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Scandalous marks sell: Can they be protected?

There is no question that scandal helps sell goods. Lady Duff Gordon sold intimate apparel to your great-grandmother, its popularity based in part on her scandalous lifestyle. Double entendres and “naughty words” have helped move goods as diverse as “Big Pecker” T-shirts, “Cocksucker” lollipops and “Cocaine” energy drinks. Yet, despite the sales such marks may bring, they are often unprotectable because of their “scandalous” nature. One of the unexpected consequences of today’s international emphasis on free expression, however, may be the strengthening of scandalous marks as protected brands.

Since 1883, Article 6 quinquies (B) of the Paris Convention for the Protection of Industrial Property has allowed countries to refuse to register marks considered “contrary to morality or public order.” Since 1905, the United States has similarly granted the U.S. Patent and Trademark Office the right to deny registration to a mark that “consists of or comprises immoral or scandalous matter.” In its current version, this prohibition has been expanded to include disparaging marks as well. (15 U.S.C. Section 1052(a)).

Scandal remains in the eye of the beholder. Marks denied registration in one country may be perfectly acceptable in another. In the United States, the Betty Crocker logo, featuring the face of a modern homemaker, is a strong brand. In strongly Muslim countries, the depiction of the human face is considered scandalous.

The scandalous nature of a mark is also a factor of the times in which the mark is used. As the U.S. Court of Appeals for the Federal Circuit recognized in *In re Mavety Media Group Ltd.*: “Today’s scandal can be tomorrow’s Vogue.” (33 F 3d 1367, 1371 (Fed Cir 1994)). In the 1930s, “Madonna” was rejected in the United States for wine yet in 2006 it was registered for the same

product without objection.

Similarly, in the European Union, the term “Screw You” was rejected in 2006 for registration for glasses and clothing on the basis of its scandalous nature, but was permitted for condoms and sex toys because such use was not profane.

In broad terms, marks containing a religious nexus, racial slurs or epithets, profane or vulgar matter, sexuality, innuendo or promoting illegal activity are generally considered scandalous. However, there is no agreed-upon set of standards. Even in the United States, it is difficult to determine when a mark will fail. “Cocksocker” for lollipops was rejected; “Gamecocksucker” was registered. Similarly, in the European Union, “FCUK” was registered for watches but “FOOK” was rejected for clothing.

Generally, refusal to register a scandalous mark ends its utility as a brand since it makes the mark largely unprotectable. Even in the United States, which, unlike most countries, protects unregistered marks, such refusals place hurdles to protection.

Most significantly, without the evidentiary benefits of federal registration, mark owners will have to prove ownership and validity as part of their case in chief. But there are new developments in both the United States and internationally that promise a new life for scandalous marks.

This new life is based on the increased importance placed on free speech values.

In the United States, perhaps the most famous recent rejection of a “scandalous” mark was the patent office’s cancellation of the “Washington Redskins” marks. The cancellation, based on the disparaging nature of the term “redskins” in connection with Native Americans, is currently on appeal before the Federal Circuit.

One of the strongest arguments in favor of overturning the patent office’s decision is based on the interference with the team’s free speech rights. As expressed in the amicus brief filed by the Ameri-

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can Civil Liberties Union: “The plain language of Section 2(a) (prohibiting registration of scandalous and disparaging marks) requires viewpoint discrimination. ... [A]ny determination ... explicitly turns on whether the public would consider the proposed mark offensive.” Such viewpoint discrimination is the definition of a prohibited speech restriction under U.S. law.

Last month, the Federal Circuit upheld the patent office’s rejection of the mark “The Slants” for entertainment services by an Asian-American band. The court found the mark a disparaging reference to Asian-Americans, regardless of the make up of the band.

It expressly rejected the appellant’s free speech claims: “It is clear that the PTO’s refusal to register appellant’s mark does not affect his right to use it. No conduct is proscribed, and no tangible form of expression is suppressed.” One week after this opinion issued, the Federal Circuit voted to reconsider the decision en banc.

This renewed focus on the potential clash between refusals to register based on the immoral nature of the mark and free speech is reflected in European

Union decisions as well.

In *Couture Tech* (Case T-232/10), the Court of Justice of the European Union (CJEU) upheld the refusal to register a mark composed of the coat of arms of the former Soviet Union for jewelry and other products. Registration was denied on public morality grounds because under Hungarian law, the sickle, the hammer and the five-point red star are considered “symbols of despotism” whose use is contrary to public policy.

The CJEU rejected *Couture Tech*’s claim that its freedom of expression had been violated. Such freedom “may be subject to certain restrictions ... for the protection of morals.” Failure to provide evidence of harm to overcome this general principle was fatal to *Couture Tech*’s claim.

The recognition that free speech principles may restrict the century-old scandalous marks doctrine is gaining momentum. Renewed international attention to the intersections between intellectual property and human rights is leading to a rebalancing of interests.

With its focus on an amorphous “public morality,” and its undeniable effect on commercial speech, the scandalous marks doctrine is a likely candidate for change. Such change will most likely allow companies to rely more heavily on scandal to sell their goods, but it will not be a clean sweep.

Double entendres and marks challenged for profanity or vulgarity will most likely be easier to register as free speech rights are brought more strongly to bear on the analysis.

By contrast, marks considered disparaging because they represent potential racial slurs will remain problematic. Despite increased calls to recognize the doctrine of reappropriation, represented by *The Slants*, countries with strong race and hate speech prohibitions will undoubtedly continue to reject such marks.

Scandal may sell, but even free speech won’t save it all.