a prescribed area of the package and in a standardised font and size, but also non-word marks. This distinction had proved controversial in the literature prior to the panel's report, with some authors claiming that a total prohibition on the use of figurative and shape marks is something different to, and not encompassed by, an 'encumbrance' on use 'by special requirements'.[578] This was also the argument put forward by Australia before the DSB. However, the panel held that it would be inconsistent with the aim of Article 20 TRIPS for a restriction that is so intense as to amount to a total prohibition on trade mark use not to be covered by it, where a less intense restriction would be covered.[579]

The panel then went on to assess whether the 'encumbrance' on trade mark use effected by the TPPA was 'unjustifiable'. The determination of justifiability under Article 20 TRIPS requires the DSB to 'balance […] the legitimate *interest* of trademark owners in using their trademarks in the marketplace [against] the right of WTO Members to adopt measures for the protection of [public health]'.[580] To this end, the panel must:

[577] Article 20 TRIPS reads as follows: 'The use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements'.

[578] Mark Davison, 'Plain Packaging of Tobacco Products and the "Right" to Use a Trade Mark' [2012] EIPR 498. See, opposing this view: Daniel Gervais and Susy Frankel, 'Plain Packaging and the Interpretation of the TRIPS Agreement' (2013) 46 Vanderbilt Journal of Transnational Law 1149.

[579] *WTO, Australia: Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging* (n 487) [7.2236].

[580] ibid [7.2429] (emphasis added). The reader that is unacquainted with the panel report, or with the large body of scholarly literature produced in the run-up to its publication, might overlook the language employed by the panel here. Reference to 'the legitimate *interest* of the trademark owner in using its trademark' (emphasis added), as opposed to the *right* of the owner to use its mark, serves as a reminder of the (low) degree of protection afforded to right holders against encroachments on trade mark use under the TRIPS Agreement. The panel had already clarified this upon discussion of the compatibility of

> [Take into] consideration […] the following factors:
> (a) the nature and extent of the encumbrance resulting from the special requirements […];
> (b) the reasons for which the special requirements are applied […]; and
> (c) whether these reasons provide sufficient support for the resulting encumbrance.[581]

The last limb contains the applicable standard of review. In requiring that the reasons for which the challenged measure was adopted 'provide *sufficient support* for the resulting encumbrance', the panel believes to be adopting a standard that is more exacting than rational basis review (i.e. a finding that the challenged measure bears a rational connection to the aim pursued by the legislature will suffice to render it compatible with the overarching rules).[582] Unfortunately, however, the differences between 'sufficient support' and 'rational connection' are not sufficiently explored by the panel, especially with regards to the nature and extent of the evidence required to satisfy each standard. In any event, the applicable test is undoubtedly low. This is particularly so in the case at hand, where the challenged measure aims to promote public health, a governmental interest of utmost importance to WTO Member States, as recognised in Article 8 TRIPS, as well as in prior case law from the DSB. As noted by the panel, 'the Appellate Body has recognized the preservation of human life and health

the TPPA with other provisions contained in the TRIPS Agreement, notably Article 16.1 granting right holders a negative right to exclude third parties from using an identical or confusingly similar sign (but not a positive right to use their marks in the course of trade). Although the parties to the dispute had not gone as far as to claim that the TRIPS Agreement grants such a positive right to use (ibid [7.1966] & [7.1971]), the panel went to great lengths to clarify that trade mark use is deserving of limited protection as an *interest* (*inter alia*, ibid [7.2008]). This was in keeping with the findings of the prior Panel Report in *WTO, European Communities: Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs - Panel Report* (15 March 2005) WT/DS290/R.

[581] *WTO, Australia: Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging* (n 487) [7.2430].

[582] ibid [7.2430]. See also ibid [7.2422] for further discussion.

as a value that is "both vital and important in the highest degree"'.[583] Furthermore, the TPPA was adopted by Australia to give effect to its international obligations under the FCTC, an instrument that embodies the international consensus surrounding the need to curb smoking prevalence worldwide. Therefore, when pitted against the low level of protection afforded to owners' *interest* in using their marks in the course of trade, the balancing exercise very easily weighed in favour of the TPPA.[584]

As regards the evidentiary burden, the panel seemed to be willing to accept that the public health rationale underpinning the TPPA would provide 'sufficient support' for the 'encumbrance' with as little as a showing that it is 'capable of contributing' to this aim.[585] This could lead to restrictions on trade mark use being deemed compatible with the protection afforded to right holders under Article 20 TRIPS irrespective of whether the challenged measure does, as a matter of fact, contribute to attain its intended objective. This is a surprisingly low threshold. In the case at issue, however, the panel found that the TPPA 'do[es] in fact contribute […] to Australia's objective of improving public health by reducing the use of, and exposure to, tobacco products'.[586] The panel reached this conclusion upon assessment of the overwhelming amount of evidence filed by the parties, from which it transpired 'that the removal of design features on retail packaging and cigarettes is apt to reduce the appeal of tobacco products and increase

[583] ibid [7.2587], citing; *WTO, European Communities: Measures Affecting Asbestos and Products Containing Asbestos - Appellate Body Report* (12 March 2001) WT/DS135/AB/R [172].

[584] See the explanatory comments on the interpretation of 'interest' under the TRIPS Agreement in n 581.

[585] *WTO, Australia: Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging* (n 487) [7.2604].

[586] ibid [7.2604].

the effectiveness of [graphic health warnings]'.[587] Although the evidence showing a link between improved public health and a reduction in appeal and an increase in effectiveness of health warnings is far from solid, the panel was satisfied that the combined effect of the TPPA and enlarged health warnings had a 'statistically significant impact on smoking prevalence and cigarette wholesale sales'.[588]

Finally, the panel rejected complainants' argument that there were other, equally effective, alternative measures available to Australia, notably: (a) tax increases; (b) an increase in the minimum legal purchase age; (c) improved anti-smoking campaigns; and (d) the introduction of a pre-vetting mechanism for tobacco packaging (i.e. to ensure that the packaging does not contain any misleading element, thus achieving the same objective as the TPPA without removing all non-word marks in bulk). According to the panel, complainants had failed to provide sufficient evidence that any of these measures would be 'manifestly better' in increasing public health.[589] Therefore, by requiring that the alternative measures put forth by complainants be 'manifestly better' in achieving the intended objective, rather than equivalent to, the panel is arguably imposing a rather high burden of proof on complainants.

[587] ibid [7.2593]. In contrast to the decision of the High Court of England and Wales, the panel found that the available evidence did not support Australia's contention that PPL reduces the chances of consumers being misled as to the harm posed by tobacco products.

[588] ibid [7.986]. A nuanced discussion of the evidence filed before the panel is beyond the scope of this thesis. For the sake of completeness, however, it should be noted that different datasets filed before the panel provided conflicting results. Accordingly, while most of the evidence relied upon by complainants showed that there had been no statistically significant reduction in the volume of sale of tobacco products nor on smoking prevalence after the adoption of the TPPA and enlarged health warnings (and even in some cases showed an increase), the evidence filed by Australia showed a minor, yet statistically significant acceleration in the reduction in smoking prevalence and volume of sales when compared to the pre-TPPA implementation period. Ultimately, the panel dismissed most of the expert reports filed by complainants, often on grounds that they lack the required rigour, favouring those filed by Australia. For a very detailed, though at times confusing discussion of this evidence, see the Appendices to the panel report.

[589] ibid [7.2597]-[7.2603].

5.2.2. The Proposed Case Study

5.2.2.1. Preliminary Considerations

The proposed reconceptualization will follow closely the decision of the High Court of England and Wales in the challenge launched by tobacco companies to the UK SPTPR.[590] There are several reasons for this. Firstly, the court not only assessed whether the regulations amounted to an expropriation of plaintiffs' (intellectual) property rights, but also analysed the compatibility of the regulations with the principle of proportionality, engaging in a balancing exercise whereby the right to property was pitted against the right to health. Secondly, the decision of the High Court was decided in application of key international human rights instruments, more precisely, the ECHR (alongside the UK Human Rights Act 1998) and the EU Charter. And, thirdly, Green J's analysis of the legal challenges raised by plaintiffs is fairly sophisticated, engaging in careful examination of the evidence filed before the court. Therefore, it provides a robust framework from which to assess the compatibility of PPL with the fundamental right to freedom of expression.

It should be noted at the outset that the proposed reconceptualization will not alter the outcome of this decision in relation to the compatibility of PPL with the protection afforded to the fundamental right to (intellectual) property. However, it can lead to a finding that PPL is incompatible with human rights guarantees in two ways. Firstly, by confronting courts with the need to assess whether PPL is compatible with the specific protection afforded to the fundamental right to freedom of expression. In

[590] *R. (on the application of British American Tobacco (UK) Ltd)* (n 497).

Europe, this would require analysing whether PPL is compatible with Articles 10 ECHR and 11 EU Charter, as interpreted by the ECtHR, the CJEU and domestic courts. This is a separate inquiry from that undertaken in relation to the right to (intellectual) property, protected under A1P1 and Article 17 EU Charter, since the object of the protection afforded by each of these rights is fundamentally different. And, secondly, by requiring that the analysis of whether PPL is compatible with the principle of proportionality includes not only respect for the fundamental right to (intellectual) property, but also for freedom of expression. The proposed case study will focus on these two aspects of the judicial inquiry.

5.2.2.2. Compatibility of PPL With the Fundamental Right to Freedom of Expression

Assessment of the compatibility of PPL with the fundamental right to freedom of expression would require the court to determine, in the first place, whether the right to freedom of expression has been interfered with. Three factors weigh in favour of such a finding. Firstly, in instances where measures of public law seek to prevent individuals from speaking a given message, the case law of the ECtHR proves to be rather deferential to individuals' expressive needs. For example, the court found that appellant's freedom of expression had been interfered with where: (a) a regional bar association imposed a penalty on a solicitor for advertising his legal services on several newspapers and magazines; (b) a domestic court imposed an injunction on a publishing firm specialising on sectorial bulletins to refrain from criticising and boycotting a company in the future; (c) a national broadcaster refused to air an animalist association's commercial exhorting viewers to reduce their meat consumption; or (d) a city council denied a non-profit association's request to conduct a poster campaign aimed at proselytising viewers.[591] In light of these precedents, it is very likely that a court would find the restrictions on trade mark use imposed by PPL to interfere with tobacco manufacturers' freedom of speech, since they are precluded from speaking their preferred messages on the packaging of their goods.

Secondly, as we saw in Chapter 4, the CJEU and its Advocates General have found that public measures imposing similar requirements to PPL on tobacco manufacturers' ability to communicate their preferred messages in the marketplace effect an interference with their right to freedom of expression. This was the case even where the restrictions on speech were less stringent than those imposed by PPL, such as the requirement provided for in the latest version of the Tobacco Products Directive that the packaging of tobacco products bear enlarged health warnings, reducing the space available for marks –but not banning their use. According to AG Kokott, health warnings covering 65% of the packet surface effect an interference with tobacco manufacturers' freedom of expression.[592] But the most useful precedent in this regard can be found in AG Fennelly's opinion discussing the validity of the advertising ban imposed on tobacco products by virtue of the Advertising Directive.[593] In his view, the additional prohibition on the use of trade marks already associated with other goods on tobacco products interfered with the freedom of expression of tobacco manufacturers. In his own words: 'the application of […] a brand or mark to a product also constitutes an exercise of freedom of commercial expression'.[594]

[591] Respectively: *Casado Coca* (n 185); *Markt Intern Verlag* (n 185); *VgT Verein Gegen Tierfabriken v Switzerland* App no. 24699/94 (ECtHR, 28 June 2001); *Mouvement raëlien suisse* (n 184).

[592] Case C-547/14, *Philip Morris* (n 220), Opinion of AG Kokott.

[593] Case C-376/98, *Germany v European Parliament* (n 221), Opinion of AG Fennelly.

[594] ibid [176].

And, thirdly, support for the contention that restrictions on trade mark use interfere with owners' speech rights can be found in the plethora of judicial and administrative decisions acknowledging that refusals to register a mark can interfere with applicants' freedom of expression.[595] As we saw, this is the case even where applicants are still able to use the non-trade marked signs in the course of trade (along with all other traders). Therefore, it seems safe to assume that the stricter restrictions imposed by PPL on owners' ability to use their marks for expressive purposes will amount to an interference with their right to freedom of expression.

The next step would require the court to determine whether such interference with the right to freedom of expression is justified. This analysis is far more complex, involving assessment of a plurality of factors: (a) the measure must be prescribed by law; (b) the measure must pursue a legitimate aim; and (c) the measure must be 'necessary' in a democratic society, in the sense that the interference responds to a 'pressing social need', is accompanied by 'relevant and sufficient reasons', and is 'proportionate'.[596] Plaintiffs challenging the validity of PPL will be best advised to focus on the last limb of the test, since proving that the first two limbs are not satisfied will be particularly onerous. Firstly, the government will have no difficulty in proving that the restrictions imposed by plain packaging on owners' right to freedom of expression have been prescribed by law. And, secondly, to the extent that PPL aims to further public health, it will be easy for a court to find that the aim of such measures is legitimate.

[595] Amongst others: Case C-240/18, *Constantin Film Produktion* (n 424), Opinion of AG Bobek; *R 495/2005-G, Jebaraj Kenneth* (n 4); *French Connection* (n 4).

[596] Amongst others: *Markt Intern Verlag* (n 185); *Casado Coca* (n 185); *Murphy v Ireland* App no 44179/98 (ECtHR, 10 July 2003); *Open Door and Dublin Well Woman v Ireland* App no 14234/88 (ECtHR, 29 October 1992); *Mouvement raëlien suisse* (n 184); *VgT Verein* (n 591); *Hertel v Switzerland* App no 25181/94 (ECtHR, 25 August 1998); *Barthold* (n 187); *Jacubowski v Germany* App no 15088/89 (ECtHR, 23 June 1994); *Handyside* (n 196).

Following the precedent set by the High Court of England and Wales, a finding that plain packaging reduces the overall appeal of the packaging of the targeted goods and enhances the effectiveness of health warnings will likely also suffice in the context of Article 10 ECHR to show that the aim pursued by PPL is legitimate.

As regards the requirement that the interference with the right to freedom of expression be 'necessary', a fundamental part of the inquiry will revolve around determination of the margin of appreciation to be afforded to the legislature. This will vary in accordance with the type of speech interfered with. Political and artistic expression, which are deemed to be of utmost importance for the proper functioning of a democratic society, are worthy of heightened protection and, thus, any interference will be strictly scrutinised. As repeatedly held by the ECtHR, encroachments on political and artistic expression are 'narrowly interpreted and the[ir] necessity […] must be convincingly established'.[597] At the other end of the spectrum lies commercial expression, which the ECtHR has systematically held to be deserving of less protection. As a result, 'States have a broad margin of appreciation in the regulation of speech in commercial matters or advertising'.[598] From the perspective of the judicial review undertaken by the court, this sometimes translates into ensuring that the interference with freedom of commercial expression is 'justifiable in principle'.[599] On other occasions the court has referred to measures restricting commercial speech as being justified on 'reasonable grounds'.[600] This is not to say that encroachments on commercial

[597] *VgT Verein* (n 591) [66]; *Hertel* (n 596) [46]; *Handyside* (n 196) [49].

[598] *Mouvement raëlien suisse* (n 184) [61]. See also, in similar terms: *Markt Intern Verlag* (n 185) [33]; *Casado Coca* (n 185) [50].

[599] *Markt Intern Verlag* (n 185) [33].

[600] For instance, in *Markt Intern*, the ECtHR held that 'the [ECtHR] should not substitute its own evaluation for that of the national courts in the instant case, where those courts, *on reasonable grounds*, had

expression will not 'be closely scrutinised by the Court',[601] which must 'weigh the requirements of the protection of the [public good justifying the challenged measure] against the [encroachment on appellant's freedom of expression]'.[602] Extrapolated to the trade mark context, this would entail balancing the need to protect (public) health against the restriction on trade mark use complained of. This is precisely what AG Fennelly set out to do when, relying on the case law of the ECtHR dealing with commercial expression, he imposed on the EU legislature the duty to provide 'reasonable grounds' for enacting the Advertising Directive. To dispatch its burden of proof, the EU was thus required to 'supply coherent evidence that the measure will be effective in achieving the public interest objective invoked […] and that less restrictive measures would not have been equally effective'.[603]

In practice, however, the case law of the ECtHR reveals that the broad margin of appreciation enjoyed by public authorities in cases involving interferences with commercial expression often renders the proportionality exercise futile. This is especially true of its more recent case law, where the court's analysis of whether a restriction is 'necessary' is governed by the very deferential principle that 'national authorities are […], by reason of their direct and continuous contact with the vital forces of their countries, in a better position than the international judge to give an opinion on the "necessity" of a "restriction"'.[604] When combined with the broad margin of

considered the restrictions to be necessary'. ibid [37] (emphasis added). See also, in similar terms: *Groppera Radio AG and Others v Switzerland* App no 10890/84 (ECtHR, 28 March 1990) [73].

601 *Casado Coca* (n 185) [51]; *Mouvement raëlien suisse* (n 184), Dissenting opinion of Judges Sajó, Lazarova Trajkovska and Vučinić [II].

602 *Markt Intern Verlag* (n 185) [34].

603 Case C-376/98, *Germany v European Parliament* (n 221), Opinion of AG Fennelly [159].

604 *Mouvement raëlien suisse* (n 184) [63]. See, in similar terms: *Casado Coca v Spain* (n 185) [55]. The reader acquainted with the case law of the ECtHR will recognise this approach from cases where the

appreciation afforded to public authorities for interference with commercial expression, this deferential approach often leads the court to deny relief to appellant after a rather cursory analysis that requires little to no evidence of 'necessity'.[605]

For instance, in *Mouvement Raëlien Suisse v Switzerland*, public authorities had denied the request by the Swiss chapter of the Raëlien Movement, an organisation claiming to have made contacts with extraterrestrials and spreading their teachings, to conduct a poster campaign aimed at proselytising viewers.[606] In addition to slogans and drawings of aliens and UFOs, the poster featured the address of the Movement's website, where internet users could find extended information on the Movement's teachings. Some of these include the promotion of cloning, advocating for geniocracy (i.e. the government of a selected intellectual elite) and views on sensuality, including on the 'sensual awakening' of children. In denying relief to appellant, the ECtHR was easily satisfied by the findings of the domestic courts that banning access to the requested billboards was necessary to safeguard morality and public health, as well as to prevent crime, since: (a) its support for geniocracy is at odds with democratic principles; (b) its endorsement of cloning, notably by means of providing hyperlinks to a website offering cloning services, promotes an unlawful activity; and (c) its teachings on

complexity and/or fluctuating nature of the object of inquiry warns against too easily dismissing the findings of the domestic courts. It is thus most often employed by the court upon assessment of the 'necessity' of interferences with freedom of expression that are justified on morality grounds, given the absence of a uniform European understanding of morals. See, amongst others: *Murphy* (n 596) [67]; *Wingrove v The United Kingdom* App no 17419/90 (ECtHR, 25 November 1996) [58].

[605] As regards interferences with commercial expression, see *Mouvement raëlien suisse* (n 184) [63]; *Casado Coca* (n 185) [55].

[606] *Mouvement raëlien suisse* (n 184). The ECtHR applied such a deferential margin of appreciation in this case despite the earlier finding that appellant's speech was not purely commercial. However, because it was closer to commercial than to political speech, the lower standard of review was of application. This will be explored further upon discussion of instances of mixed speech in the coming paragraphs.

the 'sensual awakening' of children could lead adults to sexually abuse children.[607] According to the ECtHR:

> Even though some of these reasons, taken separately, might not be capable of justifying the impugned refusal, […] the national authorities were *reasonably* entitled to consider, having regard to all the circumstances of the case, that it was indispensable to ban the campaign in question.[608]

Unfortunately, the court did not go on to explain how exactly these circumstances, when considered holistically, provide reasonable grounds for justifying the interference with the Movement's freedom of expression. Nor did it impose on the government a duty to furnish evidence showing that the Movement's teachings had in the past, or could be reasonably expected in the future, to cause public outrage, endanger human health through cloning activities, or put children at risk of suffering sexual abuses. This deferential approach to assessment of 'necessity' was heavily criticised by some members of the bench in the following terms:

> The undeniably better knowledge of local circumstances and sensitivities that militate in favour of the choices of national authorities must not become a fig-leaf for acquiescence in bigotry.
>
> The doctrine of margin of appreciation is a valuable tool for the interaction between national authorities and the Convention enforcement mechanism; it was never intended to be a vehicle of unprincipled deferentialism. Even a broad margin of appreciation does not diminish the need for relevant and sufficient explanation.[609]

[607] The court also gave considerable weight to the domestic courts' argument that the interference with appellant's speech was limited in scope since other avenues of communication remained at its disposal. ibid [75].

[608] ibid [72] (emphasis added).

[609] ibid Dissenting Opinion of Judges Sajó, Lazarova Trajkovska and Vučinić [V]. A similar criticism was put forth in *Lautsi and Others v Italy* Ap no 30814/06 (ECthR, 18 March 2011), Dissenting Opinion of Judge Malinverni, joined by Judge Kalaydjieva [1].

Because these voices remain marginal within the ECtHR, however, it is doubtful that they will steer the court towards demanding more robust justification of the 'necessity' limb of the test in cases involving commercial expression. Against this backdrop, a finding that PPL would interfere solely with the commercial speech of individuals would most likely render this type of legislation 'necessary' and, therefore, compatible with Article 10 of the Convention.

Determination of the type of expression involved in trade mark use will thus be of crucial importance to the court's assessment. Speech of the type that is limited to proposing business transactions or promoting goods and services is often deemed to constitute commercial expression. Although the ECtHR has not yet ruled on this issue in the specific context of trade marks, it has repeatedly held as much in relation to advertising and other forms of commercial communication.[610] As a result, most, if not all, conventional uses of marks would fall within this type of expression. I am referring to uses where the mark is signalling the origin, quality or other characteristics of goods or services, whether for purposes of informing or attracting consumers. Even expressive uses by right holders, to the extent that they ultimately seek to propose a business transaction, will likely be characterised as commercial expression. However, this need not always be the case –for instance, where the owner is clearly using the mark not so

[610] *Markt Intern Verlag* (n 185); *Casado Coca* (n 185). Some authors are critical of the distinction between political and commercial expression. In their view, there is no sound justification for limiting the scope of protection afforded to speech occurring in the marketplace, which is often just as crucial, if not more, as other forms of expression. This is particularly so in capitalist societies where communication of a commercial nature very often plays a prominent social role. See Alex Kozinski and Stuart Banner, 'Who's Afraid of Commercial Speech' (1990) 76 Virginia LR 627; Rodney A Smolla and Roy L Steinheimer, *Smolla & Nimmer on Freedom of Speech* (West Publishing Company 2009). Arguing against this view, see Sakulin (n 205); Barendt (n 253); Roger A Shiner, *Freedom of Commercial Expression* (OUP 2003).

much to inform or attract consumers, but rather to express a political or artistic message.

In this regard, the ECtHR has held that forms of expression that are usually characterised as commercial (such as advertising) must, when the aim and content of the message are fundamentally non-commercial, be scrutinised in application of a strict margin of appreciation. This was the case, for instance, where an animalist association's commercial exhorted viewers to reduce their meat consumption, since it did not seek to attract consumers but rather to engage in a broader debate. In the words of the court:

> [T]he applicant association's film fell outside the regular commercial context inciting the public to purchase a particular product. Rather, it reflected controversial opinions pertaining to modern society in general. […]
>
> As a result, in the present case the extent of the margin of appreciation is reduced, since what is at stake is not a given individual's purely "commercial" interests, but his participation in a debate affecting the general interest.[611]

The court reached a similar conclusion in relation to a political party's television ad encouraging viewers to vote for the party in the upcoming elections.[612] Or in the case of a paid religious advertisement, where the court held that 'the nature and purpose of the expression contained in the relevant advertisement accords with it being treated as religious, as opposed to commercial, expression even if the applicant purchased the relevant broadcasting time'.[613] Or in the context of inflammatory exhortations to readers of a magazine to stop buying and/or using microwave ovens on health grounds,

[611] *VgT Verein* (n 591) [70]-[71].

[612] *TV Vest* (n 184) [64].

[613] *Murphy* (n 596) [70].

which a domestic court had found to contravene unfair competition laws.[614] According to the ECtHR:

> [The] margin of appreciation is particularly essential in commercial matters, especially in an area as complex and fluctuating as that of unfair competition […] It is however necessary to reduce the extent of the margin of appreciation when what is at stake is not a given individual's purely "commercial" statements, but his participation in a debate affecting the general interest, for example, over public health.[615]

These cases concern what is commonly known as mixed expression, involving multi-layered uses of language that are capable of conveying more than one meaning or serving more than one communicative purpose at the same time. In *Barthold v Germany*, a veterinarian had been sanctioned for violating an advertising ban after mentioning that his clinic was open during the night in an unpaid interview published in a local newspaper.[616] In granting relief to plaintiff, the ECtHR gave much weight to the fact that appellant had informed about his clinic's opening times in the context of a broader discussion as to the urgent need for around-the-clock veterinary services in the region. Therefore, the commercial intent underlying his comments was, contrary to the finding of the domestic court, secondary. This led the ECtHR to deny that commercial intent has to be 'entirely overridden by other [non-commercial] motives' for a strict margin of appreciation to apply.[617] Such a finding would, according to the court, chill expression by 'discouraging […] contributi[ons] to public debate on topics affecting the

[614] *Hertel* (n 596).

[615] ibid [47].

[616] *Barthold* (n 187). Decided in 1985, this is a very early case involving mixed expression. Since the ECtHR did not begin to articulate the commercial expression doctrine in a more recognisable form until later on, notably in *Casado Coca* (n 185), the discussion of the applicable level of scrutiny is not phrased in terms of political v commercial expression.

[617] ibid [58].

life of the community if ever there is the slightest likelihood of [such] utterances being treated as entailing, to some degree, an advertising effect'.[618] However, the court has not provided detailed guidance on where exactly the line must be drawn in instances of mixed expression between speech that will be subject to strict scrutiny and speech that will not.

To complicate things further, in *Mouvement Raëlien Suisse*, the ECtHR seems to have opened the door to a new category of expression that serves a proselytising function, that would lie somewhere along the spectrum between commercial and political speech.[619] In the case at issue, the court found that it fell closer to commercial expression, hence why it opted for a broad margin of appreciation. According to the court:

> [T]he type of speech in question is not political because the main aim of the website in question is to draw people to the cause of the applicant association and not to address matters of political debate in Switzerland. Even if the applicant association's speech falls outside the commercial advertising context – there is no inducement to buy a particular product– it is nevertheless closer to commercial speech than to political speech *per se*, as it has a certain proselytising function. The State's margin of appreciation is therefore broader.[620]

Dissenting voices within the bench believe that '[t]his new standard runs counter to the Court's well-established case-law and diminishes the protection of speech, without offering compelling reasons'.[621] While I agree that the majority would have been best

[618] *Barthold* (n 187) [58].

[619] Several members of the bench held as much in their dissenting opinion: 'the majority relies on the introduction of a new category of "lower-level" speech. Accordingly, a so-called "non-political", "quasi-commercial" speech that "has a certain proselytising function" is deprived of the protection granted to speech in general'. *Mouvement raëlien suisse* (n 184), Dissenting Opinion of Judges Sajó, Lazarova Trajkovska and Vučinić [1].

[620] ibid [62].

[621] ibid Dissenting Opinion of Judges Sajó, Lazarova Trajkovska and Vučinić [1].

advised to steer clear of such ambiguous language, its reasoning is easily reconcilable with the court's prior case law. It can be read as a case of mixed expression where the very tenuous non-commercial aim and content of the poster counsel against imposing a strict margin of appreciation. In any event, this decision is likely to remain controversial until the ECtHR clarifies whether it intended to create a new category of expression.

In the trade mark context, mixed expression can occur where the right holder uses its mark not only to distinguish or promote its goods or services, but also to express its view on a broader topic and engage in public debate. This was the case, for instance, in the 'Benetton' advertisements cases decided by the Constitutional Court of Germany.[622] The contentious ads showed different images dealing with issues of environmental, social and health concern, for instance, a picture of a person's naked behind with the words 'HIV Positive' stamped on the skin, or a dying AIDS patient surrounded by his grieving family. The apparel company's well-known mark consisting of the words 'UNITED COLORS OF BENETTON' contained in a green square was featured in a corner of the ads. In overturning the decision of the Federal Court of Justice upholding a ban on the publication of these ads pursuant to the Unfair Competition Act, the Constitutional Court gave much weight to the robust protection afforded to political expression under the German Constitution. According to the court, this degree of protection is in no way affected by the fact that the socially-relevant message is conveyed in an advertising context where the aim is not only to engage in public debate, but also to further the company's commercial interest in attracting consumers by building a particular brand image. In the words of the court:

[622] *Benetton I* (n 187); *Benetton II* BVerfG 107, 275 (11 March 2003).

> The advertisements draw the attention to socially and politically relevant issues and are also suitable for gaining public attention for these issues. The special protection that [the right to freedom of expression] provides particularly for this form of expression is not diminished by the fact that [the ads] […] do not make any substantial contribution to the debate on the deplorable situations that they depict. The (mere) denouncement of an injustice can also be an important contribution to the free exchange of ideas. […]
>
> The denouncing effect of the advertisements, which are critical of society, is not called into question by the advertising context.[623]

Two things should be noted about this decision. Firstly, as can be seen from the quoted passage, the court's analysis of the scope of protection to be afforded to individuals in instances of mixed expression is quite sophisticated. By looking into both the aim and content of the advertisements, the court proves to be aware of, and able to navigate, the multi-layered capabilities of language, including in commercial settings. And, secondly, the court's reasoning is well attuned to the unique characteristics of the communication process in commercial settings. The court adopts a broad interpretation of what amounts to engagement in public debate when it finds that condemning a given situation, without going further into its substance, is sufficient. This finding proves particularly significant in the advertising and trade mark contexts, where communication is often reliant on images and other figurative elements (instead of text) and, thus, not inherently suited for articulation of elaborate arguments. We have seen in previous chapters many examples of recoded uses of marks that, by conveying a critical or humorous message, can serve to illustrate this point. For instance, the recoded version of Adidas AG's 'three-stripe' logo as lines of cocaine was used by the recoder to convey a critical message on addictive consumption patterns in the contemporary

[623] *Benetton I* (n 187) [41]-[42].

marketplace.[624] Engagement with the broader debate on consumerism beyond criticism could hardly be achieved here without compromising on the effectiveness of the recoded sign to incite viewers into thinking critically about their purchasing behaviour. The court seems to be aware of this, providing an interpretation of 'engagement in public debate' that is flexible enough to accommodate expressive uses of marks that pursue such aim.

As we saw in Chapter 4, by prohibiting the use of non-word marks, PPL targets the advertising, quality and expressive functions of marks. Because marks can now only be used to signal commercial origin, right holders are precluded from communicating any form of political or artistic message through use of their marks. In other words, they are prevented from using their marks expressively for, amongst other reasons, engagement in public debate of the sort that can render mixed expression subject to strict scrutiny. There is thus ample room to argue that a court should impose a narrow margin of appreciation upon assessment of the 'necessity' of the interference that PPL effects with right holders' freedom of expression.

Moreover, and since PPL also has an impact on the ability of individuals other than right holders to express themselves through trade mark use, the interference that it effects with freedom of expression will, in any case, have to be strictly scrutinised. As we have seen throughout this thesis, trade marks laden with expressive meaning are not only used by right holders, but also by consumers of branded goods and even third parties wishing to recode the meaning conveyed by the mark. It is ever more commonly the case that these third parties not only seek to express themselves through use of the

[624] See image to n 170.

recoded mark, but also wish to spark a debate in which other individuals can also participate. To this end, they use the recoded sign as a brand by affixing it to goods that are then offered for sale to interested individuals who, through purchasing and consuming such goods, also engage in expressive uses of the recoded mark. These uses have often been found in the case law and literature to constitute political or, at the very least, artistic statements, insofar as they convey critical messages on issues of public concern, including on capitalism and modern forms of consumption.[625] Furthermore, marks can be used expressively in everyday conversations by any and all individuals, including to express political ideas. One can think, for instance, of the 'Marlboro' mark, which was so often used expressively in the past to make reference to a very specific type of man having the attributes of a macho: ruggedness, virility and physical strength. Expressive uses of this mark that would undeniably amount to political expression include the following example: 'an important struggle of contemporary feminism revolves around deconstructing the idea of toxic masculinity so perfectly embodied by the Marlboro man'.

These examples of expressive uses of trade marks, whether by recoders, consumers or in everyday conversations, shed light on the impact that PPL can have on expression, including on political and artistic expression. Critics of this view might argue that these types of expressive uses of marks will not be precluded as a result of PPL. However, as explained in Chapter 4, restrictions on trade mark use can, depending on their intensity, prevent marks from developing such expressive meanings in the first place, as well as from remaining stable over time. As has been the case with trade marks

[625] Amongst others: *Nadia Plesner* (n 7); *Violet Postcard (Lila-Postkarte)* (n 7); Dogan and Lemley (n 110) 100.

of tobacco products, that have faced ever stricter restrictions on use for many decades, the expressive meanings conveyed by marks erode fast as a result of non-use, and even disappear over time. Therefore, courts determining the type of expression interfered with as a result of PPL will have to take into consideration all of the above-mentioned types of trade mark use, and not only those undertaken by right holders.

It is at this stage that the proposed reconceptualization of the interaction between marks and speech becomes more apparent. If different individuals use marks expressively in different ways to pursue different identity projects, it seems only reasonable that their expressive interests be factored in by the court when they also come under threat as a result of measures of public law. Courts adjudicating on both sides of the Atlantic have recognised as much in recoding litigation, at least in relation to one such category of users: recoders. Therefore, if courts are to ensure adequate protection for different individuals' freedom of expression, they must acknowledge and weigh in the plurality of expressive interests that are affected as a result of PPL. Against this backdrop, it is therefore most likely that a court would conclude that PPL interferes with all types of expression, including political expression, to the extent that it targets the ability of marks to develop and preserve (expressive) meaning over time. In so doing, the court would be required to assess the 'necessity' of PPL in application of a narrow margin of appreciation.

This finding can only be reinforced when assessing PPL in conjunction with the requirement that packaging bear enlarged health warnings. There are two reasons for this. Firstly, the negative images conveyed by health warnings increase the rate at which the expressive meanings conveyed by marks of tobacco products erode (since marks will become increasingly associated with these negative images), losing their ability to be used by different individuals to pursue their identity projects. Enlarged health warnings can thus be said to contribute to the interference with freedom of expression effected by PPL. As a result, the court's assessment of the compatibility of PPL with freedom of expression will need to be conducted in conjunction with the requirement that packaging of tobacco products bear enlarged health warnings. Secondly, mandated health warnings arguably amount to compelled speech of the type proscribed under Article 10 ECHR. By requiring that right holders bear the burden of having both their word marks and their goods associated with the negative images conveyed by health warnings, PPL effectively forces manufacturers of the targeted goods to speak a message with which they do not wish to identify. This is also true of consumers of the targeted goods, who are required to express a message with which they do not necessarily identify by having no other option, if they wish to consume them, but to purchase them in packaging bearing such health warnings. And while protection against compelled speech in Europe has been an understudied subject,[626] recent decisions from the UK Supreme Court have put an end to this void in favour of more robust speech protection.[627]

In *Lee v Ashers Baking Company*, the majority found that the imposition of a penalty on bakers who refused to include a message showing support for gay marriage in one of their cakes at the request of a client effected an interference with freedom of

[626] For instance, upon discussion of the extent to which freedom of expression can provide protection against measures of public law encroaching on trade mark use, a commentator recently admitted that 'how precisely [compelled speech] applies in an EU setting, in the sense of forced or compelled expression, I do not know and have not seen this explored'. Elsmore (n 102) 102.

[627] *Lee v Ashers Baking Company Ltd* [2018] UKSC 49 (Supreme Court); *RT (Zimbabwe) v Secretary of State for the Home Department* [2012] UKSC 38 (Supreme Court).

expression.[628] And because the lower courts had failed to put forth a compelling justification for such an interference, the penalty imposed was incompatible with Article 10 ECHR. In reaching this conclusion, the court stressed that even though this provision 'does not in terms include the right *not* to express an opinion',[629] '[t]he freedom not to be obliged to hold or to manifest beliefs that one does not hold is also protected by Article 10 of the Convention'.[630] Interestingly, when asked to comment on whether the protection against compelled speech had indeed been recognised beyond the US, the court held that 'it cannot seriously be suggested that the same principles do not apply in the context of article[…] 10 of the Convention'.[631]

In the PPL context, the government might argue that enlarged health warnings do not compel tobacco manufacturers (and consumers) to express a message that they do not wish to speak, since consumers will readily understand that they do not support that message and, thus, it constitutes somebody else's speech (i.e. the government's). This argument, however, would not prevail. In *Lee*, the UK Supreme Court held that:

> [T]here is no requirement that the person who is compelled to speak can only complain if he is thought by others to support the message. [The bakers] may have been worried that others would see the [bakery] logo on the cake box and think that they supported the campaign. But that is by the way: what matters is that by being required to produce the cake they were being required to express a message with which they deeply disagreed.

In light of these findings, it seems likely that a court would find PPL, when adopted in conjunction with enlarged health warnings, to effect an interference with the right to

[628] *Lee* (n 627).

[629] ibid [52] (emphasis in the original).

[630] ibid [52].

[631] ibid [53].

freedom of expression. Moreover, since health warnings also contribute to the loss of expressive meanings conveyed by marks of tobacco products, the interference they effect with freedom of expression will include all sorts of messages, including of a political nature.

Once the level of scrutiny has been decided on, the court will have to determine whether the interference with the right to freedom of expression effected by PPL is 'necessary', in the sense that it responds to a 'pressing social need', is accompanied by 'relevant and sufficient reasons' and is 'proportionate'. An overview of the case law of the ECtHR reveals that its analysis is rarely structured in response to each element of the test separately, preferring instead to conduct the proportionality exercise 'in the light of the case as a whole'.[632] For clarity purposes, as well as to ensure a rigorous analysis of all the different factors that could be taken into consideration by the court, I shall proceed to address each of them individually.

The court will likely begin its assessment by reminding the parties that 'the protection of health' is one of the values expressly provided for under Article 10 ECHR as justifying interferences with the right to freedom of expression by public authorities, and one that is deserving of a high degree of protection under the Convention. As regards the first limb of the test, the court will be easily persuaded that the protection of public health by means of reducing smoking prevalence constitutes a 'pressing social need'. In relation to the second limb, the widespread consensus as to the need to curb tobacco consumption in light of the severe threat that smoking poses to human health, including through the adoption of trade mark-restrictive measures such as PPL, will likely

[632] Amongst others: *TV Vest* (n 184); *VgT Verein* (n 591); *Hertel* (n 596); *Casado Coca* (n 185); *Markt Intern Verlag* (n 185).

be deemed by the court to constitute ‘relevant reasons’ for its adoption. It is expected that the court will give considerable weight to the FCTC recommendations in this regard.

Determining next whether the government’s reasons are also ‘sufficient’ will prove more contentious. Unfortunately, the ECtHR has not provided clear evidentiary thresholds that have to be met by public authorities for a finding that the interference with freedom of expression is ‘necessary’. Abstract guidance can, however, be found in the case law. As already pointed out, the government’s reasons for adopting the challenged measure must be ‘sufficient’. This is admittedly telling us very little in terms of the applicable burden of proof, for what is deemed ‘sufficient’ is bound to vary depending on the circumstances of each case. In the context of interferences with freedom of political expression, strict scrutiny mandates that ‘the need for any restrictions must be established *convincingly*’.[633] This is arguably a (relatively) high burden of proof. Determining with any precision how high exactly is no easy task.

A comparison between the standards of review imposed by the court in instances of interference with political expression as opposed to commercial expression can be of assistance here. In the latter cases, the court has sometimes held that the public measure must be ‘justifiable in principle’,[634] while in others it has referred to measures restricting freedom of commercial expression as being justified ‘on reasonable grounds’.[635] Building on this case law, AG Fennelly held that the EU legislature had to provide ‘coherent evidence’ that that Advertising Directive’s

[633] *VgT Verein* (n 591) [66]; *Hertel* (n 596) [46]; *Handyside* (n 196) [49] (emphasis added).

[634] *Markt Intern Verlag* (n 185) [33].

[635] ibid [37]; *Groppera Radio* (n 600) [73].

interference with freedom of commercial expression was justified on public health grounds.[636]

In light of these precedents, the furnishing of 'convincing' evidence ought to be understood as requiring that public authorities show that the causal connection between the adoption of PPL and a reduction in smoking prevalence is grounded on something more than mere 'coherence' or 'reasonableness'. Where the quantitative evidence to this end is as of yet inconclusive (as is the case for PPL), there is room to argue that this higher threshold will not be met by means of inferences. The reader will recall that Green J's finding that PPL achieves its intended aim was based on inferential reasoning. According to the court:

> [I]t is a *reasonable* and strongly logical inference to draw that [a reduction in the appeal of tobacco products, an increase in the effectiveness of health warnings and a reduction in the chances of consumers being misled as to the health risks posed by tobacco products] will influence in a material way [the] prevalence and consumption [of tobacco products].[637]

The language employed by Green J is very revealing. He acknowledges that, in the absence of solid quantitative evidence, the causal connection between the adoption of PPL and a reduction in smoking prevalence is grounded on reasonableness. A finding that would, in principle, not meet the burden of proof required in instances of interference with freedom of political expression.

However, since the publication of the WTO DSB panel report on the compatibility of Australia's TPPA with, *inter alia*, the TRIPS Agreement, it can be counter argued that

[636] Case C-376/98*, Germany v European Parliament* (n 221), Opinion of AG Fennelly [159].

[637] *R. (on the application of British American Tobacco UK Ltd)* (n 546) [593] (emphasis added).

there is a modicum of quantitative evidence in support of the efficacy of PPL.[638] The panel found that datasets filed by the Australian government showed a minor, yet statistically significant acceleration in the reduction in smoking prevalence and volume of sales of tobacco products when compared to the pre-TPPA implementation period.[639] It is thus likely that a future court deciding on the compatibility of PPL with freedom of expression would rely on this finding to argue that the causal connection between PPL and its intended aim is grounded on something more than reasonableness and, thus, that the higher threshold applicable to political expression is met.

Even if this were not to be the case, it is very likely that the court would nonetheless find PPL to effect a 'necessary' interference with freedom of expression upon assessment of the last limb of the test: proportionality. We have seen that the ECtHR undertakes the proportionality exercise taking into consideration all the circumstances of a case. There is, accordingly, a high likelihood that a court would conclude, in the face of the very pernicious effect that smoking has on public health, that a showing that PPL has an impact on consumers' reactions to tobacco products (i.e. reduces their appeal, increases the effectiveness of health warnings, and reduces the chances of consumers being misled) will be sufficient to meet the required burden of proof. In other words, the unique characteristics of tobacco products might weigh so heavily in the court's assessment of proportionality as to render PPL's interference with freedom of (political) expression necessary to safeguard public health.

[638] *WTO, Australia: Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging* (n 487).

[639] ibid Appendices. See also n 588 for further discussion of the panel's findings in this regard.

This holding is very unlikely to change upon assessment of whether the government could have adopted less restrictive yet equally effective measures *in lieu* of PPL. As we have seen, the burden of proof imposed on plaintiffs by Green J to meet this requirement was very high. Not only must they suggest alternative measures to PPL, but they must furnish robust evidence that they will achieve the same result in the same way as plain packaging, while imposing a lower burden on right holders. Furthermore, Green J insisted that reduction of smoking prevalence is better achieved through adoption of different policies together. This raises the bar even higher for plaintiffs, who are precluded from suggesting that modification of existing measures (for instance, further tax increases) can achieve the same result as plain packaging, but rather must look for new ways to curb tobacco consumption in order for their challenge under necessity to be successful. Furthermore, it is presumably the case that even if tobacco manufacturers were able to propose such a new measure, the complementarity argument would be deemed flexible enough to allow the court to find that plain packaging is still necessary –since it would further contribute to reducing smoking prevalence.

Against this backdrop, it seems relevant to determine whether the same would be true of goods other than tobacco products. In other words, we must assess whether PPL's interference with freedom of expression will be deemed compatible with Article 10 ECHR were it to target goods that pose an arguably lower threat to health. I am thinking, in particular, of alcoholic beverages, sugary drinks and fatty foods, which, as we saw in Chapter 4, have increasingly become the target of public measures aimed at reducing their consumption, including legislation encumbering on trade mark use, such as health warnings and labelling requirements.

Public authorities will have a harder time showing that, in relation to these goods, the interference with freedom of political expression imposed by PPL is 'necessary'. Notably, an analysis of the proportionality of PPL in these industries would lead to a balancing exercise where the benefits for public health derived from PPL are less substantial than for tobacco products, and the threat posed to the expressive interests of individuals who rely on marks to express themselves is all the more obvious –since some of these marks are amongst the most recognised and expressive in the world (for instance, 'Heineken', 'Coca-Cola' or 'McDonald's'). Several factors are particularly relevant to understanding the lower risks posed to health by alcohol, sugary drinks and fatty foods when compared to tobacco products. This is not to say that the health risks derived from the consumption of each of these goods are comparable (i.e. alcohol is classed as a drug and can have, when heavily abused, a very severe impact on human health, including causing death), but rather that they share some characteristics that set them apart from tobacco products.

Firstly, the manner in which they are consumed is very different. Most alcohol users and consumers of sugary drinks and fatty foods do so safely, that is, in moderate amounts and showing no patterns of addiction. This is not true of tobacco products, whose extreme addictiveness prevents most smokers from doing so only occasionally.[640] Also, because consumption of tobacco products most often involves smoking, smoke liberated to the air has an impact on the health of those nearby when inhaled (a phenomenon known as second-hand or passive smoking). Some studies show that over

[640] According to a study: '[n]icotine is widely recognised as being highly addictive: a greater proportion of casual users of tobacco graduate to addictive patterns of use than users of cocaine, morphine or alcohol'. Karl Fagerström, 'The Epidemiology of Smoking' (2002) 62 Drugs 1, 2. See also Jack E Henningfield, Richard Clayton and William Pollin, 'Involvement of Tobacco in Alcoholism and Illicit Drug Use' (1990) 85 British Journal of Addiction 279.

80% of second-hand smoke is odourless and invisible, and so in many instances it can be difficult to avoid being a passive smoker.[641] The same is not true of goods consisting of food and drink.

Secondly, the toll imposed on human health, in terms of consumption-related diseases and deaths, differs considerably from one product to the other, with tobacco exhibiting the highest mortality and morbidity rates by far. Studies show that tobacco-related deaths and hospitalizations are substantially higher than for alcohol. For instance, according to global statistics from 2015, tobacco was estimated to have caused almost 111 deaths per 100,000 people, while alcohol was estimated to account for 33 deaths out of 100,000 people.[642] In other words, smoking is over 3 times more likely to cause death than alcohol use –despite the higher prevalence of heavy episodic alcohol use (18.4%) when compared to daily tobacco smoking (15.2%).[643] Similar proportions have also been found in terms of hospitalizations, with 208,095 tobacco-related hospitalizations in Canada against 86,076 caused by alcohol use.[644] In contrast, the health risks derived from consumption of sugary drinks and fatty foods are substantially lower. While recent studies have shown a correlation between regular consumption of these products and increased risk of premature death from cardiovascular disease, the extent of their impact on mortality is not yet clearly mapped out.[645] The growing body

[641] Sean Semple and Norul Latif, 'How Long Does Secondhand Smoke Remain in Household Air: Analysis of PM2.5 Data From Smokers' Homes' (2014) 16 Nicotine & Tobacco Research 1365.

[642] Amy Peacock and others, 'Global Statistics on Alcohol, Tobacco and Illicit Drug Use: 2017 Status Report' (2018) 113 Addiction 1905.

[643] ibid.

[644] E Single and others, 'Morbidity and Mortality Attributable to Alcohol, Tobacco, and Illicit Drug Use in Canada' (1999) 89 American Journal of Public Health 385.

[645] Lenny Vartanian, Marlene Schwartz and Kelly Brownell, 'Effects of Soft Drink Consumption on Nutrition and Health: A Systematic Review and Meta-Analysis' [2007] American Journal of Public Health 667.

of studies on this topic shows that abusive consumption of drinks and foods which are high in sugars and fats leads to obesity and can increase the likelihood of developing diseases such as type 2 diabetes, hypocalcaemia (i.e. low levels of calcium in the blood), caries and an increase in blood pressure.[646]

Thirdly, while smoking has not been found to be beneficial to human health in any way whatsoever, consumption of sugary drinks and fatty foods constitutes a (albeit limited) source of nutrient intake necessary to maintain healthy. Similarly, some studies have shown that alcohol intake can, when in moderation, be beneficial to health in several ways and reduce mortality, notably by reducing the risk of cardiovascular disease.[647]

Fourthly, domestic legislatures are not under an international obligation to adopt health-furthering, trade mark-restrictive measures for alcohol products, sugary drinks or fatty foods, as is the case with tobacco products under the FCTC. And while the WHO has adopted several resolutions to reduce alcohol abuse, including a resolution endorsing the 'Global Strategy to Reduce the Harmful Use of Alcohol' in 2010, they do not target all instances of alcohol use, but only those that can be harmful to human health.[648] Moreover, although the Strategy at one point mentions labelling as a policy

[646] Bernard Srour and others, 'Ultra-Processed Food Intake and Risk of Cardiovascular Disease: Prospective Cohort Study (NutriNet-Santé)' (2019) 365 BMJ; Vartanian, Schwartz and Brownell (n 645); MB Schulze, JE Manson and DS Ludwig, 'Sugar-Sweetened Beverages, Weight Gain, and Incidence of Type 2 Diabetes in Young and Middle-Aged Women' [2004] JAMA 927; F Guerrero-Romero, M Rodriguez-Moran and E Reyes, 'Consumption of Soft Drinks with Phosphoric Acid as a Risk Factor for the Development of Hypocalcemia in Postmenopausal Women' [1999] Journal of Clinical Epidemiology 1007.

[647] James H O'Keefe and others, 'Alcohol and Cardiovascular Health: The Dose Makes the Poison…or the Remedy' (2014) 89 Mayo Clinic Proceedings 382.

[648] Resolutions adopted by WHO in this regard include: World Health Assembly 63 (2010): Global strategy to reduce the harmful use of alcohol (WHO); World Health Assembly 61 (2008): Strategies to reduce the harmful use of alcohol (WHO). As regards the Strategy itself, see: 'Global Strategy to Reduce the Harmful Use of Alcohol (WHO 2010)'.

option that Member States may wish to implement to reduce alcohol abuse, none of these resolutions require Member States to implement trade mark-restrictive measures.[649]

And, finally, the historical, cultural and social significance of alcohol in no way compares to widespread perceptions on smoking and tobacco products. Casual alcohol use is not only extremely prevalent in most societies, particularly in the West, but also a cherished activity that cuts across all sectors of the population and plays an important role in everyday life, including in religious celebrations and social gatherings. This is in clear contrast with smoking, which is increasingly vilified and perceived as an anti-social activity worldwide.

In light of these findings, there is ample room to argue that the severe interference with freedom of (political) expression effected by PPL will not be deemed compatible with the strictures imposed by Article 10 ECHR when the targeted goods are different from tobacco. Because the health concerns underlying the consumption of sugary drinks and fatty foods are far less substantial than for alcohol, a finding that PPL for the latter good is incompatible with the Convention will, by extension, also cover the former goods. For simplification purposes, my analysis will thus focus on alcoholic beverages.

In determining whether the interference with freedom of expression is 'necessary', the court is likely, once again, to be easily persuaded that the promotion of public health by means of reducing alcohol prevalence in light of the considerable

[649] 'Global Strategy' (n 648) 17.

amount of alcohol-related diseases and deaths constitutes a 'pressing social need' and is grounded on 'relevant reasons'.

The government will, however, have a much harder time proving that these reasons are 'sufficient'.[650] Going back to the burden of proof imposed in cases of strict scrutiny, public authorities will be required to furnish 'convincing' evidence that PPL will achieve their intended aim of reducing drinking prevalence (i.e. the causal link will need to be grounded on something more than mere 'coherence' or 'reasonableness'). As we saw, this threshold will not usually be met in cases of inferential reasoning. Therefore, a showing by means of qualitative evidence that PPL is able to reduce the appeal of alcoholic beverages, increase the effectiveness of health warnings, and reduce the chances of consumers being misled as to the health risks posed by alcohol use, will not suffice. Similarly, a showing that the quantitative evidence is inconclusive or only barely indicative of a reduction in alcohol consumption (as transpires from the WTO DSB panel report in relation to tobacco products) will likely not suffice either in the case of alcoholic beverages. This is where the last limb of the test would come into effect. Upon assessment of proportionality, the court will be expected to factor in the following considerations that call for a more convincing showing that PPL for alcohol products can achieve its aim than was the case for tobacco products. Firstly, the health risks posed by alcohol use are far less stringent than for tobacco products. Secondly, most alcohol use

[650] It should be noted that evidence relied upon by the drafters of the Strategy shows that health warnings on alcohol products 'do not lead to changes in drinking behaviour' (although they serve to remind consumers of the risks derived from alcohol use and can even have an impact on their intention to change drinking patterns). 'Global Strategy' (n 648) Annex II(9). Moreover, a very recent study conducted in France in relation to the health warnings imposed by the French government on alcoholic products concludes that they are ineffective in influencing consumption habits. Gloria Dossou, Karine Gallopel-Morvan and Jacques-François Diouf, 'The Effectiveness of Current French Health Warnings Displayed on Alcohol Advertisements and Alcoholic Beverages' (2017) 27 European Journal of Public Health 699.

is safe (i.e. in moderate amounts and not driven by addiction) and can even be beneficial to health on reduced doses. Therefore, a very small decrease in drinking prevalence might not be followed by a reduction in mortality and morbidity, since the reduction might originate exclusively, or mostly, from casual users. And, thirdly, because of the social significance of alcohol use in society, the repercussions that PPL can have on the expressive capability of trade mark users is more far-reaching than was the case for marks of tobacco products. Weighing in all these factors will likely lead the court to conclude that the interference with freedom of (political) expression effected by PPL on alcoholic drinks is, in light of the evidence that is currently available, incompatible with Article 10 ECHR.[651]

Furthermore, the court's balancing exercise might further weigh against proportionality upon analysis of whether the government could have adopted less restrictive yet equally effective measures *in lieu* of PPL. As we have seen, the burden of proof imposed on right holders to meet this requirement is rather high in application of

[651] There are two additional factors that might tip the scales even further in favour of a finding of incompatibility with Article 10 ECHR. These were not studied earlier in the context of tobacco products since it is very unlikely that, in light of the severe threat that smoking poses to health, they would persuade the court that PPL effects a disproportionate interference with freedom of expression. In *Open Door et al v Ireland*, the ECtHR concluded that a court-imposed ban on companies who provided counselling services to pregnant women on abortion procedures outside of Ireland (at a time when voluntary termination of pregnancy was not allowed in the country) effected a disproportionate interference with their freedom of expression under Article 10 ECHR. In reaching this conclusion, the court took into consideration two factors that could prove relevant in the proportionality assessment of PPL. Firstly, the court found that encroachments on expression about an activity that is not prohibited in the Member State (i.e. aborting in another jurisdiction was not penalised in any way) demands careful scrutiny by the court. In the words of the court: '[l]imitations on information concerning activities which, notwithstanding their moral implications, have been and continue to be tolerated by national authorities, call for careful scrutiny by the Convention institutions as to their conformity with the tenets of a democratic society'. *Open Door* (n 596) [72]. The parallelism in this regard with PPL is fairly obvious, where the government seeks to interfere with freedom of expression in relation to activities (i.e. the manufacture and sale of alcoholic beverages, as well as drinking) that are not prohibited. Secondly, the ECtHR gave considerable weight to the 'sweeping nature' of the domestic court's injunction restricting freedom of expression, 'which imposed a "perpetual" restraint'. ibid [73]. Similarly, by prohibiting the use of any and all non-word marks for alcohol products, PPL can be said to constitute a sweeping measure. If both considerations were to also be factored in by the court, it seems even more plausible that it would find against the compatibility of PPL with Article 10 ECHR.

the complementarity argument (i.e. trade mark-restrictive measures are but one out of a wide range of policies that public authorities can implement to reduce consumption of the targeted good). Plaintiffs may, however, be able to persuade the court into finding that other less restrictive measures do exist when it comes to alcoholic beverages in light of the very lenient health warning requirements currently in place.[652] Accordingly, there is still room for public authorities to implement less restrictive measures that could achieve the intended aim of reducing drinking prevalence (i.e. the adoption of health warnings or, in jurisdictions where this is already the case, the adoption of more effective health warnings). Even if the court were to buy into this argument, it is, however, unlikely that it would carry much weight in the proportionality exercise given the complementarity of measures targeting alcohol use.

5.2.2.3. Compatibility of PPL with the Principle of Proportionality

Assessment of whether PPL is compatible with the principle of proportionality will require a court to determine whether the following four steps are fulfilled: (a) the aim of the measure is legitimate; (b) the measure is suitable or appropriate to achieve the aim pursued; (c) the measure is necessary to achieve such aim; and (d) the measure is proportional *stricto sensu* (i.e. whether the burden imposed by the measure is proportionate to the benefits secured).

In light of the precedent set by the High Court of England and Wales, it is very unlikely that any plaintiff challenging the validity of PPL will manage to prove that the

[652] Although some countries (for instance, France and the US) mandate that alcoholic drinks bear health warnings, there is no global or EU-wide requirement to this end. See, respectively: Code de la Santé Publique (France) Article 3322-2; 27 U.S.C. § 16.21. Furthermore, even in those jurisdictions that mandate health warnings, their impact on trade mark use is rather negligible, with most warnings consisting exclusively of text and covering a very small area of the package space.

first three elements are not met. Firstly, protection of public health is deemed to be an extremely relevant area of legislative action, where decision makers benefit from a wide margin of appreciation. Accordingly, a measure such as PPL, intended to further public health, will be easily deemed to pursue a legitimate aim. Secondly, the evidentiary threshold required by courts to consider that a measure furthering public health is suitable or appropriate to achieve its pursued aim appears to be rather low. As we have seen, Green J concluded that this requirement had been met in light of qualitative evidence showing that PPL reduces the appeal of the packaging, increases the effectiveness of enlarged health warnings and reduces the chances of consumers being misled as to the harm posed by the goods. Such a showing will most likely be the case in any instance of PPL, given the nature of the restrictions imposed on the packaging of the goods. Thirdly, the burden of proof imposed on plaintiff to show that the measure is not necessary to achieve the aim pursued (i.e. that there is a less restrictive means of meeting the same objective) is, on the contrary, very high. This is the result of trade mark-restrictive measures being complementary to all other policies aimed at reducing smoking prevalence. As we have already explored, the complementarity argument is likely to be flexible enough to allow the court to find that PPL is necessary even where plaintiffs can provide robust evidence that another measure is less restrictive, yet equally effective in reducing smoking prevalence.

Against this backdrop, it would appear that the fundamental contribution of the proposed reconceptualization will occur upon assessment of the proportionality of PPL *stricto sensu*. To do this, the court must balance the rights and interests of the various parties involved. In the tobacco plain packaging case, Green J pitted the right to (intellectual) property of the trade mark owners against the right to (public) health of

UK citizens. In his view, the scales weighed heavily in favour of defendant, for several reasons. Firstly, promotion of public health constitutes one of the highest of all public interests. This is particularly the case where the challenged measure targets a good that is known to pose a severe threat to human health. Secondly, the restrictions imposed by PPL on trade mark owners, while being quite severe, 'only' precluded them from promoting their goods (not from distinguishing them in the course of trade). The bottom line interest of the tobacco companies in the right to promote their property was profit, hence an interest of a purely economic nature. And, thirdly, the benefits brought about by PPL are of such relevance and magnitude that the burden imposed on owners' rights is in no way disproportionate.

The recalibration of the balancing exercise by including the fundamental right to freedom of expression would significantly alter the approach to the second and third elements. Accordingly, the interests at stake would no longer be of a purely economic nature, but rather of a hybrid nature, including expressive interests deserving of a high level of protection under the ECHR and the EU Charter. Importantly, and in light of the expressive richness involved in trade mark use, the balancing exercise would require the court to take into consideration the expressive interests not only of trade mark owners, but of all individuals who will be precluded from making expressive use of the marks as a result of PPL.

As regards the balancing exercise itself, the court will still be asked to weigh incommensurable interests. However, instead of pitting health against property, the court will now be required to pit health against both property and freedom of expression. Were the court to monetise these interests, the inquiry would boil down to subtracting the costs imposed by PPL (on the property rights of owners and the freedom of expression of all individuals who use the marks for expressive purposes) to the health benefits derived from PPL. It seems, however, rather unlikely that a court would be able to properly conduct this analysis. Although this methodological approach can assist in alleviating the complexities derived from the balancing exercise by rendering the interests at stake commensurable, the unique characteristics of speech render the monetisation effort rather challenging. This is true not only of right holders' expressive interests, the monetisation of which will be difficult to detach from the overall loss of value of their property interests and related brand image, but also of all other individuals involved in expressive use of marks. Parties can hardly be expected to be able to calculate the costs derived from the ban on an indefinite number of expressive uses of marks (whether recoded or otherwise) by an indefinite number of users.[653] In light of these difficulties, the court would have to engage in fine balancing by factoring in non-monetised considerations. It would be at this stage that the court would look at the gain –in years lived, diseases avoided and quality of life– that results from the reduced prevalence in the consumption of the targeted good, against the loss –in cultural richness, dialogic practice and expressive capacity– arising from the marks' inability to convey expressive meaning. While the result of this balancing exercise is difficult to predict, it is most likely that a court would, in light of the severe threat that smoking poses to health, find in favour of the proportionality of PPL.

For the reasons outlined above, this finding would likely be reversed upon assessment of the proportionality *stricto sensu* of PPL for goods other than tobacco,

[653] These difficulties were specifically addressed by the UK Government in its 2014 Impact Assessment of PPL, which conceded that '[i]t is hard to assess how many of the 9.9 million or so people expected to continue smoking would suffer any felt loss from the absence of this particular avenue of self-expression, and to quantify the loss'. ibid [34].

where the public health rationale is not as substantial, and the expressive potential of the targeted marks is even stronger than that of trade marks of tobacco products.

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CHAPTER 6

CASE STUDY II: RECODED USE OF TRADE MARKS FOR PARODIC PURPOSES

6.1. Preliminary Considerations[654]

Any successful trade mark parody must be similar enough to the original mark so that it brings it to mind, while at the same time being sufficiently detached from it so as to convey a meaning that constitutes a comic take on that conveyed by the original mark. As we saw in Chapter 3, third party unauthorized use of recoded marks for parodic purposes can give rise to trade mark infringement on likelihood of confusion and/or dilution grounds.

Regarding likelihood of confusion, because the recoded mark must be sufficiently detached from the original mark to properly function as a parody, the average consumer will usually be aware that the goods identified by the recoded mark are not coming from the same source as those identified by the original mark. This is all the more obvious where the goods at issue are dissimilar. As a result, infringement actions launched against recoded uses of marks for parodic purposes are rarely successful on likelihood of confusion grounds.[655] As the survey of US case law showed, this is the case even where courts are reluctant to shield defendant's unauthorised use

[654] For clarification purposes, the reader should be aware that adequate discussion of the proposed reconceptualization in recoding litigation requires allusion to case law and materials from both sides of the Atlantic. Although the rebalancing exercise suggested here will follow the methods of human rights/constitutional adjudication characteristic of European jurisdictions and regional human rights instruments, many insights into how marks and speech interact will be extracted from US case law. Because, as we saw in Chapter 3, the vast majority of interaction cases to date have originated there, they provide useful insights into the sorts of fact patterns and legal rationales that are of application in interaction cases. For further discussion of the different methods of constitutional adjudication applied on both sides of the Atlantic, see Krzeminska-Vamvaka (n 542).

[655] This has been noted by authors exploring the interaction, including Andreas Rahmatian, 'Trade Marks and Human Rights' in Paul Torremans (ed), *Intellectual Property Law and Human Rights* (Wolters Kluwer 2008); Michael Spence, 'Intellectual Property and the Problem of Parody' [1998] LQR 594.

on free speech grounds (since the First Amendment does not grant protection against commercial fraud). These are cases where courts apply the likelihood of confusion test to find that defendant's successful parody precludes consumers from being misled as to commercial source. Naturally, where courts find that defendant's recoded use is deserving of protection on free speech grounds, the chances that the court will find in favour of defendant are considerably higher. These are cases where, even if the court is satisfied that consumers are likely to be somewhat misled, the public interest in avoiding consumer confusion ought to give way to the public interest in (defendant's) free expression.[656] As we have seen, there is no clear consensus amongst US courts as to when the First Amendment ought to shield defendant's expressive use in likelihood of confusion scenarios. While it is fair to say that the balancing exercise tends to be reserved to cases where unauthorised use of the mark takes place in relation to artistic works (i.e. whether as part of the title or of the content),[657] there are precedents of courts employing it in other scenarios.[658] Things are more uncertain still in Europe, where courts are yet to rule on whether the right to freedom of expression can shield defendant's recoded use for expressive purposes upon assessment of likelihood of confusion.

As regards dilution claims, the detachment of harm from confusion rationales renders recoded uses of marks for parodic purposes more susceptible to infringement actions from right holders. Because antidilution statutes broaden the scope of protection afforded to reputed marks quite significantly to reach instances where the

[656] This balancing test was first developed in *Rogers v Grimaldi* (n 347).

[657] *University of Alabama* (n 347); *Mattel* (n 1); *Rogers* (n 347).

[658] *Cliffs Notes* (n 342).

similarity between the signs in conflict is low and the goods are dissimilar, even successful parodies are liable to fall within owners' sphere of exclusivity. By the same token, however, the absence of a commercial fraud justification in dilution actions often translates into freedom of expression playing a very active role in courts' analysis of infringement.[659] Courts hearing dilution claims in interaction cases are, therefore, routinely asked to engage in a balancing exercise whereby defendant's right to freedom of expression is pitted against plaintiff's right to (intellectual) property. Courts on both sides of the Atlantic approach this balancing exercise somewhat differently. In the US, these opposing interests have been factored in by Congress upon drafting and amending the antidilution provisions contained in the Lanham Act, so that the balancing exercise has been incorporated into the doctrinal apparatus. This means that the protection afforded to free speech under the First Amendment is now part of the infringement analysis. As a result, where defendant's recoded use of plaintiff's mark for expressive purposes falls under the noncommercial or fair use (i.e. not 'as a mark') exclusions, free speech guarantees will insulate it from infringement. Where, on the contrary, defendant's use is 'as a mark' (i.e. to identify its own goods), the court will conduct the dilution analysis irrespective of free speech protection. In Europe, the opposing interests of right holders and recoders have not been incorporated into the doctrinal apparatus and, thus, courts are called upon to undertake the balancing exercise in application of fundamental rights rationales.

[659] I say often because, as we saw in Chapter 3, the antidilution provisions found in the Lanham Act preclude defendants from having recourse to First Amendment protection where their unauthorized recoded use is 'as a mark', i.e. to identify defendant's own goods.

Despite these differences, the survey of case law conducted in Chapter 3 revealed that there are fundamental similarities between both jurisdictions. Firstly, the resulting balance emerging from courts' practice is very much alike, with the vast majority of dilution claims launched by right holders against recoders being decided in favour of the latter. Secondly, the sheer diversity of interaction disputes, coupled with the lack of guidance from the CJEU in the EU or the Supreme Court in the US, have led to a considerable degree of fragmentation in the field and, consequently, an overall sense of uncertainty. And, thirdly, courts on both sides of the Atlantic are employing similarly flawed conceptual frameworks in interaction disputes by failing to acknowledge the expressive richness involved in trade mark use. This is precisely where the proposed reconceptualization would come into effect, opening up the judicial inquiry to a more sophisticated balancing exercise whereby the expressive interests of individuals other than recoders would also be taken into consideration by courts. The recalibrated balancing exercise would thus require the court to pit the expressive interests of the recoder (and, where applicable, consumers of recoded branded goods) against the rights to (intellectual) property and freedom of expression of the mark owner (and of consumers of branded goods in relation to the latter right).

But before we look at the rebalancing exercise in more detail, it seems appropriate to define the boundaries of the contribution that the proposed reconceptualization will bring about. Factoring in the plurality of expressive interests involved in trade mark use will not alter the court's interpretation of the requirement that use be in the course of trade. This is a fact-intensive inquiry that precedes the balancing exercise. As we saw in Chapter 3, a finding that defendant's recoded use of plaintiff's mark for parodic purposes is not in the course of trade will put an end to the infringement analysis in its very early stages in favour of defendant. Similarly, the proposed reconceptualization will not have an impact on the way that courts assess the expressive nature of defendant's recoded use. Courts on both sides of the Atlantic are routinely asked to begin their infringement analysis by elucidating whether defendant's unauthorised use of plaintiff's mark is indeed expressive and, thus, entitled to protection under Article 10 ECHR or the First Amendment. This is also a fact-intensive inquiry that precedes the balancing exercise —that will only be conducted by the court where it is satisfied that defendant's use furthers an expressive agenda.[660] In all other instances, the infringement analysis will be conducted irrespective of speech protection and, thus, will follow the tests applied in each jurisdiction for determining whether defendant's use is liable to mislead consumers and/or dilute plaintiff's mark. We find several examples of this in Europe, notably in the UK.[661] Going back to the taxonomy developed in Chapter 2, these cases would fall under the category of 'unaffected speech' and, thus, defendant's recoded use would not be entitled to any degree of protection under freedom of expression. Finally, the proposed rebalancing exercise will not alter court's analysis of infringement under likelihood of confusion, even in instances where defendant's recoded use is deemed to be expressive. As I will go on to explain, the proposed rebalancing exercise conceptualizes the protection afforded to right holders (and consumers of branded goods) under freedom of expression as preventing encroachments on a mark's ability to convey expressive meaning(s). Therefore, it will be useful in determining whether recoded uses of marks are liable to harm their expressive

[660] There is an exception to this rule, in instances of likelihood of confusion, where the court, despite finding that defendant's recoded use is indeed expressive, denies protection on free speech grounds since the First Amendment does not provide protection against commercial fraud.

[661] *Ate My Heart* (n 6); *Miss World* (n 6).

function, not their origin one. Upon assessment of likelihood of confusion, therefore, determining whether defendant's infringing use is ultimately shielded by freedom of expression will be subject to conventional balancing rules. Because this explanation might obscure more than it clarifies at this stage, I will include likelihood of confusion in the analysis of the rebalancing exercise proposed so as to ensure that this argument is readily understandable for the reader.

The proposed reconceptualization will, however, improve the manner in which courts conduct the balancing exercise in interaction cases in two ways. Firstly, acknowledgment of the expressive interests of right holders and consumers of branded goods allows conceptualising harm in interaction cases –as expressive harm, i.e. a mark's loss of communicative capabilities due to the fragmentation of its expressive meaning(s). Secondly, by pitting right holders' (and consumers of branded goods) freedom of expression against the speech rights of recoders (and consumers of recoded branded goods), the rebalancing exercise arguably becomes more commensurable.[662] Hopefully, this will allow courts to abandon reductionist approaches to the balancing exercise whereby the clash is reduced to a hierarchical assessment of the rights at stake. When combined, these two elements allow designing a test that can greatly assist courts in determining when defendant's expressive interests ought to prevail in an infringement action. In a nutshell, this test proposes to reconceptualize the balancing exercise in terms of whether defendant's recoded use is liable to dilute plaintiff's reputed mark to such an extent that right holder's (and consumers of branded goods)

[662] The reader should be warned that the extent to which the rebalancing exercise will indeed be more commensurable overall in light of the additional balancing required in interaction cases between owners' right to (intellectual) property and recoders' freedom of expression can be subject to debate. This issue raises complex constitutional considerations that will be discussed below, once we have had a chance to explore how the rebalancing exercise would operate in practice.

freedom of expression is impaired and, thus, ought to prevail over that of defendant (and consumers of recoded branded goods). Put differently, where defendant's recoded use is indeed expressive and the dilutive harm caused to plaintiff's reputed mark is not substantial enough to fragment its expressive meaning(s), defendant's freedom of expression will not give way to plaintiff's rights. The next section will look at this test in more detail, including suggestions as to how it would operate in practice.

6.2. The Proposed Reconceptualization in Action: Acknowledging the Plurality of Expressive Interests Involved in Trade Mark Use in Recoding Litigation

When conducting the (re)balancing exercise, courts should strive, wherever possible, to preserve the essence of the right to freedom of expression of all parties involved. For defendants (and consumers of recoded branded goods), this translates into ensuring that they can express their desired message by engaging in recoded use of the mark. For plaintiffs (and consumers of branded goods), this translates into preserving their ability to express their desired message through use of the mark in its original form. This is only possible where the expressive meaning conveyed by the mark remains sufficiently stable over time. Therefore, the essence of the right to freedom of expression of the mark owner (and consumers of branded goods) will be infringed by a recoder whenever the expressive meaning conveyed by the mark is eroded, as a result of the recoded use, to such a degree that they are no longer able to express their desired message through use of the mark in its original form.

Elucidating whether this has been the case in a trade mark parody case will involve an evidence-based inquiry into the impact that the recoded use has had/is liable to have on the expressive meaning conveyed by the mark. In particular, the court will look into whether such meaning has been sufficiently fragmented to consider that the right to freedom of expression of the right holder (and consumers of branded goods) can only be guaranteed through a finding of infringement and the grant of an injunction. If plaintiff is unable to provide any evidence to this effect, or if the evidence provided does not reach the required threshold, the expressive interest of the recoder (and consumers of recoded branded goods) will prevail. Naturally, the threshold required for determining whether the expressive meaning(s) conveyed by plaintiff's mark has been sufficiently fragmented will ultimately vary depending on the facts at issue in a given case (including the jurisdiction where it is being adjudicated). For instance, this threshold might be higher where the ability of plaintiff's mark to convey expressive meaning(s) is low, e.g. such meaning(s) are not yet fully developed or have already been partially fragmented by other means. Or lower in jurisdictions where the scope of protection afforded to freedom of expression under human rights or constitutional instruments is less robust. It could be argued that varying degrees of protection will ultimately be cancelled out in the scales, for it will affect the freedom of expression of all parties involved. However, where speech protection is lower, the proprietary interests of the right holder will weigh more heavily in the scales.

There are several advantages to adoption of an evidence-based inquiry in cases involving recoded uses of marks for expressive purposes. Notably, it can render the balancing exercise more objective by mandating that courts rely on facts instead of following their own intuitive notions of fairness in interaction disputes. This, in turn, can lead to more consistent adjudication –especially once the courts become acquainted with the proposed test, including the plethora of factors that can modulate the evidentiary threshold that plaintiff must meet to show that the expressive meaning(s) of its mark has been fragmented to the required degree. More consistency often leads to increased predictability. Where free speech is involved, the combined effect of improved consistency and predictability can lead to a reduced threat of speech being chilled. Moreover, because the burden of proof would fall on plaintiff, the proposed reconceptualization can further incentivize speech amongst recoders. This is particularly so in light of the evidentiary threshold imposed under the proposed test, which will often be high.

Adoption of an evidence-based test will involve determining first the precise extent of defendant's use of the recoded mark, in terms of the: (a) aim of the recoding, i.e. whether for humour, art, criticism or a combination of these; (b) extent of the recoding, i.e. degree of similarity between the original and the recoded marks; (c) form of use, i.e. on what goods, for instance, on a painting or on goods deemed expressive such as T-shirts or mugs; (d) intensity of use, i.e. whether the recoded sign is used on a very limited number of goods or as a brand affixed to mass-produced goods; (e) duration of use, i.e. one-time use or use over a period of time; (f) geographic scope of use; and (g) propagation of use, i.e. to what extent the use has spread amongst the population, resulting in further expressive uses by consumers of recoded branded goods. Some of these findings (notably the aim pursued by, and the content of the recoding, which are indicative of the category of speech involved) will also be relevant to determining the evidentiary threshold required in any given case for a finding that defendant's unauthorised use is liable to fragment the expressive meaning(s) conveyed by the mark.

The next step will look at the impact that defendant's recoded use of the mark has had on the expressive meaning conveyed by plaintiff's mark. The aim in doing so is to determine whether it has been eroded to such an extent that the right holder (and consumers of branded goods) can no longer rely on the original mark to express their desired message and, as a result, cannot exercise their right to freedom of expression through use of the mark. Plaintiff will be asked to furnish evidence of the efforts displayed to counter the effects that use of the recoded sign has had on the meaning conveyed by the original mark. For instance, by means of: (a) advertising campaigns aimed at educating the public as to its disassociation with the recoded message; or (b) changes in its advertising strategy that are coincidental in time. In addition to this, plaintiff must provide evidence of the extent of such efforts, including their duration and costs. Token efforts will not suffice as proof of harm to the expressive meaning conveyed by the original mark, for they will fail to show that the owner's ability to express itself (alongside consumers of branded goods) through use of the mark has been negatively affected to the required degree. However, proof of genuine and substantial efforts to counter the effects of the recoded use can be indicative of defendant's use posing a threat to the expressive needs of the owner (and, consequently, of consumers of branded goods) of the kind that trade mark law ought to prevent to safeguard their right to freedom of expression. Relevant evidence to support fragmentation of the expressive meaning conveyed by the original mark will also include data on: (a) changes in consumer perception of the expressive meaning conveyed by the mark; (b) commentary on the change in meaning by industry experts and publications in the field; or (c) the extent of replications of the recoded use, which can be indicative of the potential reach of the recoded meaning (with the caveat that proof of widespread replication would weigh in favour of defendant, for the expressive interests of consumers of recoded branded goods must also be factored in by the court). Particularly useful in this regard will be the filing of evidence on the impact on the news and other media outlets of the recoded use, including its potential reach in quantitative terms, all of which might be indicative of a sufficiently far-reaching change in (expressive) meaning.

Once the balancing exercise between the respective rights to freedom of expression has been undertaken, we are still left with the right to property, that must be pitted against defendant's free speech. We are here confronted, at least in principle, with the same problem that courts have been grappling with for the last decades, where we must balance incommensurable interests. This is all the more difficult in the context of interaction cases where, as we have seen, there is an incomplete theorisation of the harm that results from third party recoding of marks for expressive purposes. I have suggested a manner in which such harm can be conceptualised, but it ultimately stems from right holders' freedom of expression, not their right to (intellectual) property. Taken at face value, we are thus confronted with the paradoxical situation where thorough enforcement of human rights and constitutional guarantees could add an additional layer of protection in interaction cases in favour of right holders, instead of reducing the scope of their exclusive rights as originally intended by decision makers adjudicating such disputes. In other words, the conceptual frameworks employed by European and US courts to adjudicate interaction cases would not only be flawed at the level of their implementation due to their incomplete conceptualisation of the interaction, but also at a broader level since, once all expressive interests are factored in as mandated by human rights instruments, they are unable to fulfil their core purpose of shielding defendant's expressive uses. Furthermore, far from facilitating the balancing exercise involved in interaction cases, the proposed reconceptualization could have the perverse effect of rendering such exercise ever more complex, demanding that courts balance different sets of rights.

The repercussions of this finding are alarming enough to call into question the entire enterprise of invoking freedom of expression in recoding litigation as a means of reconciling the expressive needs of society with owners' exclusive rights. Against this backdrop, perhaps the most sensible stance moving forward would be to abandon ongoing attempts to mobilise freedom of expression to this end and search for alternative avenues for reform. Gangjee and Burrell's concerns come to mind here. Their warnings, early on, to be 'wary of going down the path of accepting that there is a broad potential conflict between trade marks and expressive freedom, and then looking for a doctrinal tool or set of tools that will create the space necessary for [recoders]' are all the more relevant in light of the proposed reconceptualization.[663] In their view, the general interest would be better served if we were to rethink dilution so as to avoid preventing valuable social uses of marks for expressive purposes, instead of carving out speech-based defences. This is an appealing argument, and one that ultimately looks for solutions closer to the root of the problem, i.e. the ever-expanding scope of protection afforded to mark owners through the (mis)interpretation of antidilution statutes.

However, we are now too far down the line to dismantle the speech-based apparatus currently in place without threatening the legitimacy of the entire discipline. Furthermore, acknowledgment of the expressive richness involved in trade mark use counsels against dismissing speech concerns altogether from infringement analysis, insofar as expression plays a fundamental role in the life of contemporary marks. As a result, there are important lessons to be learned from the interaction between marks and speech that could assist us in rethinking existing trade mark doctrines, notably

[663] Gangjee and Burrell (n 146) 544.

dilution. Put differently, while I agree that we must focus on rethinking dilution, I do not think that this should be done by moving away from freedom of expression altogether, but rather by seeking interpretive guidance in the protection afforded to all categories of expressive users of marks under free speech. This endeavour feeds into the ultimate goal of this thesis: to better understand the role that expression plays in contemporary trade mark practice with a view to proposing refined conceptual frameworks that can assist courts adjudicating interaction cases. To this end, we would be best advised to turn our attention to the inconsistencies identified before and to explore whether they can be reconciled with our broader objective.

There are two ways to do this. Firstly, by trying to understand better how the different rights involved in the rebalancing exercise would interact in an infringement action. Going back to where we left off, once we have balanced the respective rights to freedom of expression, we are still left with right holder's right to (intellectual) property and defendant's speech rights. As we have seen, this balancing exercise operates differently depending on whether defendant's recoded use encroaches on the right to property as a result of misleading consumers as to commercial source, or rather by diluting the mark.

As regards likelihood of confusion, the balancing exercise will be of application in a very limited number of cases. Where defendant's recoded use is not deserving of protection under freedom of expression, the confusion analysis would proceed irrespective of balancing exercises (with the caveat that successful parodies are likely to lead the court to find in favour of defendant). Where freedom of expression is implicated and defendant's recoded use is liable to mislead consumers, the balancing exercise will require the court to carefully balance the encroachment effected on plaintiff's right to (intellectual) property against the need to safeguard defendant's speech. This is precisely what US courts have been doing upon analysis of likelihood of confusion where they have found that defendant's unauthorised use is deserving of some degree of protection under the First Amendment. Following the precedent set in *Rogers*, courts might be assisted in the balancing exercise by weighing the public interest in avoiding consumer confusion against the public interest in guaranteeing free expression.[664] The result of this balancing exercise will naturally vary depending on the fact pattern at issue.

Things become somewhat more complex where defendant's recoded use dilutes plaintiff's mark. In those instances where no expressive harm results from the recoded use, it would seem that the protection afforded to the right holder under the right to (intellectual) property has been sufficiently hollowed out to easily tilt the balancing exercise in favour of defendant's freedom of expression. Put differently, once we remove from the equation the specific protection afforded to right holders (and consumers of branded goods) under freedom of expression, the remaining proprietary interests will not be weighty enough to justify encroachment on defendant's freedom of expression. It could be counter argued that there ought to be exceptions to this, notably where plaintiff is able to prove that defendant's recoded use blurs, tarnishes or free rides on its mark to such an extent that respect for plaintiff's right to property ought to prevail. After all, the (re)balancing exercise will be ultimately dependent on the facts at issue and the degree of protection to which each party is entitled under their respective fundamental rights as recognised in each jurisdiction. For instance, the scope

[664] *Rogers* (n 347).

of protection afforded to defendant under free speech might be modulated depending on where it falls within the commercial/political speech spectrum. Similarly, the degree to which plaintiff's reputed mark ought to be protected under blurring can vary according to its notoriety, i.e. some courts have held that very famous marks are less susceptible to see their distinctiveness affected by recoded uses.[665] In theory, therefore, there might be situations where defendant's encroachment on plaintiff's right to (intellectual) property is substantial enough to tip the scales in its favour –despite a finding that the expressive meaning(s) conveyed by the mark is not fragmented. In practice, however, I am sceptical that this will often be the case, especially in relation to successful parodies. As we have seen, successful parodies do not usually meet the requirements for a finding of blurring or tarnishment in the first place, let alone harm the distinctiveness or reputation of the mark to the required degree to outweigh defendant's expressive interests. US case law provides several examples of this.[666] Not surprisingly, free riding makes things ever more complicated by providing a cause of action untethered from a finding of harm to the mark. In interaction disputes, however, the case can be made that the mark is being used not to free ride on plaintiff's mark, but rather to communicate and share defendant's identity project. Consequently, even where free riding can be said to occur as a result of the recoded use, any advantage unduly taken by defendant of the mark's distinctiveness or reputation will be of a

[665] Amongst others: *Haute Diggity Dog LLC* (n 8); *Hormel Foods* (n 356).

[666] In *Haute Diggity Dog*, for instance, the court gave much weight to the parodic intent underlying defendant's use of Louis Vuitton's reputed marks upon assessment of dilution (i.e. because the recoded sign was being used 'as a mark', the exclusions provided for under the Lanham Act did not apply). As regards blurring, the court even went as far as to say that: (a) recoded uses of reputed marks for expressive purposes can even strengthen the distinctiveness of the mark; and (b) that particularly strong marks are unlikely to impair the distinctiveness of the mark. *Haute Diggity Dog* (n 8). See also *Starbucks* (n 402). For a similar finding in European case law (albeit in relation to design rights), see *Nadia Plesner* (n 7). See, in contrast, *VIP Products* (n 8).

residual nature –and, thus, not substantial enough to tip the scales in favour of plaintiff's right to (intellectual) property.[667]

To sum up, once the court is satisfied that the specific protection afforded under free speech to the right holder (and consumers of branded goods) is not threatened by defendant's recoded use, the infringement claim will be dismissed since: (a) the dilutive harm ensuing from defendant's recoded use will not be substantial; and (b) defendant's expressive interests will carry the full weight of the protection afforded under constitutional and human rights instruments. Importantly, even if substantial dilutive harm ensues from defendant's recoded use in a given scenario, to the extent that it does not fragment the expressive meaning(s) conveyed by the mark, defendant's speech interests will usually still prevail. Otherwise, the specific protection afforded to right holders (and consumers of branded goods) under freedom of expression would be rendered redundant. Ultimately, however, the result of the balancing exercise will be dependent on the fact pattern at issue.

Against this backdrop, plaintiff will usually be successful in an interaction dispute only where it is able to prove that defendant's recoded use is liable to dilute its reputed mark to such an extent as to fragment the expressive meaning(s) conveyed by the mark. For it is only if defendant's free speech claim is neutralised in the first place that the dilution action can prosper. Going back to the vernacular of human rights, because the right to freedom of expression of the recoder (and consumers of recoded branded goods) has given way to right holders' (and consumers of branded goods) free speech,

[667] In *Violet Postcard*, for instance, the German BGH found that despite defendant's recoded use taking advantage of the distinctive character of plaintiff's reputed marks, such use was deserving of protection under the constitutional guarantee afforded to freedom of (artistic) expression. *Violet Postcard (Lila-Postkarte)* (n 7).

the right to (intellectual) property will prevail in the overall balancing exercise. As we have seen, while it is theoretically possible to argue that the balancing exercise can tilt in plaintiff's favour in instances where the expressive meaning(s) conveyed by its mark is not fragmented, this is very unlikely in practice. In essence, therefore, the proposed reconceptualization allows framing the balancing exercise within a more commensurable inquiry: the right to freedom of expression of recoders (and consumers of recoded branded goods) ends where the speech interests of right holders (and consumers of branded goods) begin.

As previously noted, there is another way in which the proposed rebalancing exercise can be reconciled with the broader objective of improved adjudication in interaction cases. More precisely, by revisiting courts' application of the constitutional mechanisms that have allowed for invocation of parties' speech rights in the first place. Recourse to balancing of fundamental rights in recoding litigation has resulted from the perceived need to carve out a defence against owners' exclusive rights so as to ensure respect for defendants' freedom of expression. In so doing, courts have engaged in direct application of human rights and constitutional instruments in the context of private litigation. Put differently, because provisions of private law (i.e. trade mark statutes) do not explicitly grant a defence that can insulate defendants' expressive uses of marks, courts are mandated to ensure respect for their speech rights by directly applying Article 10 ECHR. Interaction cases involving recoded use of marks thus constitute examples where the horizontal effect of fundamental rights operates directly (commonly known as direct horizontal effect). This is in contrast with indirect horizontal effect, where fundamental rights are invoked not to provide independent causes of action to litigants, but rather to ensure that the interpretation of provisions of private law are compliant with human rights and constitutional guarantees.[668] Although authors have conceded that the distinction between both forms of horizontal effect can sometimes be blurred, where it applies, such effect cannot simultaneously apply directly and indirectly.[669] As a result, where courts hearing interaction cases involving recoded use of marks have made recourse to freedom of expression by means of direct horizontal effect, the balancing exercise requires that right holders' freedom of expression also be acknowledged as an independent cause of action –and, thus, in addition to the right to (intellectual) property. This is precisely the sort of (re)balancing exercise that we have just undertaken.

However, courts have misinterpreted the extent to which speech concerns can be accommodated within existing trade mark doctrines. As we saw in Chapter 2, trade mark law offers multitude of examples where speech concerns underlie the doctrinal apparatus, such as is the case for descriptiveness, genericity or in comparative advertising –and I would add: dilution. Furthermore, that existing trade mark doctrines are spacious enough to accommodate expressive concerns is now explicitly acknowledged in the recitals to the Trade Mark Directive and EU Trade Mark Regulation, which mandate that their provisions 'be applied in a way that ensures full respect for fundamental rights and freedoms, and in particular the freedom of expression'.[670] As a matter of fact, in the specific context of interaction cases involving recoded uses of marks for expressive purposes, the recitals go on to add that these uses 'should be

[668] Sakulin (n 205) 120–128; Joanna Krzeminska-Vamvaka, 'Horizontal Effect of Fundamental Rights and Freedoms – Much Ado about Nothing? German, Polish and EU Theories Compared after Viking Line' [2009] Jean Monnet Working Paper 11/09, NYU School of Law 7.

[669] Krzeminska-Vamvaka (n 668) 7.

[670] EU Trade Mark Regulation, Recital 21; Trade Mark Directive, Recital 27.

considered as being fair as long as it is at the same time in accordance with honest practices in industrial and commercial matters'.[671]

That European courts should refrain from the direct horizontal application of, *inter alia*, the right to freedom of expression when adjudicating intellectual property disputes is further reinforced by recent EU copyright jurisprudence.[672] Upon interpretation of copyright exceptions in the light of the fundamental rights enshrined in the ECHR and the EU Charter, the CJEU has closed the door to domestic courts applying those rights directly in horizontal disputes to circumvent the exclusive rights granted to authors under the copyright directives. According to the court, fundamental rights 'are not capable of justifying, beyond the exceptions or limitations provided for in [the copyright directives] […], a derogation from the author's exclusive rights'.[673] Decision makers must, instead, interpret the relevant provisions in light of the fundamental rights at stake. This is explicitly acknowledged by the court when it advances that '[t]he mechanisms allowing those different rights and interests to be balanced are contained in [the] Directive […] itself'.[674]

Against this backdrop, courts would be best advised to opt for the indirect horizontal application of fundamental rights in interaction cases. This would allow decision makers to ensure compliance with the fundamental rights of the right holder (and consumers of branded goods) and the recoder (and consumers of recoded branded

[671] ibid.

[672] Case C-476/17, *Pelham GmbH v Ralf Hütter* [2019] EU:C:2019:624; Case C-516/17*, Spiegel Online GmbH v Volker Beck* [2019] EU:C:2019:625; Case C-469/17, *Funke Medien NRW GmbH v Bundesrepublik Deutschland* [2019] EU:C:2019:623.

[673] Case C-516/17, *Spiegel Online* (n 672) [49]; Case C-469/17, *Funke Medien* (n 672) [64].

[674] Case C-476/17, *Pelham GmbH* (n 672) [60]; Case C-516/17, *Spiegel Online* (n 672) [43]; Case C-469/17, *Funke Medien* (n 672) [58].

goods) upon interpretation and application of the infringement provisions found in the relevant trade mark statute. In other words, the exclusive (property) rights granted by the mark would be interpreted in the light of the right to freedom of expression of all expressive users of marks. The constitutional protection afforded to speech would thus feed into the infringement analysis by giving content to, and modulating the scope of, trade mark rights. As regards their content, factoring in the speech interests of right holders (and consumers of branded goods) allows to propose a theory of (expressive) harm in interaction cases. In terms of their scope, invocation of the respective rights to free speech can facilitate the balancing exercise by weighing commensurable rights.

In essence, therefore, assessment of dilution in interaction cases will require courts to weigh defendant's interest in free expression through unimpeded use of the recoded mark against plaintiff's proprietary interest (as interpreted in the light of its right to freedom of expression) in the expressive meaning of its mark remaining stable. In practical terms, and following the interpretive guidance resulting from the earlier discussion, the (re)balancing exercise would be undertaken upon assessment of whether defendant's recoded use is liable to dilute plaintiff's reputed to such an extent as to fragment the expressive meaning(s) it conveys. Courts would be assisted in this endeavour by the proposed test. A test that is arguably spacious enough to allow courts to fine tune the specific protection afforded under the respective rights at stake in the light of the facts of the case at issue.

One last thing should be noted about the (re)balancing exercise proposed here. As is often the case, free riding sits uncomfortably within the conceptual framework suggested. Insofar as it is not grounded on a theory of harm, a finding that defendant's recoded use free rides on plaintiff's reputed mark will not, by itself, have the sort of impact on the mark that is liable to fragment the expressive meaning(s) it conveys. There are, however, two ways to reconcile this ground of infringement with the proposed test. Firstly, because all forms of dilution can occur simultaneously, it will usually be the case that defendant's recoded use will not only free ride on plaintiff's mark, but will also blur and/or tarnish it. Secondly, even in instances where defendant's recoded use is liable solely to free ride on plaintiff's mark, the proposed test would still be of application since the protection afforded to the recoder (and consumers of recoded branded goods) under freedom of expression would not cease to operate. Therefore, where plaintiff cannot prove that defendant's free riding use is liable to cause expressive harm to its mark, the latter's expressive interests will prevail in the balancing exercise.

The situation is very different upon assessment of likelihood of confusion, even in instances where the court is satisfied that defendant's recoded use is deserving of some degree of protection under the right to freedom of expression. Because the mark is not being protected against expressive harm, but rather confusion, the proposed test would not be of application here. Instead, courts would have to undertake a traditional balancing exercise, ideally following the guidance provided in *Rogers*.

Before moving on to the proposed case studies, it is worth discussing the viability of transposing this balancing exercise into the doctrinal apparatus. Doing so would allow avoiding the inherent pitfalls that underlie any balancing exercise –notably the lack of certainty– by providing for more systematic adjudication in interaction cases. The reinterpretation of the scope of protection afforded to right holders in interaction cases that I have proposed would ideally take place through statutory amendment. I would thus suggest incorporating into the antidilution provisions contained in trade mark statutes a section specifically addressing this, along the following lines:

> Where a third party makes unauthorised use of a recoded version of a reputed mark for purposes of expressing a parodic, critical or other message that can run counter to the proprietary interests of the owner, respect for the fundamental right to freedom of expression of all trade mark users will lead to a finding of infringement where the mark owner can show that the recoded use has caused, or is liable to cause, prejudice to the expressive meaning(s) conveyed by the mark. In applying this provision, courts must ensure, wherever possible, the peaceful coexistence of the diversity of fundamental rights at stake. As a result, the right to freedom of expression of the recoder (and other users of the recoded mark) will give way to the right to property of the mark owner, as interpreted in connection with its right to freedom of expression (and that of other users of the original mark), where the ability of the mark to convey its expressive meaning(s) has been fragmented to such an extent that the latter users are no longer able to pursue their preferred expressive projects.

Alternatively, the CJEU could build on its functions theory by giving content to the communication function of marks. By conceptualising this function as the ability of marks to convey expressive meaning(s), harm to the communication function would result from the impairment of the owner's ability to maintain the expressive meaning conveyed by the mark stable over time.

However, and because it is not yet clear how the functions theory maps to dilution, opting for this method of doctrinal refinement is not without difficulties. The reader might recall from Chapter 1 that the vernacular of functions has been developed by the CJEU in cases involving double identity infringement. There is thus much uncertainty as to how it would apply in relation to other infringement grounds, notably in likelihood of confusion and in dilution. As regards the latter ground of infringement, the most obvious route to assessment of the communication function would be upon analysis of 'due cause', once the court is satisfied that defendant's recoded use gives rise to dilution.[675] Under this scheme, the burden of proof would fall on defendant to

[675] *Interflora Inc v Marks & Spencer Plc* [2014] EWCA Civ 1403 (CA) [105].

show that its unauthorized use of plaintiff's mark does not negatively affect any of the functions of the mark, including the communication function. This approach, however, is at odds with the one suggested here, where: (a) the assessment of expressive harm is part of the dilution analysis; and (b) the burden of proof falls on plaintiff. The preferred route in interaction cases would thus require assessing damage to the communication function directly. Fortunately, there are precedents of courts in Europe assessing damage to the origin function of marks in instances not involving double identity.[676] In *O2 v Hutchison*, the CJEU allowed for likelihood of confusion to be assessed on the basis of whether defendant's unauthorized use was liable to have an adverse effect on the functions of the mark (notably origin), thus opening the door for direct application of the functions theory.[677] Building on this case law, perhaps the way forward in interaction cases would be to assess whether defendant's recoded use is liable to affect the communication function of the mark. In doing so, courts would be best advised to follow the abovementioned test. Insofar as it is heavily reliant on the furnishing of evidence of fragmentation of the expressive meaning conveyed by the mark, this test is arguably well adapted to the fact-sensitive, contextual assessment that is characteristic of infringement analysis under the functions theory.

[676] *IPC Media Ltd v Media 10 Ltd* [2014] EWCA Civ 1439 (CA) [40]; Case C-533/06, *O2 Holdings* (n 203).
[677] Case C-533/06, *O2 Holdings* (n 203).

6.3. Case Studies

6.3.1. Preliminary Considerations

To illustrate how the proposed test would operate in practice, this section will revisit some of the cases involving parodic use of recoded marks surveyed in Chapter 3. The first fact pattern that will be analysed finds its inspiration in the recent cases decided by US courts regarding recoded use of reputed marks in relation to pet toys that are offered for sale.[678] The reader will recall that, despite the similarity of facts in both cases, courts have reached irreconcilable outcomes that call into question the ability of existing approaches to the interaction between marks and speech to provide for consistent adjudication. As will soon become apparent, application of the proposed test to this fact pattern would easily lead a court to dismiss plaintiff's dilution claim. The second case study will apply the proposed test to the facts of *Mattel*, where the US court found in favour of defendant's recoded use of the 'Barbie' mark in the title of its worldwide hit song 'Barbie Girl'.[679]

Two things should be noted before delving into these case studies. Firstly, they have not been randomly selected. Quite apart from guiding the reader through the application of the suggested test, these fact patterns also seek to showcase the potential of the test to bring clarity and consistency to the adjudication of interaction disputes. This is particularly the case as regards the first fact pattern, where application of the test by both courts would have prevented them from reaching irreconcilable outcomes. As regards *Mattel*, this case has been chosen because it provides one of the very few fact

[678] *VIP Products* (n 8); *Haute Diggity Dog* (n 8).
[679] *Mattel* (n 1).

patterns to date where defendant's recoded use could give rise to infringement under the proposed test. And, secondly, the reader should be aware that application of the proposed test to these fact patterns is not without difficulties. Because this test is heavily reliant on the furnishing of evidence that was not originally filed by the parties in these cases (who were not attempting to show changes in the expressive meaning(s) conveyed by the mark as a result of defendant's use), it will be difficult to determine with certainty whether the expressive meaning(s) conveyed by the original mark was fragmented to the required degree. Therefore, the outcomes of the case studies proposed here should be taken with caution. This is without prejudice to the reliance on additional evidence, where this is publicly available, to improve the accuracy of the exercise.

6.3.2. Revisiting *Haute Diggity Dog* and *VIP Products*

Defendants in both cases were in the business of using recoded marks in relation to pet toys in the shape of goods marketed by plaintiffs for humorous purposes. In *Haute Diggity Dog*, defendant sold pet toys in the shape of handbags under the sign 'Chewy Vuitton', which constitutes an obvious comical take on plaintiff's reputed mark 'Louis Vuitton'. In *VIP Products*, defendant sold squeaky chew toys for dogs in the shape of a liquor bottle using the recoded sign 'Bad Spaniels' –a comical take on plaintiff's reputed 'Jack Daniel's' mark. For simplification purposes, the case study will follow the facts of one case only. More precisely, and to showcase how the proposed test would lead to different outcomes in interaction cases, I will be following the facts in *VIP Products*.

The first part of the test involves determining whether defendant's recoded use is indeed expressive. In this case, the dog-inspired recoding of the mark and the bottle-shaped chew toy are clearly constitutive of a parodic take on plaintiff's reputed mark for alcoholic beverages. Because defendant's use triggers the protection afforded to individuals under freedom of expression, the proposed test is of application to this case. This is, however, dependent on whether defendant's recoded use is liable to dilute plaintiff's mark. The second step in the inquiry thus requires determining whether defendant's use blurs, tarnishes or free rides on plaintiff's reputed mark. In principle, use of the recoded sign in relation to pet toys constitutes a successful parody and, thus, is unlikely to dilute or tarnish plaintiff's mark. Given the low threshold required for a finding of free riding, it could very well be the case that a court would conclude that defendant's use does give rise to free riding. As we have said, however, because this dilution ground does not have the sort of impact on the mark that can lead to fragmentation of its expressive meaning(s), it will not carry much weight in the balancing exercise. In any event, for purposes of the current exercise, we will assume that defendant's recoded use causes dilutive harm by, at least, tarnishment (following the finding of the US court in *VIP Products*) and free riding.[680]

The next step calls for analysis of the precise extent of defendant's use of the recoded mark. As explained earlier, this includes looking at: (a) the aim of the recoding –for humour (as opposed to criticism, artistic expression or a combination of these); (b) the extent of the recoding –there are substantial changes to the original mark, particularly in conceptual terms (i.e. a person's name v a joke involving the disciplining of a dog breed); (c) form of use –on pet toys; (d) intensity of use –on mass-produced goods offered for sale; (e) duration of use –over a period of time, although we lack

[680] *VIP Products* (n 8) [63].

information as to how long exactly; (f) geographic scope of use –mostly sold in the US market, but an online search reveals that the seller offers its products online and ships them to, *inter alia*, the UK;[681] and (g) propagation of use –we lack data regarding volume of sales (although online sales on amazon.co.uk are extremely low, as shown by the scarcity of consumer reviews (four) and how the product ranks on the category of 'pet supplies' (125,874)).[682] The third step in the inquiry involves assessing evidence of the impact that defendant's recoded use of the mark has had on the expressive meaning(s) conveyed by plaintiff's mark. This can be done by means of furnishing evidence of the efforts displayed by plaintiff to counter the effects that use of the recoded sign has had on the meaning conveyed by the original mark. For instance, by means of: (a) advertising campaigns aimed at educating the public as to its disassociation with the recoded message; or (b) changes in its advertising strategy that are coincidental in time. In addition to this, plaintiff must provide evidence of the extent of such efforts, including their duration and costs. Unfortunately, we lack any evidence to this effect from the case itself. However, to the extent that such campaigns would be public, and the research does not yield any results in this regard, it is safe to assume that they were never conducted. Finally, and also with a view to showing the impact that defendant's recoded use has on the expressive meaning(s) conveyed by the mark, plaintiff could rely

[681] Although the 'Bad Spaniels' model of chew toy is no longer available for sale on Amazon's UK site, the manufacturer offers pet toys using recoded versions of other reputed marks, including for alcoholic beverages in relation to a bottle-shaped toy. For instance, the sign 'Cataroma Extra' in a beer-shaped bottle, clearly poking fun at the reputed 'Corona Extra' mark for beer. The 'Cataroma Extra' toy, currently available for sale, is available online <https://www.amazon.com/Silly-Squeakers-Beer-Bottle-Cataroma/dp/B0017JHAM4/ref=pd_lpo_sbs_199_img_2?_encoding=UTF8&psc=1&refRID=P1ZM282T09BSKPR5GR7Z> accessed 21 September 2019. The Amazon UK site of the 'Bad Spaniels' chew toy, where it is no longer available for sale, is available online <https://www.amazon.co.uk/Silly-Squeakers-Liquor-Bottle-Spaniels/dp/B00N3X6JBU> accessed 21 September 2019.

[682] ibid.

on data showing: (a) changes in consumer perception of the expressive meaning conveyed by the mark; (b) commentary on the change in meaning by industry experts and publications in the field; or (c) the extent of replications of the recoded use. Once again, the research yields no results in this regard.

Several conclusions can be extracted from the evidence. Firstly, defendant recodes the mark to an appreciable extent and manages to successfully parody plaintiff's mark. Furthermore, defendant's recoding does not seek to denigrate plaintiff's marks or its activities (which could more easily erode the expressive meaning(s) conveyed by the mark, for instance, by use of 'Fuck Daniel's'). Secondly, the recoded use has in no way become mainstream, not even widespread, as evidenced by the very low volume of sales (although we would need additional data in this regard). Thirdly, defendant's recoded use can hardly be said to have had, or be liable to have in the future, a considerable impact on the expressive meaning(s) conveyed by plaintiff's mark. Fourthly, as regards the proportionality exercise itself, the scales weigh heavily in favour of defendant's expressive interests. This is in spite of the fact that the evidentiary threshold imposed by the facts of the case is not very high since: (a) the expressive meaning(s) conveyed by plaintiff's mark is consolidated; and (b) defendant's use, while successfully parodying plaintiff's mark, cannot be properly categorized as artistic or political and, thus, might not benefit from the highest degree of protection under free speech. However, because defendant's recoded use has a negligible impact, if at all, on the expressive meaning(s) conveyed by plaintiff's mark, the balancing exercise still weighs in favour of the recoder.

6.3.3. Revisiting *Mattel*

The reader will recall that this case was launched by renowned doll manufacturer Mattel Inc. against the pop band Aqua to enjoin the use of its reputed 'Barbie' mark in their hit song 'Barbie Girl'.

Once again, the first part of the inquiry involves elucidating whether defendant's use is indeed expressive and, thus, deserving of protection under free speech. The song constitutes a humorous reflection on the Barbie doll and the values that defendant believes she represents. In particular, the song pokes fun at the seemingly ideal, yet ultimately empty, lifestyle of Barbie. Therefore, defendant's recoded use is clearly expressive. This was also recognised by Judge Kozinksi, who illustrated with excerpts from the song how Aqua was poking fun at the famous doll.[683] The second step requires determining whether defendant's use is liable to dilute plaintiff's mark. Although the recoded use achieves its parodical aim, the considerable degree of similarity between the signs at issue (i.e. 'Barbie' v 'Barbie Girl') and the extent of use would likely lead a court to find dilutive harm by blurring and free riding. Making the case for tarnishment would be more difficult, since it is unclear how defendant's goods reflect negatively on the reputation of plaintiff's mark. Again, for simplification purposes, we will follow the finding of the court, who was easily convinced that 'Barbie Girl' was liable to, at least, blur the distinctiveness of plaintiff's mark.[684]

[683] *Mattel* (n 1) 10489.

[684] The court did not consider it necessary to assess tarnishment since the noncommercial exclusion found in the Lanham Act would shield defendant from all forms of dilution. Therefore, a finding of blurring was sufficient for the court to go on to assess whether the exclusion was of application. ibid 10494 & fn 4.

The third step requires determining the extent of defendant's use of the recoded mark by looking at the: (a) aim of the recoding –it is both artistic and humorous; (b) extent of the recoding –the changes made to the mark are not substantial since the original mark is simply complemented by the word 'girl'; (c) form of use –on the title and content of a song, but probably also on merchandising; (d) intensity of use –on mass-produced goods offered for sale; (e) duration of use –over a very long period of time, for the song was launched in 1997 and is still available for purchase or online streaming;[685] (f) geographic scope of use –worldwide; and (g) propagation of use –extremely successful (although we lack worldwide figures, 'Barbie Girl' remains the 16th best-sold single in UK history with over 1.79 million copies sold).[686] The fourth step in the inquiry involves assessing evidence of the impact that defendant's recoded use of the mark has had on the expressive meaning(s) conveyed by plaintiff's mark. Unfortunately, the research yields no direct evidence from plaintiff in the form of advertising or informative campaigns aimed at educating the public as to its disassociation with the recoded message. This is not surprising bearing in mind that the lawsuit was launched over 20 years ago, in 1997. There is, however, indirect evidence of such efforts by the doll manufacturer. In a news article covering MCA's counterclaim for defamation, the author quotes passages from the suit that make reference to Mattel making press statements in relation to MCA's activities and the song's impact on the

[685] ibid 10485.

[686] Justin Myers, 'The best-selling singles of all time on the Official UK Chart' (14 December 2018) Official Charts Company website <https://www.officialcharts.com/chart-news/the-best-selling-singles-of-all-time-on-the-official-uk-chart__21298/> accessed 24 September 2019.

'Barbie' mark.[687] Similarly, other news articles from that time quote excerpts from Mattel's infringement suit, including claims by the doll manufacturer that MCA's song 'associate[s] sexual and other unsavory themes with its Barbie products'.[688] Furthermore, it would appear that Mattel announced, shortly after the release of Aqua's song, a change in the body type of its doll (which had very rarely happened before) so as to render it more in line with women's real body proportions.[689] Given the timing, there is room to argue that the strategy sought to counter the negative impact that defendant's recoded use of the 'Barbie' mark was having on its image. Mattel was, therefore, actively involved in trying to minimize the negative repercussions that defendant's unauthorized use of its reputed mark could have on its expressive meaning(s). Other evidence to show such an impact includes: (a) widespread coverage by media outlets of the lawsuit;[690] and (b) reflections on the meaning conveyed by the 'Barbie' mark in the light of Aqua's song, even to this day –for instance, a recent blog user commented that '[t]his song to me feels like a sarcastic take on the American Icon, highlighting all the damaging stereotypes Barbie portrays'.[691] Finally, as regards the

[687] Adam Sandler, 'MCA Records slaps Mattel with 'Barbie' counterclaim' (10 November 1997) Variety Magazine website <https://variety.com/1997/biz/news/mca-records-slaps-mattel-with-barbie-counterclaim-1073/> accessed 24 September 2019.

[688] Adam Sandler, 'Hanky panky' prompts suit over Aqua's 'Barbie'' (15 September 1997) Variety Magazine website <https://variety.com/1997/music/news/hanky-panky-prompts-suit-over-aqua-s-barbie-1116674421/> accessed 24 September 2019.

[689] 'Barbie Girl' by Aqua song profile, Song Facts (online song database) <https://www.songfacts.com/facts/aqua/barbie-girl> accessed 24 September 2019.

[690] Amongst others: Lisa Bannon, 'Mattel Is Suing MCA Records Over 'Barbie Girl' Hit Tune' (12 September 1997) Wall Street Journal <https://www.wsj.com/articles/SB874017957277698500> accessed 24 September 2019; 'Mattel Sues Aqua Over "Barbie Girl"' (13 September 1997) Rolling Stone Magazine <https://www.rollingstone.com/music/music-news/mattel-sues-aqua-over-barbie-girl-118991/> accessed 24 September 2019.

[691] Owen McCue, 'Aqua's 'Barbie Girl' and the Meaning of Barbie' (29 March 2018) Temple University "American Icons" course blog <https://sites.temple.edu/americanicons/2018/03/> accessed 24 September 2019.

extent of replication, given that most interactions with the recoded use of the mark would be by means of listening to the song, and not so much through utterances of the recoded mark, they will not carry a significant weight in the balancing exercise. This would weigh against defendant's expressive interests, since the protection afforded under the right to freedom of expression of recoders will be limited.[692] Evidence to the contrary could, however, be filed in the form of volume of sales of merchandising bearing the recoded mark, notably where the goods are especially apt for expression, such as is the case for apparel, posters, stickers or mugs.

The available evidence thus reveals that: (a) defendant's recoding of the mark is not very substantial, although it can be categorized as artistic; (b) the use has been extremely widespread, with the song topping charts and hitting record sales worldwide; (c) the recoded use is liable to have had a very substantial impact on the expressive meaning(s) conveyed by the mark; and (d) the extent of replication of the recoded form of the mark by other users appears to be very limited despite the volume of sales, given their passive role as listeners. Moving on to the balancing exercise, we must first determine the evidentiary threshold that would be of application here. It is likely to be high since: (a) defendant's recoded use constitutes artistic expression and, thus, is deserving of reinforced protection under free speech; and (b) although the expressive meaning(s) conveyed by plaintiff's mark are consolidated, the fame that it enjoys can, in accordance with some decisions, diminish the negative impact that the recoded use has on its distinctiveness. In spite of this, there appears to be sufficient evidence for a

[692] It should be noted that the free speech claims of consumers of recoded branded goods will not be completely hollowed out, since the right to freedom of expression encompasses not only the right to speak, but also to listen. Article 10 ECHR provides that the right to freedom of expression 'shall include freedom to hold opinions and to *receive* and impart information and ideas' (emphasis added).

finding that the expressive meaning(s) conveyed by the 'Barbie' mark has been sufficiently fragmented by defendant's recoded use as to prevent Mattel (and consumers of branded goods) from expressing its desired message through use of the mark.

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CONCLUSION

By factoring in the plurality of expressive interests involved in trade mark use, the proposed reconceptualization of the interaction between marks and speech has the potential to bring more nuance and clarity to the adjudication exercise in both recoding and ownership cases. Perhaps more importantly, it ensures adequate enforcement of human rights guarantees in interaction cases. This thesis has shown that, combined, these improvements can lead to better balanced, fairer outcomes, as well as increased consistency. This refinement of the conceptual frameworks currently employed by courts will not put an end to all instances of fragmentation in interaction cases. This is a very complex area of trade mark law that requires courts to engage in highly sophisticated balancing exercises to ensure adequate protection of the diversity of conflicting interests at stake. It is unrealistic to suggest that the refinement of one element in this complex scheme can do away with all the shortcomings identified. Moreover, the rebalancing exercises suggested can give rise to pitfalls of their own that demand further discussion and refinement. The proposed reconceptualization is thus best understood as a much-needed step towards increased clarity and consistency in interaction cases that will, hopefully, put an end to prevailing reductionist approaches to the interaction between marks and speech. Only then will we be able to engage in meaningful debate of the role that speech ought to play in trade mark law. Though challenging, there is much to be gained from this exercise in the age of expressive branding in terms of refining the enforcement of trade mark rights and promoting speech.

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