ARE BRANDS UNTOUCHABLE? HOW AVAILABILITY AND USE OF TRADEMARKS CAN BE RESTRICTED FOR FURTHERING PUBLIC INTERESTS

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Abstract:

Are brands untouchable? Do commercial enterprises have complete freedom to register and use any kind of trademark? Can public authorities prohibit the registration and use of signs under certain circumstances? This article tries to provide some answers to these questions. It does so by looking at several national and international provisions and case law regarding the bans on registration of disputable trademarks such as immoral or scandalous signs as well as at regulatory measures aimed at prohibiting or restricting the use of signs in connection with (what are increasingly considered) harmful products including alcohol, certain foodstuffs and tobacco (particular attention is devoted to plain packaging of cigarettes, health warnings and other packaging-related measures).

The paper argues that trademarks are indeed "touchable" and economic operators can be prevented from registering and using certain brands on public interests grounds. It concludes that what trademark registrations offer their owners is not a positive right to use the brand, but just a negative right to prevent others from exploiting it (ius excludendi alios): which, in particular, allows states to lawfully restrict use of trademarks for protecting public interests. Similarities between the bans on registration of controversial brands and regulatory measures affecting trademarks' use are also highlighted.

The scope of the paper's analysis is not limited to just one jusridiction. It instead takes into account several legal systems such as the European Union, the United Kingdom, the United States, and Australia. Significant number of cases and measures from these and other countries are analysed.

INTRODUCTION

Are brands untouchable? Do commercial enterprises have complete freedom to register and use any kind of brands? Can public authorities prohibit the registration and use of signs in order to protect public interests? This article will try to provide some answers to

these questions. It will do so by looking at (i) several provisions and case law regarding the bans on registration of controversial trademarks, such as immoral or scandalous signs; and (ii) regulatory measures aimed at prohibiting the use of signs in connection with (what are increasingly considered) harmful products.

It is well known that communication and marketing strategies are very important to commercial enterprises. Even in times of economic crisis, many companies still invest huge amounts of money to make their brands known, and market to existing and potential costomers. And they often choose, register, and use trademarks which are considered "cool", with the purpose of catching purchasers' attention and eventually increasing the sales of their products. Fancy words, colors and logos are often used in order to distinguish and embellish the brand.

Yet, the choice of trademarks by enterprises and traders is not exempted from scrutiny. This work aims at exploring to what extent, availability, and use of trademarks can be restricted for furthering public interests. The interests in question are, *inter alia*, morality, decency, and the protection of vulnerable categories such as children and ethnic minorities as well as the protection of citizens' health.

As will be shown in the following paragraphs, bans on the registration of immoral or scandalous signs restrict the availability of (registered) trademark rights based on their content: these are signs conveying messages that governments do not want to encourage. The article does not extend the analysis to other grounds for refusal of registration, such as the prohibition on registration of descriptive signs or shape marks, where public policy also plays an important role.

While registration of trademarks can be refused by relying on provisions built into trademark legislation and treaties, use of signs which encourage the consumption of harmful products are prohibited or restricted by regulatory measures adopted outside the intellectual property (IP) realm.

The scope of the analysis will not be limited to just one jurisdiction – I will instead take into account several legal systems such as the European Union (E.U.), the United Kingdom (U.K.), the United States (U.S.), and Australia as well as international treaties, namely the Agreement of Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) and the Paris Convention. A significant number of national and international cases and regulatory measures will be mentioned.

BAN ON THE REGISTRATION OF CONTROVERSIAL SIGNS

Commercial enterprises in several industries are increasingly using aggressive marketing strategies to attract and keep customers. Amongst these strategies, the choice of the "right" brand is obviously key. Brands are indeed the main tool used by companies to comunicate to their current and potential customers. As they are continuously shown on

TVs, streets billboards, and social, cultural and sporting events, trademarks are often compulsory viewing and constitute a permanent image that viewers cannot avoid.[1]

Also, brands are sometimes chosen which aim at shocking existing and potential costumers, especially youngsters. Companies often want to adopt debatable trademarks for "shock value" in order to win consumers' attention and eventually increase their market share.[2] In other words, enterprises can be attracted by the commercial success they can gain by using edgy and controversial brands or anyhow borderline trademarks, which make the latter more memorable, more discussed and accordingly more appealing to consumers and more valuable.[3] In short, in some circumstances "to be rude" may be commercially viable.[4]

Yet, attempts to register controversial trademarks may encounter legislative obstacles. Indeed, international, regional, and national legislation prohibit the registration of a variety of debatable signs. Terminology varies depending on the jurisdiction. The E.U. Trademark Directive[5] and Regulation[6] as well as the U.K. Trade Mark Act[7] ban the registration of trademarks which are "contrary to public policy or to accepted principles of morality". Similar language had been adopted by the Paris Convention which prohibits the registration of signs "contrary to morality or public order" (Article 6-*quinquies* (B)).[8] The U.S. Lanham Act provides that no trademark shall be refused registration unless it consists of or comprises immoral, scandalous, or disparaging matter.[9] An analogous

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[1] Anne-Marie Cropley, *The Registration of Scandalous Trade Marks*, 75 Intell. Prop. Forum 20, 20 (2008); Patricia Loughlan, *Oh Yuck! The Registration Of Scandalous Trade Marks*, 73 Intell. Prop. Forum 38, 38 (2006).

[2] Rosalyn Gladwin, *Bullshit, I Can't Believe that was Registered*, 73 Intell. Prop. Forum 38,38 (2006).

[3] Cropley, *supra* note 1 at 20; Amanda Scardamaglia, *Are you nuckin futs? Registering 'Scandalous' Trade Marks in Australia*, 34(9) European Intell. Prop. Rev. 628, 629 (2012); Loughlan, *supra* note 1 at 38 (stressing that the very edginess of a trade mark and its capacity to offend certain sections of the population may enhance its attractiveness to others and its effectiveness as a marketing tool).

[4] Gordon Humphreys, *Freedom of speech and trademarks: Gauging public sensitivities or curtailing civil liberties?*, Fordham Intell. Prop. Conference (2009), available at http://fordhamipconference.com/wp-content/uploads/2010/08/Gordon_Humphreys_Freedom_of_Speech_and_Trademarks.pdf; Gordon Humphreys, *Deceit and immorality in trade mark matters: does it pay to be bad?*, 2(2) J. Intell. Prop. L. & Prac. 89 (2007).

[5] Council Directive 2008/95/EC, art. 3(1)(f), 2008 O.J. (E.C.).

[6] Commission Regulation 207/2009, art. 7(1)(f), 2009 O.J..

[7] The Trade Mark Act, 1994, Eliz. C. 26 §3(3)(a) (Eng.).

[8] Paris Convention for the Protection of Industrial Property, March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967, and as amended on September 28, 1979.

[9] The Lanham (Trademark) Act, §5(2)(a) 15 U.S.C. §1501 (1946).

provision is contained in the Australian Trade Mark Act according to which a trademark will not be registered "if it contains or consists of scandalous matter."[10]

Thus, registration cannot be offered to signs which contravene the state law or are perceived morally unacceptable.[11] As the U.S. Judge Lenroot stressed in the old case *Riverbank Canning*, "the field is almost limitless from which to select words for use as trade-marks, and one who uses debatable marks does so at the peril that his mark may not be entitled to registration."[12]

A look at some cases

In the following pages I will briefly analyze several decisions concerning refusal of registration on morality and public policy grounds. I will mostly (but not exclusively) refer to decisions that have denied registration or confirmed unregistrability on said grounds.

United Kingdom

In 2011 the sign "Tiny penis" was refused registration because it was considered contrary to current principles of morality (the products were articles of clothing). The Appointed Person[13] held that a distinction should be drawn between offense that amounts only to distaste and offense which would justifiably provoke outrage or would be the subject of justifiable censure as being likely to undermine current religious, family, or social values.[14] Similarly, the sign "Fook" was refused registration in 2005 because it has at least in oral use the same ability to cause offense and outrage as the word "Fuck" which is a swear word and deeply offensive and insulting to many people, and therefore capable to undermine current religious, family, or social values.[15] On the contrary the sign "FCUK" – the acronym for the U.K. clothing company French Connection - was granted registration, and the registration was confirmed. Although it is arguable that the word in question is capable of being seen as a swear word, it was found that it does not always evoke such word in consumers' minds. It was also noted that the reason why a different

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[10] The Trade Marks Act 1995 (Cth) s 42 (Austl.).

[11] Manual Concerning Proceedings Before the Office for Harmonization in the Internal Market (Trade Marks and Designs), Part B Examination, § 4 at 13, available at https://oami.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/trade_marks_practice_manual/part%20_b_section_4_ag_manual_after_gl_en.pdf.

[12] In re Riverbank Canning, 95 F.2d 327, 329 (C.C.P.A. 1938).

[13] Appointed Persons hear *ex parte* and *inter partes* appeals from decisions by the Registrar of Trade Marks Hearing Officers in accordance with Trade Marks Act, 1994, § 76 (U.K.).

[14] Ghazilian's application No 2232411, decision of the Appointed Person of 28 November 2001.

[15] Kevin Scranage's application No 2309350, decision of the Appointed Person of 23 June 2005.

conclusion was reached in the case regarding the sign "Fook" was that such word is phonetically identical to "Fuck" – and the same is not true of the sign "FCUK."[16]

Registration has also been denied to signs which encourage violence, especially in the context of sporting events such as football matches. For instance, the sign "standupifyouhatemanu.com" was refused registration in connection with a range of products including polo shirts, baseball caps and scarves as such combination of words is likely to lead to criminal or other offensive behavior. Indeed, the connection between football and violent behavior of some fans is well known and – the Registrar added - what the trademark in question conveyed was a clearly violent message, i.e. an invitation to people and in particular football fans to actively express their hatred of a football team (in this case Manchester United).[17] Similarly, the sign "Inter City Firm" in connection with clothing and footware was refused registration as such sign was the name chosen by a well known English football hooligan group mainly active in the 1970s, 1980s, and early 1990s and associated with the football team West Ham United. As noted by the Registrar, a Chelsea football fan seeing a West Ham fan wearing a shirt bearing the sign in question could easily be provoked into violence.[18] Therefore the registrar held that this trademark constitutes a form of anti-social branding and is likely to cause alarm or distress. These two decisions are consistent with the U.K. Registrar Work Manual that recommend that signs which encourage or promote criminal activities should not be registered.[19]

Signs which offend religions have also been denied registration. For example, the mark "Jesus" in connection with clothing products has been denied registration for causing greater offense to a large sector of the public than mere distaste. The very idea that the word "Jesus" should be appropriated for commercial purposes – the Appointed Person stressed – is anathema to believers as well as to people who believe in the need to respect the religious sensibilities of others.[20]

European Union

Several Community Trademarks have also been refused registrations on grounds of public policy or morality. For example, the application for the sign "Screw you" was rejected in connection with several ordinary items such as clothing, footware, and sunglasses. Yet, the registration was granted in relation to certain products sold in sex shops.[21] This does not come as a surprise. Indeed, sex shops' clients are unlikely to be shocked by that trademark. Another case concerned the application for the words "Fucking freezing".The applicant tried to convince the examiner that the term "fucking" used together with an adjective is nowadays considered as a synonymous of "very" or

[16] French Connection Ltd.'s Trade Mark Registr0ation (0-137-06), 17 May 2006, ¶ 83.
[17] CDW Graphic Design Limited's application 2227520, 20 November 2002, ¶¶ 27, 33, 37.
[18] Sporting Kicks Ltd.'s application 2376955, 11 November 2005, ¶¶12, 14.
[19] Registrar's Work Manual, Ch. 6 ¶ 9.1.
[20] Basis Trademark SA's International Registrations No 689374, 776058, decision of the Appointed Person, 18 January 2005.
[21] Grand Board of Appeal, Office of Harmonization for the Internal Markent, Case R 495/2005-G, 6 July 2006.

"particularly". The Board of Appeal of the Office of Harmonization for the Internal Market (OHIM) did not accept that argument and considered that the sign had in fact a vulgar and offensive meaning.[22] Similarly, the sign "Hijoputa" – which in Spanish means "son of a whore" - was denied registration and the refusal was confirmed by the General Court because of the insulting message conveyed by such expression.[23] Conversely, the sign "Dick & Fanny" was held registrable as it does not proclam an opinion, it contains no incitement and conveys no insult.[24]

The sign "Paki" filed by a logistics company was considered unregistrable for being racially offensive. This term is used in English-speaking countries to insult people from Pakistan or in general the Indian subcontinent. In this decision the General Court clarified that there is no need to bring evidence that the applicant wants to shock or offend consumers: the objective fact that the sign might be perceived as a shock or an offense is enough to deny registration.[25]

Trademarks which remind consumers of terrorist organizations or authoritarian regimes have also been refused registration. The sign "Bin Ladin" – applied for by an import/export company whose sole shareholder was named Bin Ladin - is amongst those signs. The applicant's argument that the application was filed four months prior to the 9/11 attacks and therefore was not meant to recall the founder of al-Qaeda was dismissed by OHIM Board of Appeals. Indeed, the famous Islamist terrorist was known to the public before the September 2001 attacks.[26] The figurative sign consisting of a representation of the coat of arms of the former Soviet Union, which included the hammer and sickle (a well-known communist symbol), was also refused registration. The General Court confirmed that such mark would be perceived by a substantial section of the relevant public in Hungary and other former communist countries (which have banned that sign and similar ones as they are associated to the despotic regimes which ruled them in the past) as being contrary to public policy.[27]

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[22] OHIM, Board of Appeal, Case R 0168/201-1, 1 September 2011.

[23] Case T-417/10, *Federico Cortés del Valle López v Office for Harmonisation in the Internal Market, Trade Marks and Designs, OHI)*, ¶ 23, (Mar. 9, 2012).

[24] OHIM, 4th Board of Appeal, Case R 111/2002-4, ¶ 10, 25 March 2003.

[25] T-526/09, *PAKI Logistics GmbH v Office for Harmonisation in the Internal Market Trade Marks and Designs OHIM. See also* Birgit Clark, *General Court Refuses "Racist" PAKI Trade Mark* 7(6) J. Intell. Prop. L. & Prac. 392 (2012).

[26] OHIM, 2nd Board of Appeal, Case R 176/2004-2, 29 September 2004. The Al-Qaeda leader was known as the orchestrator of the U.S. embassy bombings in Nairobi and Tanzania in 1998, which triggered the United Nations Security Council Resolution 1267 of 15 October 1999. Similar decisions have also been taken in the United States. *See* AL-QAEDA, Registration No. 78/444,968 (Nov. 22, 2004) (refusing registration because the sign refers to an organization that undertakes the bombing of civilians and other terrorist activities that are contrary to the sense of decency); BABY AL-QAEDA, Registration No. 78/400,213 (Feb. 23, 2005).; OBAMA BIN LADEN, Registration No. 77/086,418 (Jan. 19, 2007) (rejecting the application because, amongst other things, it referred to a terrorist and associated him with a U.S. former presidential candidate).

[27] Case T-232/10, *Couture Tech Ltd vs. Office for Harmonisation in the Internal Market, Trade Marks and Designs, OHIM*, (Sep. 20, 2011). Similarly, the Hungarian trademark office refused registration of the sign "Stalinskaya," as this word derives from the name of the well known communist dictator Stalin. On this case *see* Gabriella Sasvary, Hungary, *Trade and Service Marks – Use of Name "Stalin" - Whether Contrary to Public Morality*, 15 Entm't L. Rev. 47, 48 (2004). An, analogous decision was taken by the

United States

In the U.S., the trademark "Redskins", registered by the famous American footbal team, was challenged by some Native American petitioners. The Board of the United States Patent and Trademark Office (USPTO) first cancelled the registration on the grounds that it might disparage Native Americans and may bring them into contempt or disrepute, but denied the petitioners' allegation that the sign was scandalous.[28] The Court of Appeals for the District of Columbia Circuit then found that the disparagement and contempt claims were barred by laches.[29] In a subsequent proceedings related to the same sign, the USPTO Board held again that the Redskins' trademark is disparaging and cancelled six registrations.[30]

A line of cases also regarded sexual messages. In *McGinley* the sign included a photograph of a nude man and woman kissing and embracing in a manner appearing to expose the male genitalia (the product was a newsletter dealing with sexual topics). The mark was considered offensive to propriety, morality, decency, and shocking to the moral sense of the members of the community.[31] An opposite conclusion was reached in both *Old Glory Condom* and *Mavety*. In the former case the sign was "a pictorial representation of a condom decorated with stars and stripes in a manner to suggest the American flag." The Trademark Trial and Appeal Board rejected the Examiner's argument that the majority of people would be scandalized and offended by the juxtaposition of the American flag and goods related to sexual activity. It is believed that the Board's decision was influenced by its approval of the message that the applicant was meant to convey, i.e. that it is Americans' patriotic duty to fight AIDS by practicing safe sex.[32] In *Mavety* the publisher of an adult magazine featuring naked African-American women was allowed to register the title "Black tail". The sign was not barred under the immoral or scandalous prohibition as the public would mainly believe that the term "tail" refers to buttocks and not to a female sex object.[33]

Australia

The sign "Kunt" was refused registration in relation to clothing. The Australian Registrar refused the applicant's argument that the term has become not offensive under the present

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Japanese Trademark office with reference to the sign "Hitler" in connection with pinball machines. This sign was refused registration on the basis of Japanese trademark legislation banning registration of signs contrary to morals and public order. *See also* Jeremy Phillips and Ilanah Simon, *No Marks for Hitler: a Radical Reappraisal of Trade Mark Use and Political Sensitivity*, 26(8) European Intell. Prop. Rev. 327 (2004); Caspar P.L. van Woensel, *Fuhrer Wines at Your Local Store: Legal Means Against Commercial Exploitation of Intolerable Portrayals* 27(2) European Intell. Prop. Rev. 37 (2005).

[28] *Harjo*, 50 U.S.P.Q.2d 1705, rev'd, 284 F. Supp. 2d 96, 68 U.S.P.Q.2d 1225 (D.D.C. 2003), remanded, 415 F3d 44, 75 U.S.P.Q.2d 1525 (D.C. Cir. 2005).
[29] *Pro-Football, Inc. v. Harjo*, 565 F.3d 880 (D.C. Circ.), cert. denied, 130 S. Ct. 631 (2009).
[30] Pro-Football, Inc. Registration No. 92046185 (Jun. 18, 2014) Cancellation.
[31] *In re Robert L. McGinley*, 660 F. 2d 481 (C.C.P.A. 1981).
[32] *In re Old Glory Condom Corp.*, 26 U.S.P.Q. 2d 1216 (T.T.A.B. 1993).
[33] *In re Mavety Media Group*, 33 F. 3d 1367 (Fed. Circ. 1994).

social morals. It was indeed held that "neither is it necessary that all people might find the word obscene. It is enough […] that a substantial number of people are likely to find the word shocking – but this number need not be as much or greater than 50%. […] it is sufficient if the result of the user of the trade mark will be that a not insubstantial number of people will be, or are likely to be, shocked."[34]

Conversely, the expression "Nucking futs" in connection with prepared nuts, mixtures of nuts, and dried fruits was considered acceptable, despite of the fact that it is a clear spoonerism for "fucking nuts." The registration is however conditional upon the trademark not being used on goods that would be marketed to children.[35] Such condition should not jeopardise the owner of the registration as its products are sold to pubs where kids cannot enter.

There is also a pending case which considers the application filed by a Malaysian company for the sign "MH17" in July 2014. This application was filed the very day after the Malaysia Airlines flight MH17 crashed into fields in eastern Ukraine killing all 298 passengers aboard, probably hit by a missile launched by pro-Russian rebels.[36] It will be interesting to know the outcome of the application. It seems probable that such a distateful attempt to capitalize on a tragedy which has attracted worldwide media coverage will be rejected by the Australian trademark office.

The Right and Duty of Public Authorities to Have a Say

One may argue that trademark offices and judges should not be bothered with assessing whether a sign is immoral, scandalous, offensive or against public policy. Market forces alone – the argument goes – would be able to address such issues because, if the sign is really controversial, consumers would feel offended and refuse to buy the relevant products or services, which will eventually push the brand out of the market.[37]

I believe such argument is flawed. Indeed, many members of the public could be attracted into buying the relevant product or service exactly because of the debatable message conveyed by the brand. As has been held in the U.S. case regarding the (refusal of) registration of the sign "DICK HEADS" coupled with a clear representation of male genitalia (in connection with restaurant and bar services), "some people may well buy applicant's promotional items *because* of the scandalous nature of the mark, for 'shock value', but this does not mean that the mark, in the context in which it is used, is not offensive to a substantial composite of the general public."[38] In other words, the fact that a brand is offensive may be seen by some consumers as a positive aspect of the whole

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[34] *In re Kuntstreetwear Pty Ltd's Trade Mark Application*, 73 I.P.R. 438 (2007).
[35] Application No. 14082134 in the name of Universal Trading Australia Pty Ltd as trustee for Basil and Groovy Trust.
[36] *See* Company's Bid for MH17 Trademark, The Australian, (Jul. 24, 2014), available at http://www.theaustralian.com.au/news/latest-news/companys-bid-for-mh17-trademark/story-fn3dxiwe-1227000391660.
[37] Jasmine Abdel-Khalik, *To Live in-'Fame'-Y: Reconceiving Scandalous Marks As Analogous to Famous Marks*, 25 Cardozo Arts & Enm't. L.J. 173, 176 (2007).
[38] *In re Wilcher*, 40 U.S.P.Q.2d (1929).

commercial offer and constitute a driver of purchasing behaviors. Yet, this does not make the message conveyed by the trademark as morally acceptable.

That is why there is a need for governments' intervention. Attempts by commercial enterprises to go beyond the line of what is decent and win consumers' attention by relying on morally unacceptable brands[39] (which can inflict emotional distress on a substantial portion of people) should be neutralized.[40] It is public authorities, namely trademark examiners and judges, that have the right and duty to prevent such attempts and protect decency, welfare, and morals - and they accomplish such a duty by denying or cancelling the registration of these controversial signs.[41] On the contrary, trademarks that convey neutral and inoffensive messages, or even positive messages (e.g. *Old Glory Condom* case above), do not constitute a threat to morality, and thus, should not be denied protection.

It has moreover been argued that public authorities should not waste their precious time and resources by dealing with the signs in question.[42] This has also been affirmed in both U.S. and E.U. decisions. For example, in *McGinley* it was held that scandalous trademarks should not "occupy the time, services, and use of funds of the federal government."[43] In the E.U. case concerning the sign "Screw you" it was held that "the rationale of the provision is that the privileges of trade mark registration should not be granted in favour of signs that are contrary to public policy or the accepted principles of morality. In other words, the organs of government and public administration should not positively assist people who wish to further their business aims by means of trade marks that offend against certain basic values of civilised society."[44]

A category of consumers and people which particularly need to be protected from controversial brands are children, even when they are not the destinataries of the relevant goods and products. The OHIM Manual of Trademark Practice expressly refers to them. There is an interest – the Manual stresses - in ensuring that children and young people, even if they do not constitute the public of the goods and services in question, do not encounter offensive words in shops that are accessible to the general public.[45] In the OHIM's decision regarding the sign "Screw you" it was interestingly held that "it is also necessary to bear in mind that, while broad-minded adults may enjoy bawdy humour in a

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[39] Gladwin, *supra* note 2 at 38; Cropley, *supra* note 1 at 20.
[40] Anne Gilson LaLonde – Jerome Gilson, *Trademarks Laid Bare: Marks that May Be Scandalous or Immoral*, 101 Trademark Rep. 1476, 1485 (2011).
[41] Stephen R. Baird, Moral Intervention in the Trademark Arena: Banning the Registration of Scandalous and Immoral Trademarks, 83 Trademark Rep. 661, 675-76 (1993).
[42] Baird, *supra* note 41 at 788.
[43] *In re McGinley*, 660 F.2d 481, 486 (C.C.P.A. 1981). *See also* Jeffrey Lefstin, *Does the First Amendment Bar Cancellation of REDSKINS?*, 52 Stanford L. Rev. 665, 683 (1999).
[44] OHIM, Grand Board of Appeal, Case R 495/2005-G, ¶13 (Jul. 6, 2006); *see also* OHIM, Board of Appeal, Case R 0168/201-1 (Sep. 1, 2011) (holding that it is responsibility of OHIM to ensure that the privileges of trade mark registration are not extended to trade marks which are deeply offensive, vulgar, disgusting or potentially capable of causing outrage).
[45] OHIM Manual Concerning Proceedings Before the Office for Harmonization in the Internal Market (Trade Marks and Designs), Part B Examination, §4 (Absolute grounds for refusal and community collective marks).

particular context, they might not wish to be exposed to material with explicit sexual content when walking down the streets or watching television in the company of their children […]. A substantial proportion of ordinary citizens in Britain and Ireland whose values and standards are representative of society as a whole would find the words SCREW YOU offensive and objectionable, especially if they encountered them as a trade mark in ordinary shops to which children have access, or if they were advertised on television at a time when children were likely to be watching or if they were displayed prominently on clothing worn in the street or visibile in shop windows."[46] The Australian decision involving the sign "Nuckin Futs" is also relevant. As we have seen, in that case registration was granted on condition that the underlying products are not marketed to children.[47]

The "Paradox" and the "Lack of Incentive"

The opponents of the provisions that ban the registration of controversial trademarks often highlight a paradox stemming from such rules, namely the fact that even if the registration is denied the applicant can still use the sign in the course of trade. The refusal of registration – the argument goes - does not prohibit the use of the immoral sign by the applicant and would therefore be useless. Actually, as any trader would be free to adopt the trademark in question, the denial of registration could even increase its use, which would exactly be the opposite of what the rules in question aim to accomplish.[48]

Several decisions have referred or hinted to this paradox. In the case concerning the U.K. trademark application for "Tiny Penis" the Appointed Person held that "the system of registration of trademarks is to protect both traders and the public ... [and the refusal of registration] *does not prevent a trader using a mark but merely denies him the protection of registration.*"[49] And in the decision concerning the U.K. trademark "FCUK" it was noted that "withholding protection is, at least in principle, more likely to result in that subject matter being widely disseminated than if protection were conferred."[50]

This paradox-focused argument – I believe – is not convincing. There is indeed no doubt that a trademark registration constitutes an incentive to make investments in a certain sign. The owner of a trademark which has been refused registration or whose registration has been cancelled may not have economic incentive to continue to use the brand. If exclusive rights are lost, economically it would make no sense to keep using the sign.[51] Thus, the refusal or cancellation of registration on grounds of public policy and morality

[46] OHIM, Grand Board of Appeal, Case R 495/2005-G, ¶¶ 21, 26 (Jul. 6, 2006); *see also* OHIM, Grand Board of Appeal, Case R 0168/201-1, ¶ 25 (Sep. 1, 2011). The need to protect family values has also been stressed in the decisions concerning the UK trademarks "Tiny Penis" (paragraph 30) and "Fook" (paragraph 8), *inter alia*.
[47] See *supra* note 35.
[48] Jeremy Phillips and Ilanah Simon, *supra* note 27 at 328.
[49] Ghazilian's application No 2232411, decision of the Appointed Person of 28 November 2001, ¶ 20; *See also Hijoputa*, T-417/10, *Federico Cortés del Valle López v Office for Harmonisation in the Internal Market, Trade Marks and Designs, OHIM*, ¶ 26, (Mar. 9, 2012).
[50] French Connection Ltd.'s Trade Mark Registration (0-137-06), ¶ 54, (May 17, 2006).
[51] Baird, *supra* note 41 at 39.

greatly decreases the value of the trademark (e.g., the use of the ® symbol next to the brand would be prohibited) that the owner would likely choose not to use it anymore.[52] Seen from this perspective, the ban on registrability can be an appropriate tool for states to discourage the use of debatable signs[53] and therefore preserve morality and welfare.[54]

Applicants are in particular discouraged from using the sign because the refusal of registration removes some of the legal protections which make the sign profitable, for example the right to obtain injunctions and damages against infringers. Yet one may argue that disappointed applicants could rely on other provisions to protect trademarks which could make the exploitation of an unregistered sign, even a controversial one, economically appealing, i.e. unfair competition rules against infringers in civil law jusridictions or common law protection such as the law of passing off in common law countries.[55] Thus, through intense use an unregistered trademark could still obtain protection, again in the form of injunctions and damages.[56] I wonder however, whether it would be really acceptable to prohibit the registration of immoral or scandalous signs while at the same time granting the said trademarks unfair competition or common law protection. It could indeed be argued that if statutory provisions preclude the registration of the trademarks in question, then it would be illogical granting those unregistered signs forms of protection similar to the one provided to registered trademarks. As has been noted, it would amount to "a slap in the face" to those who are the beneficiaries of the provisions which ban the registration of controversial signs.[57] It would therefore be reasonable not to provide immoral trademarks with such supplemental forms of protection. Again, the lack of protection would probably not increase the use of the signs in question in the market. It would not increase confusion on the market either. Indeed, in the long run enterprises and traders would likely not use these trademarks, as they would

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[52] Paul Loving, *Native American Team Names in Athletics: It's Time To Trade These Marks*, 13 Loyola of Los Angeles Entm't L. J. 1, 2 (1992).

[53] Abdel-Khalik, *supra* note 37 at 213 (highlighting that "the obvious justification for prohibiting registration of scandalous marks is to regulate morality and, specifically, to guide potential trademark owners away from 'improper' trademarks. In 1909, for example, the Commissioner of Patents indicated that the role of the Patent Office included discouraging the use of marks that detract from 'the dignity of the high office which [Presidents] have held").

[54] Bruce C. Kelber, *Scalping the Redskins: Can Trademark Law Start Athletic Teams Bearing Native American Nicknames And Images On the Road to Racial Reform?*, 17 Hamline L. Rev. 533, 555-56 (1994).; Kimberley A. Pace, *The Washington Redskins Case and The Doctrine of Disparagement: How Politically Correct Must a Trademark Be?*, 22 Pepperdine L. Rev. 7, 37 (1994); Ron Phillips, *A Case for Scandal and immorality: Proposing Thin Protection of Controversial Trademarks*,17 U.Balt. Intell. Prop. L. J. 55, 67 (2008); Baird, *supra* note 41 at 788.

[55] Lanham Act (U.S. Trademark Act), 15 U.S.C. § 43(a) (1946). U.S. trademark law also offers protection against unfair competition, and a plaintiff does not need to own a federally registered trademark to win a cause of action under this provision.

[56] Loving, *supra* note 52 at 35 (*citing United States v. Steffens*, 100 U.S. 82, 92 (1879)); *La Societe Anonyme des Parfums Le Galion v. Jean Patou, Inc.*, 495 F. 2d 1265, 1271 (2d Cir. 1974); *Maternally Yours, Inc. v. Your Maternità Shop, Inc.*, 234 F. 2d 538, 541 (2d Cir. 1956); *United States Jaycees v. San Francisco Junior Chamber of Commerce*, 354 F. Supp. 61 (N.D. Cal. 1972); *Phoenix Mfg. Co. v. Plymouth Mfg. Co.*, 286 F. Supp. 324, 328 (D. Mass. 1968); *Armstrong Paint and Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938); *National Trailways Bus Sys. v. Trailaway Van Lines, Inc.*, 269 F. Supp. 324, 328 (D. Mass. 1968).

[57] Baird, *supra* note 41 at 793-94.

have no economic incentive in investing in signs which cannot be protected. Instead, they would opt for other less controversial signs.[58]

An Important Corollary: Trademark Registrations do not Give Rise to a Right of Use

We have seen in the previous paragraph that the lack of registration does not affect the use of the sign. By using an *a contrario* argument, this means that registration does not give rise to any right of use, as trademarks can also be used before applications are filed.[59]

Several decisions released in various jurisdictions confirm this interpretation. For example, in a number of U.S. cases it was held that "registration does not create the underlying right in a trademark [a positive right]. That right, which accrues from the use of a particular name or symbol, is essentially a common law property right […] and cancellation cannot extinguish a right that federal registration did not confer" (*Keebler v. Rovira Biscuit*);[60] "it is clear that the PTO's refusal to register applicant's mark does not affect his right to use it […]" (*McGinley*);[61] "the right to use is unaffected either by failure to register or expiration of registration" (*Holiday Inn*);[62] and that the right to use "always precedes (the) application to register, continues during the prosecution of the application, and usually goes on after registration is finally refused" (*National distillers*).[63] The "right to use" mentioned in some of these decisions should be interpreted as just a privilege to use the sign which anyone has when running a business, namely a legal permission to engage in conduct, and not as a right in its strict sense.[64]

Also, as will be shown in the second part of the article, as no right to use is given by the registration of a trademark, the use of the sign can be prohibited or restricted by governments, especially when it comes to protecting public interests which may be jeopardized by the said use (we will see that trademark registrations cannot amount to a licence to publicly display brands without limitations).[65] In the case concerning the sign "Screw you" the OHIM Grand Board of Appeal interestingly noted that "the question whether a trade mark can be registered is separate from the question whether it can be used. […] when the Office decides to accept a trade mark that is in dubious taste, the mere fact that it has been registered as a CTM does not mean that its use cannot be prohibited […] under the civil, administrative or criminal law of a Member State."[66] This

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[58] Kelber, *supra* note 54 at 575, 586-87.
[59] Anne Gilson LaLonde, 3 Gilson on Trademarks, Sec. 9.01[2][b] ("The T.T.A.B. cannot determine parties' rights to use trademarks"); TBMP Sec.102.01.
[60] *Keebler Co. v. Rovina Biscuit Corp.*, 624 F. 2d 366, 373, (1st Cir.1980).
[61] *In re Robert L. McGinley*, 660 F.2d 481 (3d Cir. 1981).
[62] *Holiday Inn v. Holiday Inn, Inc.*, 534 F. 2d 312, 319 (C.C.P.A. 1976).
[63] *In re National Distillers & Chemical Corp.*, 297 F. 2d 941 (C.C.P.A. 1962).
[64] See *infra* the paragraph "Not a Right to Use, But Just a Privilege to Use the Sign."
[65] *See also* Phillips, *supra* note 54 at 74.
[66] OHIM, Grand Board of Appeal, Case R 495/2005-G, ¶ 13 (Jul. 6, 2006).

is exactly what Article 110(2) of the E.U. Trademark Regulation provides,[67] basically leaving E.U. Member States free to prohibit the use of a Community Trademark nationally, including when the sign is immoral or against *ordre public*.[68]

The fact that the decision to register or refuse a controversial trademark is often subject to an assessment of its use in connection with relevant products or services[69] (e.g. the registration of the sign "Screw you" was granted in relation to sex related products, but denied as far as clothing, footware, and sunglasses are concerned)[70] does not entail that the concepts of "registration" and "use" are interlinked and that the right to the latter follows the former. The reference to the use of the trademark in connection with certain products or services is here merely instrumental, i.e. it allows trademark offices and

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[67] This provisions states that the E.U. Trademark Regulation, "does not affect the right to bring proceedings under the civil, administrative or criminal law of a Member Sate or under provisions of Community law for the purpose of prohibiting the use of a Community trade mark to the extent that the use of a national trade mark may be prohibited under the law of that Member State or under Community law."

[68] Humphreys, *supra* note 4 at 2.

[69] This is despite the fact that statutory languages in many jurisdictions which ban the registration of these signs do not expressly mandate consideration of the covered goods and services. *See also French Connection Ltd.'s Trade Mark Registration (0-137-06)*, ¶ 57-8 (May 17, 2006) (noting that "it is not easy to see how a trade mark can be contrary to *ordre public* or morality as a thing in itself considered in the abstract rather than by reason of the effect of its use").

[70] OHIM, Grand Board of Appeal, Case R 495/2005-G, (Jul. 6, 2006). In several other decisions products and services were taken into account when it came to verifying whether a sign was registrable on these grounds. For example, in *Reva Electric Car* (R 558/2006-2), the OHIM Board of Appeal found that the word "RIVA" (a vulgar word for female genitalia in Finnish) was considered registrable also because the sign in question would be used on environmentally-friendly cars, and not on other products such as T-shirts that are the type of goods where one often sees deliberately provocative material. U.S. case law is also particularly abundant. In *In Re Reemtsma Cigarettenfabriken G.m.b.H.*, 122 U.S.P.Q. 339 (T.T.A.B. 1959), the sign "Senussi" for cigarettes was refused registration because the tenets of the Senussi Moslem sect banned tobacco consumption. In *In re Thomas Laboratories Inc.*, 189 U.S.P.Q. 50 (T.T.A.B. 1975), it was held that the goods used in connection with the sign are relevant for determining whether a mark is immoral. The Trademark Board accordingly found that a mark which represented "a melancholy, unclothed male figure ruefully contemplating an unseen portion of his genitalia" in connection with "a corrective implement for increasing the size of the human penis" was innocuous in character and involved "no threat to present-day public morals or sense of propriety". Similarly, in the already mentioned case *In re Old Glory Condom Corp.*, 26 U.S.P.Q. 2d 1216 (T.T.A.B. 1993), the Trademark Board registered "a pictorial representation of a condom decorated with stars and stripes in a manner to suggest the American flag" in relation to condoms, by clarifying that "whether the applicant's mark would be likely to offend must be judged not in isolation but in the entire context of the mark's use." In *In re Kirby*, 2008 TTAB LEXIS 156 (T.T.A.B. 2008), it was held that "the word 'Cocaine' is not objectionable because it is vulgar […] inasmuch as it is a term that would be commonly used to refer to the drug. However, when used in combination with soft drinks and energy drinks, the term does not have a neutral meaning, as it might when used in a news story or medical reference"). In general, signs which incorporate drug names are usually registered as long as the relevant products or services do not support drug consumption; e.g., "Cocaine Anonymous" for "promoting the interests of those concerned with the use of cocaine and other narcotics" (U.S. Trademark Registration No. 1612405); "Marijuana Symposium" in connection with conferences in the field of medical science (U.S. Trademark Registration No. 3801424); "E-toke" in relation to a workshop on marijuana use awareness and prevention (U.S. Trademark Registration No. 3132959). Also, in *In re Hepperle,* 175 U.S.P.Q. 512, 512 (T.T.A.B. 1972), it was held that the sign "Acapulco Gold", commonly used as a synonym of marijuana, was nonetheless registrable for suntan lotion, clarifying that "the question as to whether or not a term is scandalous or immoral […] must necessarily be considered in relationship to the goods in connection with which it is used."

judges to assess whether a sign is morally acceptable and presentable to a defined category of consumers.[71]

Changes in moral standards

Moral standards change over time and space. What was considered morally unacceptable fifty years ago might be considered acceptable nowadays, due to changes in social attitudes. Also, what is deemed morally admissible in a country could be considered outrageous in another, given cultural and social differences between nations and peoples. Trademarks are no exception, and the period and place where the perception of a brand by the relevant public is measured become relevant.[72] It therefore, does not come as a surprise that trademark offices and judges may take different decisions in similar cases. For example, the word "Jesus" has been refused registration in U.K.[73] whereas in Australia signs containing the same word have been recently registered.[74] While the sign Madonna was considered scandalous in connection with bottles of wine in the U.S. in 1938,[75] the same trademark has been lawfully registered decades later by the famous pop music star,[76] whose use of Christian symbols in erotic contexts may be considered much more scandalous than in relation to wine. Also, the signs "Mecca" and "Hallelujah" have been rejected in the past,[77] but later have been registered.[78]

In the already mentioned U.S. case *Old Glory Condom* the USPTO Trademark Trial and Appeal Board noted that "what was considered scandalous as a trademark or service

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[71] There is also a category of signs that are considered immoral, scandalous or indecent *per se*, regardless of the products or services they refer to and independently of the nature of the trademark owner's business. Such signs usually include obscene or very vulgar words which would be perceived unacceptable in connection with any product or service. They are therefore exluded from registrability without any assessment of the relevant product or service. For example, in a U.S. case the applicant's claimed reason for placing the sign "Bullshit" on its fashion accessories was to satirize the use of designers' names on similar products. The Trademark Board limited its analysis just to whether the nature of the term itself was scandalous, and found that the trademark was not registrable regardless of the underlying product. *In re Tinseltown, Inc.*, 6 U.S.P.Q. 2d 1635 (T.T.A.B. 1988). *See also* Theodore H. Davis, Jr., *Registration of Scandalous, Immoral, and Disparaging Matter under Section 2(a) of the Lanham Act: Can One Man's Vulgarity be Another's Registered Trademark?*, 83 Trademark Reporter 801, 812 (1993).

[72] It is widely accepted that the conformity of a trademark with morality must be judged at the date of its application. *See Hallelujah* Trade Mark, 1976 RPC 605 (UK), concerning the refusal of an application to register the sign "Hallelujah" for clothing. In his decision the hearing officer held that "[…] It is well established that the registrability of a trade mark must be judged as at the date of its application. I conclude that the phrase "contrary to morality" falls to be considered by the generally accepted standards of today and not by those of 1938 […]."

[73] Appointed Person, Basis Trademark SA's International Registration Nos. 689374, 776058, (Jan. 18, 2005).

[74] *Hanging Out With Jesus*, Registration No. 742126 (Aug. 30, 2007) (Austl.); *Epic Jesus*, Registration No. 1028403 (Feb. 8, 2007) (Austl.); *J.A.M. Jesus and Me,* Registration No. 943758 (Jun. 6, 2003) (Austl.) (all referring to Jesus).

[75] *In re Riverbank Canning Co.*, 95 F. 2d 327 (C.C.P.A. 1938).

[76] *Ciccone v. Parisi & Madonna.com*, Case No. D2000-0847, Admin. Panel Decision, (Oct. 12, 2000), available at http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0847.html.

[77] *Mercy's Application*, 25 A.O.J.P. 938 (1955) (Austl.); *Hallelujah* Trade Mark, (1976) RPC 605 (UK).

[78] *Hair Mecca*, Registration No. 1392748 (Sep. 22, 2011) (Austl.); *Halleluja Clothing*, Registration No. 1200316 (Apr. 10, 2007) (Austl.).

mark twenty, thirty or fifty years ago may no longer be considered so, given the changes in societal attitudes. Marks once thought scandalous may now be thought merely humurous (or even quaint)".[79] Similarly, in *Mavety* the U.S. court warned to be "mindful of ever-changing social attitudes and sensitivities. Today's scandal can be tomorrow's vogue [...]."[80]

Changes in moral attitudes may also happen the other way around. Words or expressions which were considered acceptable decades ago may not be considered admissible nowadays. Some racist names or adjectives such as "colored", "nigger," and "yellow" had been sometimes used in the past to refer to black or Asian people, but in the present days they are considered as having racist connotations.[81] For instance, trademarks such as "Nigger Head Brand" for canned vegetables and "Niggerhair Tobacco" accompanied by a caricature of a black woman with a bushy Afro and rings through her nose[82] had been used in the U.S. in the past. It has been noted that while such trademarks could have been acceptable in the first part of the twentieth century, an era politically and economically dominated by white men, they cannot be accepted in the current multi-cultural society.[83] That is also why some companies have tried to adapt over the decades certain debatable trademarks, mostly to avoid offending or alienating large categories of customers.[84]

I believe that trademarks which have become over the years morally unacceptable should be kept out of the register. They should be refused registration if they are scandalous or contrary to accepted principles of morality at the time of filing, and if already registered they should be revoked.

PROHIBITION AND RESTRICTION OF TRADEMARK USE

In the first part of the article we have seen that IP-related statutes and treaties prohibit registration of trademarks conveying messages that public authorities do not want to encourage. Let us now turn our attention to another category of rules, namely measures adopted outside the realm of IP law and aimed at prohibiting or restricting the use of

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[79] *In re Old Glory Condom Corp.*, 26 U.S.P.Q. 2d 1219 (T.T.A.B. 1993).
[80] *In re Mavety Media Group*, 33 F.3d 1367 (Fed. Circ. 1994).
[81] Regan Smith, *Trademark Law and Free Speech: Protection for Scandalous and Disparaging Marks*, 42 Harv. C. R. – C. L. L.R. 451, 480-81 (2007).
[82] Nancy Kruh, *Collecting Controversy; Evolving Images: Aunt Jemina, Uncle Ben, and The Chef of Cream of Wheat* (Dallas Morning News broadcast Feb. 13, 1994) (1F.).
[83] Pace, *supra* note 54 at 8-9.

[84] Perhaps the best example of an evolution of a brand over the years is the "Aunt Jemima" trademark owned by the Quaker Oats Company. When the brand was first used in 1893, Aunt Jemima appeared as a caricature of a black "mummy" grinning with a handkerchief over the head (indeed a caricature of slave-like servitude). Her image conveyed messages related not only to family lifes and secret recipes, but also to plantation life as a happy slave contributes to the post civil war idealism of southern life and America's developing consumer culture. Since then, Aunt Jemima has undergone several makeovers aimed at making the brand a less racially stereotyped one. *See* Pace, *supra* note 54 at 9-10.

trademarks in connection with products which are increasingly considered harmful to people's health. Tobacco, alcohol, and food are the industries which have been particularly hit by such measures.[85]

Regulatory Measures that Restrict the Use of Brands

Generally speaking, companies tend to present their goods in such a way as to induce consumers to make purchase decisions. Brands affixed on packaging, including fancy words, logos, and colours, are the privileged means to communicate this message to prospective purchasers. It therefore does not come as a surprise that more and more regulators and policy makers around the world have started adopting measures that prohibit or restrict the use of trademarks on packaging in connection with unhealthy products. Their aim is to make such products less appealing, and thus, discourage consumption, mainly on the assumption that less exposure of existing and potential customers to brands and other packaging features reduces the chances of purchase.[86]

Tobacco

The case of tobacco is particularly relevant. Measures have recently been adopted or proposed, which aim to prevent tobacco companies from fully displaying on packaging the fancy elements of their trademarks. The most striking example within this category of measures is plain packaging of tobacco products. Bans on misleading packaging and compulsory health warnings have also been adopted which aim at avoiding consumers' deception about the health consequences of tobacco consumption.

Also known as "generic" or "standardized packaging", plain packaging requires that all forms of tobacco branding be labelled exclusively with simple, unadorned text. This entails that trademarks, graphics, and logos be removed from cigarette packs, except for the brand name and variant, which are displayed in a standard font identical for all brands in the market. In essence, plain packaging aims at standardizing the appearance of all

[85] Another sector which experiences restrictions on the use of brands on public health grounds is the pharmaceutical one. For example, as early as 1993 the WHO recommended states to discourage the registration as trademark of words that are declared as International Non-Proprietary Names (INNs). These are names that play a very important role from a public interest perspective as they allow an understanding of the drug even when that individual drug is not known and thus help consumers to reduce confusion in drug nomenclature. Several states including India introduced a similar ban in trademark statutes. More recently in 2012, the Australian regulatory agency for medical drugs and devices has proposed to introduce, amongst other measures, an obligation on pharma companies to indicate active ingredients on at least three sides of the packaging of medicines with equal prominence to the brand name as well as a ban on the so-called look-a-like and sound-a-like medicines such as "BRAND-headache", "BRAND-backache" and "BRAND-joint pain." The aim of these public health measures is to increase consumers' information about the characteristics of medicines and to avoid the monopolization by one undertaking of descriptive or generic names. Such measures are out of the scope of the present analysis.

[86] *See* Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86(3) Tex.L. Rev. 508 (2008) (noting in particular that "cognitive science is especially attractive to trademark law because trademark protection is premised on a psycological assumption: exposure to a mark will trigger ideas and emotions in the mind of a consumer").

cigarette boxes in order to make them unappealing,[87] especially for adolescents, thus reducing the prevalence and up-take of smoking. To the eyes of tobacco majors, this is a strong limitation of their commercial freedom, especially in those countries where almost all forms of tobacco advertising are prohibited, and thus, packaging has become their ultimate marketing tool. Indeed, cigarette packs, once opened, remain in the hands of final consumers and constitute a powerful means of "mobile" advertising.[88]

Plain packaging has been implemented in Australia.[89] It has also been recently announced or taken into serious consideration in France, Ireland and United Kingdom[90] as well as South Africa, New Zealand, and India.[91] Also, in March 2014 the E.U. adopted a revised E.U. Tobacco Products Directive.[92] While the new directive does not mandate plain packaging, it leaves E.U. Member States free to introduce such measure. The Australian legislation on plain packaging has been challenged by leading tobacco majors such as British American Tobacco Australasia Limited and Philip Morris Asia Limited before both the High Court of Australia[93] and an ICSID arbitral panel constituted pursuant to a bilateral investment treaty ("BIT") between Australia and Hong Kong.[94] A dispute is also currently pending at the World Trade Organization ("WTO"), which regards the compatibility of the Australian measure with several provisions of the TRIPS Agreement - and a decision is expected soon.[95]

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[87] *See* Becky Freeman, Simon Chapman and Matthew Rimmer, *The Case for the Plain Packaging of Tobacco Products*, 103(4) Addiction 580 (2007); Alberto Alemanno and Enrico Bonadio, *The Case of Plain Packaging for Cigarettes*, 3 European J. Risk Regulation 268 (2010).

[88] Plain packaging is endorsed by the FCTC, and more precisely by the Guidelines to Arts 11 and 13 to this treaty, which expressly recommend that states consider adopting such measures. ***See*** World Health Organization Framework Convention on Tobacco Control: Guidelines for Implementation art. 11, 13 (2011).

[89] *Tobacco Plain Packaging Act 2011* (Cth) s 2 (Austl.).

[90] ***See*** Irish Outline Heads of the Public Health: Standardized Packaging of Tobacco Bill 2013 (Ir.); ***see also*** United Kingdom Plain Packaging Draft Regulations 2014 (U.K.) available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323922/Cons_doc.pdf.

[91] Peter Leung, *Why Asia is Set for More Tobacco Plain Packaging Rules*, Managing Intellectual Property, January 2013.

[92] Directive 2014/40/EU, European Union and of the Council of 3 April 2014 on the Manufacture, Presentation, and Sale of Tobacco and Related Products and repealing Directive 2001/37/EC. On the legislative process which led to the adoption of this directive see, Matthew J. Elsmore and Viktoria Obolevich, *Thank You for Not Smoking: the Commission's Proposal for a New Tobacco Products Directive – Legally Sound, but Does it Hit the Spot?* 38(4) European L. Rev. 552 (2013).

[93] In August 2012 the Australian High Court confirmed that the measure did not amount to an expropriation of the tobacco companies' (intellectual) property, and is thus, compliant with Australian Constitution (*J.T. International S.A. v. Commonwealth*, (2012) HCA 43). For a comment of the decision ***see***, Jonathan Liberman, *Plainly Constitutional: the Upholding of Plain Tobacco Packaging by the High Court of Australia*, 39(2) Am. J. L. & Med. 361 (2013); Sam Ricketson, *Plain Packaging Legislation for Tobacco Products and Trade Marks in the High Court of Australia* (2013) 3(3) Queen Mary J. Intell. Prop. 224 (2013).

[94] Agreement for the Promotion and Protection of Investments, H.K., (Austl.) (Sep. 15, 1993), 1748 U.N.T.S. 385.

[95] Complaints against Australian legislation have been brought by Ukraine, Honduras, Indonesia, Dominican Republic and Cuba.

Other measures related to the presentation of tobacco products are in force in Uruguay. Uruguayan legislation prohibits misleading or deceptive tobacco packaging - and thus, aims at correctly informing consumers about health consequences.[96] The aim is to protect people's health. Initially this provision was invoked to outlaw descriptors including "mild", "light," and "ultra-light" (which are often incorporated in registered trademarks owned by tobacco companies). After Philip Morris began using different brands differentiated by colors and terms referring to such colors instead of the above descriptors (such as "Gold", "Blue", "Silver"), the Uruguayan Ministry of Public Health interpreted the ban on deceptive and misleading packaging as also outlawing the use of different colors. Philip Morris challenged this provision under the BIT between Uruguay and Switzerland,[97] claiming that the effect of the way the Uruguayan provision on deceptive and misleading packaging has been interpreted and applied entailed that just one product from a brand family can be marketed in that country,[98] with the result that tobacco manufacturers would be unable to fully use their trademark portfolio.[99] Some commentators have labelled this measure as the "single presentation requirement", as it bans the presentation of a single brand in multiple forms, if such forms are capable of misleading consumers about the risk of smoking.[100] In the eyes of the challenger, Philip Morris, this measure is arbitrary and not reasonably justified by a public health objective and thus amounts to an unlawful expropriation of (intellectual) property. The dispute is still pending.[101]

Another category of packaging-related measures relate to health warnings, i.e. messages to be included on the packaging concerning the effects of consumption. They have been implemented in several jurisdictions with a view to enhancing consumers' awareness of the harmful effects of smoking and thus, discouraging consumption – and their effect is to limit the space available for brands on the packaging. For example, the recent E.U. Tobacco Directive requires cigarette makers to show on packs health warnings covering a minimum of 65% of the front and back surfaces started from top edge.[102] In Uruguay all health warnings are also required to cover 80% of the front and 80% of the back of all cigarette packages.[103]

Food

[96] Law No. 18,256 (Uru.) 29 February 2008.
[97] Agreement Concerning the Reciprocal Promotion and Protection of Investments, Swiss Con.-Uru., October 7, 1988, 1976 U.N.T.S. 413.
[98] Benn McGrady, *Implications of Ongoing Trade and Investment Disputes Concerning Tobacco: Philip Morris v. Uruguay*, Andrew Mitchell et al eds., Public Health and Plain Packaging of Cigarettes: Legal Issues, 173, 178 (Edward Elgar, 2012).
[99] McGrady, *supra* note 98 at 173, 178.
[100] *See also* World Health Organization, *Confronting the Tobacco Epidemic in a New Era of Trade and Investment Liberalization*, (2012) 59–60.
[101] *See also* Benn McGrady, *Philip Morris v. Uruguay: The Punta del Este Declaration on the Implementation of the WHO Framework Convention on Tobacco Control*, 2 European J. Risk Reg. 254 (2011).
[102] *supra* note 92.
[103] *supra* note 96.

Health warnings are also spreading to certain foodstuff, thus enlarging the range of trademark owners hit by this marketing restriction. For instance, Chile recently amended its Food Health Regulation that mandates to place "STOP" signs on high fat, sugar and salt (HFSS) foods, such signs occupying no less than 20% of the main surface of the package.[104] And in the U.S., the California Senate Appropriations Committee is deliberating a bill that would require drink manufacturers to place the following health warning label on all sweetened non-alcoholic drinks: "Drinking beverages with added sugar(s) contributes to obesity, diabetes, and tooth decay".[105] Also, Peru introduced similar legislation in 2013, namely the Act to Promote Healthy Eating amongst Children and Adolescents, that mandates warnings on packaging such as "high in calories", or "high salt" on food products.[106]

Protection of children is also the target of recent South African and E.U. measures aimed at promoting breastfeeding, i.e. the ban on the use of logos on infant formula packaging containing pictures of babies or (in the case of South Africa, also) other humanized figures.[107]

Alcohol

[104] Press Release, World Trade Organization, Meeting of Technical Barriers to Trade (TBT) Committee (Sep. 18, 2014), available at http://www.wto.org/english/news_e/news13_e/tbt_13mar13_e.htm.

[105] Simon Capewell, *Sugar Sweetened Drinks Should Carry Obesity Warnings*, The BMJ. (May 6, 2014), http://www.bmj.com/content/348/bmj.g3428.

[106] Act 30.021 to Promote Healthy Eating Among Children and Adolescents, (May 13,2013) (Peru).

[107] *See* Regulation 7/R991, Foodstuffs, Cosmetics, and Disinfecants Act, s. 15(1), 54 (1972). South-African consumers, therefore, no longer see pictures on infant and follow-up formula for special dietary or medical purposes; liquid milks, powdered milks, modified powdered milks, or powdered drinks marketed or otherwise represented as suitable for infants or young children; feeding bottles, teats and feeding cups with spouts, straws or teats or complementary foods. *See also* Article 10(2) of Commission Regulation 609/2013, European Parliament and of the Council of 12 June 2013 on Food Intended for Infants and Young Children, Food for Special Medical Purposes, and Total Diet Replacement for Weight Control and Repealing Council Directive 92/52/EEC, Commission Directives 96/8/EC, 1999/21/EC, 2006/125/EC and 2006/141/EC. Directive 2009/39/EC, European Parliament and of the Council and Commission Regulations (EC) No 41/2009 and (EC) No 953/2009, which states that "the labelling, presentation and advertising of infant formula, and the labelling of follow-on formula shall not include pictures of infants, or other pictures or text which may idealise the use of such formulae."
These measures echo an old Guatemalan case that also regarded marketing of infant formula milk. In 1983 Guatemala implemented the WHO's *International Code of Marketing of Breast-milk Substitutes*, which prohibited the use of images of babies on foods destined for children under the age of two. The goal of this legislative move was to protect the lives of infants by promoting breast-feeding over breast milk substitutes and, particularly, to thwart aggressive marketing by baby food companies aimed at convincing mothers that their products were superior to breast milk. The law specifically banned images that idealised the products in question. Facing its implementation, the U.S. children's food company Gerber claimed that the law infringed its trademark, which included the image of a healthy baby. Gerber then began threatening Guatemala that the company would lobby the U.S. State Department to encourage it to impose trade sanctions under the *General Agreement on Tariffs and Trade 1947* (GATT 1947) and other trade measures (in particular, the withdrawal of Most Favoured Nation trading status). This move prompted the Guatemalan Supreme Court to exclude products imported into Guatemala, including those marketed by Gerber, from the application of the legislation. On this case see Russell Mokhiber, *Gerber Uses Threats of GATT Sanctions to Gain Exemption from Guatemalan Infant Health Law*, 10(14) Corp. Crime Rep. 6 (1996); Robert Mayer, *Protectionism, Intellectual Property and Consumer Protection: Was the Uruguay Round Good for Consumers?*, 21 J. Consumer Pol. 195, 209 (1998).

Alcoholic products have also been the target of recent regulatory measures. For example, Turkish legislation now requires placement of three graphic images depicting that alcohol should not be sold to minors, consumers should not drink and drive, and alcohol should not be consumed by pregnant women. The statement on the packaging that "alcohol is not your friend" is also required.[108] Thailand also has a liquor labelling regime in place which mandates graphic warnings and accordingly shrinks the space available for brands on the packaging.[109]

A particular measure aimed at reducing the attractiveness of certain alcoholic products was adopted in Iceland back in 1998. This measure was challenged in the *Hob-vìn ehf* case before the European Free Trade Association Court ("EFTA Court"). It was found not to be compliant with the *Agreement on the European Economic Area*.[110] The most interesting part of this dispute regards the refusal by the State Alcohol and Tobacco Company of Iceland ("ATVR") to authorize the marketing and sale of three cider cans, which had been legally manufactured and sold in Denmark. The reason for such refusal was that their packaging bore text and visual imagery in violation of a provision adopted by ATVR. The provision states that the text and images on alcoholic packaging and labelling should not suggest that the product enhances physical, mental, social, or sexual functions; or offend people's general sense of propriety, for example by referring to violence, religion, pornography, illegal drugs, political views, discrimination, or criminal conduct. ATVR stressed that the packaging of the products in question (which were marketed in stylish cans, featuring artful drawings including colourful illustrations of women's legs with some apparently naked skin) were "evidently intended to make the products sensually appealing and challenging."[111]

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[108] For more information see, Blog, O'Neill Institute for National and Global Health Law, available at http://www.oneillinstitutetradeblog.org/wp-content/uploads/2013/11/13_3072_00_e.pdf.

[109] In particular, Thai legislation requires labels to carry any of the following messages: (i) drinking alcohol causes hypertension liver cirrhosis; (ii) alcohol intoxication leads to accidents; (iii) drinking alcohol leads to unconsciousness and even death; (iv) drinking alcohol leads to inferior sexual performance; (v) drinking alcohol leads to adverse health effect and family problems; (vi) drinking alcohol is a bad influence on children and young people. It will also require the graphic health warning to be no less than 30% to 50% of the size of the alcohol container. The warning labels shall rotate every 1,000 packages. *See* Webpage, Thai Alcohol and Tabacco Tax and Trade Buraeu, available at http://www.ttb.gov/itd/thailand.shtml.

[110] *HOB-vín ehf v. The State Alcohol and Tobacco Company of Iceland (ÁTVR)*, E-2/12 (European Free Trade Agreement Court Dec. 11, 2012). For a timely comment on this case see Alberto Alemanno, *The HOB-vín Judgment: A Failed Attempt to Standardise the Visual Imagery, Packaging and Appeal of Alcohol Products*, 1 European J. Risk Reg. 101 (2013). The European Economic Area Agreement was signed on 2 May 1993, 1801 UNTS 3 (entered into force 1 January 1994) ("EEA Agreement") and extends portions of E.U. law to European Economic Area countries including Iceland.

[111] The importer of the cans challenged this decision. The case was then referred to the EFTA Court, which was asked to give an advisory opinion about the compatibility of the Icelandic provision with the EEA Agreement (in general, this court has the task of interpreting the EEA Agreement with regard to the EFTA countries that are party to it, namely Iceland, Liechtenstein and Norway. EFTA is a free trade organization grouping Iceland, Liechtenstein, Norway and Switzerland). The EFTA Court noted that the refusal by ATVR had been based exclusively on a specific part of the rule in question, namely the part of the provision that prohibits the use of texts or visual imagery that offends people's general sense of propriety.

Even though the Icelandic provision was eventually condemned for being contrary to the EEA Agreement, this case shows that policymakers have started targeting the packaging and brands of alcoholic products.

Trademarks as Negative Rights

All the above measures have been adopted with a view to both informing consumers about the health risks associated with the consumption of harmful products and discouraging consumption itself. Yet, they also prevent trademark owners from fully using their brands on packaging: e.g. plain packaging of tobacco products restricts the use of word signs and prohibits the use of figurative trademarks while health warnings, as we have seen, reduce the space available for brands on the packaging. Also, the single presentation requirement adopted by Uruguay limits the ability of tobacco manufacturers to use their family of brands. The same holds true of the South African and E.U. measures which ban the use of baby-related logos on infant formula packaging.

The relevant issue is thus, whether the measures in question infringe trademarks owned by tobacco, alcohol, and food manufacturers. Here I argue that such measures do not infringe trademarks as they do not affect any right offered by trademark registrations.

Indeed, as also shown above when dealing with immoral and scandalous subject matter, what trademark registrations do offer is not the *positive* right to use a sign. What is conferred is just a *ius excludendi alios* instead, namely the *negative* right to prevent others from exploiting the brand,[112] which is not jeopardized by the measures in question. A sign can indeed be used by economic operators regardless of, and prior to, the registration by the trademark office,[113] i.e. as soon as they start a business by offering the relevant products or services in the market.[114] In other words, as mentioned above and

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Accordingly, it was found that the measure in question could not be justified under the EEA Agreement by a stringent public interest objective such as the protection of public health (the ATVR had claimed in the proceedings that the ban in question could be justified by invoking the protection of consumers' health).

[112] It is opportune to stress this point as it seems that courts are still wrapped in confusion. The recent decision of the Court of Justice of the European Union (CJEU) in Case C-661/11, *Martin y Paz Diffusion SA v. David Depuydt & Another*, (2013 E.C.R. I) confirms such confusion. The CJEU was asked whether a trademark owner could be permanently prevented from exercising its exclusive rights and from using its trademark for certain goods because a third party had used the mark for these goods with the consent of the owner over an extended period of time. The Court held that under these circumstances the right owner cannot be deprived of any possibility of asserting the exclusive right conferred upon it by those trademarks against that third party and of itself exercising that exclusive right in respect of goods which are identical to those of that third party. It thus seemed to suggest that trademark registrations confer positive rights to use the sign. Yet, in his preliminarily opinion Advocate General Cruz Villalón expressly held the opposite opinion, namely that trademark rights are negative Case C-501/11, *Schindler Holding Ltd. and Others v. European Commission and Others*, ¶ 90 (2013 E.C.R.).

[113] *See also In Re National distillers & Chemical Corp.*, 297 F2d 941 (CCPA 1962), *supra* note 62.

[114] *See also* Julius R. Lunsford, *The Right to Use and The Right to Register – The Trade-Mark Anomaly*, 43 Tradmark Rep. 6 (1953). Not all scholars accept the "negative right" argument, as will be highlighted *infra*. *See* Daniel Gervais, *Analysis of the Compatibility of certain Tobacco Product Packaging Rules with the TRIPS Agreement and the Paris Convention*, Rep. 30 (2010) available at www.smoke-free.ca/trade-and-tobacco/Resources/Gervais.pdf; Daniel Gervais – Susy Frankel, *Plain Packaging and the Interpretation of*

will also be shown again later,[115] traders and companies have just a privilege (not a right) to use a brand, and registration by a trademark office restricts the privilege to use the sign.

The fact that trademark registrations provide just negative right is confirmed by Article 16 TRIPS: "The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs".[116] And, the fact that the registration does not offer its owner a positive right to use the trademark allows governments to introduce measures that prohibit or restrict such use on public interest grounds. This also has been confirmed by the WTO Panel in *EC – Trademarks and Geographical Indications*: the TRIPS agreement "does not generally provide for the grant of positive rights to exploit or use certain subject matter, but rather provides for the grant of negative rights to prevent certain acts. This fundamental feature of intellectual property protection grants Members freedom to pursue legitimate public policy objectives since many measures to attain those public policy objectives lie outside the scope of intellectual property rights and do not require an exception under the TRIPS Agreement."[117]

The above reading had also been confirmed by Advocate General Geelhoed in his Opinion on the validity of the 2001 E.U. Tobacco Products Directive: "the essential substance of a trademark right does not consist in an entitlement as against the authorities to use a trademark unimpeded *by provisions of public law*. On the contrary, a trademark right is essentially a right enforceable against other individuals if they infringe the use made by the holder" (emphasis added).[118]

Arguments and Counterarguments

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the TRIPS Agreement 46(5) Vand. J. Transnat'l L. 1149-214 (2013); Annette Kur, *The right to use one's own trade mark: a self-evident issue or a new concept in German, European and international trade mark law?*, European Intell. Prop. Rev., 198-203,198-99 (1996) (highlighting however German case law that suggest that owners of registered trademarks do not have a valid right to use); Ulf Bernitz, *Logo licensing of Tobacco Products,* 12(4) European Intell. Prop Rev. 137-39 (1990).

[115] *See infra* the paragraph "The Privilege to Use a Sign."

[116] *See also* Article 5(3) Trademark Directive; Article 9(1) Trademark Regulation; Directive 1998/14, European Parliament and of the Council of 6 July 1998 on the Legal Protection of Biotechnological Inventions 98/44/EC, 1998 O.J. (L213/13). The view that trademark rights are just negative is shared by most commentators. See for example, Justin Malbon, Charles Lawson, Mark Davison, *The WTO Agreement on Trade-Related Aspects Of Intellectual Property Rights – A Commentary* (2014), Elgar, paragraph 16(03); Carlos Correa, *Trade Related Aspects of Intellectual Property Rights. A Commentary on the TRIPS Agreement*, O.U.P. at 186 (2007) (noting that Article 16(1) "alludes to the right to exclude the use under certain conditions. It is clearly provided for as a negative right, and not as the right to use the trademark").

[117] *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by Australia), WT/DS290/R, ¶ 7.246.

[118] *See* Opinion of Advocate General Geelhoed in Case C-391-01 *The Queen v. Secretary of State of Health, ex parte British American Tobacco (Investments) Ltd. and others,* (2002) E.C.R. I-11453; (2003) 1 C.M.L.R. 14 at 266. As far as E.U. is concerned, that the use of trademarks can be prohibited or anyhow restricted for furthering public interests is also confirmed by Article 110(2) of the Trademark Regulation which leaves unaffected the right to bring proceedings under the criminal and administrative law of a particular Member State in order to ban the use of a Community Trademark, *supra* note 67.

In the following paragraphs I will present and criticize arguments pushed by some scholars in support of the opposite opinion, namely that trademark registrations would also confer a positive right to use the sign. In doing so I will often refer to specific provisions of the Paris Convention and the TRIPS Agreement.

The Alleged "Spirit" of TRIPS and Paris

Some commentators argue that while the TRIPS Agreement and the Paris Convention (whose main provisions are incorporated in the former)[119] do not expressly refer to a positive right to use a trademark, nonetheless the spirit of these two treaties is to allow the use of signs.[120] It has also been argued that rights to property are often defined in a negative (i.e. as rights to exclude others) and not in a positive way just in order to facilitate governments' actions for limiting such rights: "if property owner's rights are not defined as rights to exclude from the property, laws affecting the property might be harder to make without expressly calling them exceptions to owner's rights."[121]

The argument in question, based on an alleged purposive interpretation[122] of international trademark law provisions, seems flawed. First, as far as TRIPS is concerned, it is difficult to imply a positive right to use a trademark in the body of an international treaty that is all about "rights," i.e. the Trade-Related Aspects of Intellectual Property ***Rights*** (emphasis added).[123] States indeed do not cherish the idea that they have accepted to offer rights which are not explicitly referred to in the body of a treaty they have negotiated.[124] Also, if a positive right to use signs is (impliedly) conferred by the TRIPS Agreement it is far from clear what the scope of this right is.[125] Would it, for example, include the right to use brands for advertising harmful products such as tobacco, with the result that many legislative bodies around the world that ban tobacco advertising be made unlawful? No doubt such an interpretation would jeopardize legal certainty.

If TRIPS negotiators really meant to include a positive right to use a sign, they would have expressly mentioned and defined it in a specific provision, if not even in the heading of an article.[126] The WTO Panel in *EC – Trademarks and Geographical Indications* confirmed this view: "if the drafters had intended to grant a positive right, they would

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[119] Trade-Related Aspects of Intellecutal Property Rights art 2.1,Apr. 15, 1994.
[120] *See for example* Gervais, *supra* note 114 at 59.
[121] Daniel Gervais – Susy Frankel, *supra* note 114 at 1192 (*citing* Henry E. Smith, *Exclusion versus Governance: Two Strategies for Delineating Property Rights*, 31 J. Legal Studies 453 (2002)).
[122] The expression "purposive interpretation" is used by Daniel Gervais, *Plain Packaging and the TRIPS Agreement: A Response to Professors Davison, Mitchell and Voon* 23 Austrl. Intell. Prop. J., at 100 (2013).
[123] The Paris Convention does not provide an implied right to use trademarks either. See *infra* the sub-paragraph *Registration Versus Use*.
[124] Mark Davison and Patrick Emerton, *Rights, Privileges, Legitimate Interests, and Justifiability: Article 20 of TRIPS and Plain Packaging of Tobacco* 29 Am. U. Int'l L. R., 505, 547 (2014).
[125] Mark Davison, *The Legitimacy of Plain Packaging Under International Intellectual Property Law: Why There is No Right to Use a Trademark Under Either the Paris Convention or the TRIPS Agreement* (Voon, et al eds.), at 88-9, *supra* note 98.
[126] Mark Davison, *Plain Packaging of Tobacco and the "Right" to use a Trade Mark*, 8 European Intell. Prop. Rev.498, 499 (2012).

have used positive language. […] The right to use a trademark is a right that Members may provide under national law."[127] States thus retain the option to introduce such a right if they so wish, as Australia seemed to have done in 1995 when passing its Trade Marks Act (Section 20(1)).[128] Yet the fact that a country passes trademark statutes that envisage a positive right to use signs does not prevent it from prohibiting or restricting the use of the marks when adopting legislative measures in the public interest. In most legal systems such measures indeed constitute *lex specialis* (because they are adopted just in specific sectors), such *lex* being capable of superseding general laws like IP legislations (*lex specialis derogat legi generali*, namely a special law repeals a general law). Australian plain packaging legislation, which was introduced in 2011 and limits the ability of tobacco manufacturers to use signs, should therefore be considered *lex specialis* and thus a legitimate derogation of the 1995 Australian Trade Marks Act (*lex generalis*)[129] (still assuming that the former confers a positive right). Similarly, if a country introduces advertising restrictions in a specific field (e.g. alcohol), which have the effect of preventing the promotional use of alcohol-related brands in certain advertising-related scenarios, such measures would constitute a lawful derogation of trademark statutes which provide a positive right to use signs.

The argument that there would be no point in just exercising the right to exclude others from exploiting the registered sign if the owner cannot use it itself is also flawed.[130] The negative right would still be useful as it would allow owners, especially well known trademark owners, to maintain the value of the sign for the purpose of license in other fields (where lawful) and in particular to prohibit infringing activities which could turn out to dilute the distinctiveness and image of the trademark in case the prohibition or restriction are subsequently repealed.[131]

Interpretation of Domestic Trademark Laws

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[127] *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by Australia), WT/DS290/R, ¶ 7.610-7.611. The Panel affirmed the above when rejecting the argument of the European Communities that the reference in Article 24(5) TRIPS Agreement to "the right to use a trademark" entails that TRIPS itself confers such a right. Also, a footnote to the Panel's finding confirms that Article 16 TRIPS only provides a negative right. See *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by Australia), WT/DS290/R, ¶ 7.611, fn. 564.

[128] I used the verb "seem" as the said provision has in fact been interpreted by the Australian High Court as just conferring a negative right, as will be shown in the next subparagraph.

[129] Davison, *supra* note 125; Althaf Marsoof, *The TRIPs Compatibility of Australia's Tobacco Plain Packaging Legislation*, 16 J. World Intell. Prop. 197, 205 (2013).

[130] Lord Hoffmann, *Opinion to Philip Morris International*, 24 May 2012, p.6, available at http://www.pmi.com/eng/tobacco_regulation/submissions/documents/submission%20and%20all%20annexes%20%28combined%29.pdf; *see also* Justice Heydon's dissenting opinion in the decision regarding the Australian tobacco plain packaging legislation, *JT/BAT v Cth*, 43 HCA 208, 216, 223 (2012) (noting that "a right to exclude others from use is not of value unless the owner of the right can engage in use. […] So far as the proprietors retain their rights as owners of intellectual property to exlcude others from its use, those rights are hollow […]. All the proprietors' intellectual property had been rendered completely worthless, and the right to use the space on the packet had disappeared").

[131] Benn McGrady, *TRIPs and Trademarks: the Case of Tobacco*, 3 World Trade R.,53, 64-5 (2004).

The TRIPS Agreement therefore, does not mandate states to provide a positive right to use the registered trademark. It however leaves countries free to offer trademark owners such a right, if they so wish.

Yet even national legislations which seem to confer a positive right to use the sign have been interpreted in a "negative" way. The Australian Trade Marks Act of 1995 is a case in point. Section 20(1) of the Act provides that trademark owners have "the exclusive rights: (a) to use the trade mark; and (b) authorise other persons to use the trade mark […]." Yet, in the domestic dispute concerning the constitutionality of the plain packaging legislation the Australian High Court, while stressing that trademark and in general IP rights are property rights[132] that can be assigned,[133] found that what trademark registrations offer are just negative rights. In particular, Justice Crennan held that "the exclusive right to use the mark is a negative right to exclude others from using it."[134] And, Justice Kiefel stressed that "the right subsisting in the owner of a trade mark is a negative and not a positive right. It is to be understood as a right to exclude others from using the mark […]."[135] Finally, Justice Gummow noted that "trade mark registration systems ordinarily do not confer a liberty to use the trade mark, free from what may be restraints found in other statutes or in the general law. […] All these items of 'property' are […] 'artificial products of society', not 'physical objects' the boundaries of each class of which are fixed by external nature; more precisely […] these are not affirmative rights like the property in goods and […] not rights 'in gross, or in the abstract' […]."[136]

Registration Versus Use

The argument that trademark registrations would confer rights to use, is often coupled with the point that if registrations are granted is because trademarks must be used in commerce,[137] not because their owners want to just get a certificate from the state.[138] Registration without use would therefore be a "hollow formal right which is economically meaningless."[139] This interpretation would be reinforced – the argument goes – by the fact the provisions of the TRIPS Agreement and the Paris Convention

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[132] *JT/BAT v. Cth*, 43 H.C.A.30, 35 (Justice French); 107-137 (Justice Gummow); 202-06 (Justice Heydon, dissenting) (2012).
[133] *JT/BAT v. Cth*, 43 H.C.A. 31 (French C.J.); 81 (Gummow J.); 206 (Heydon J., dissenting); 274-75 (Justice Crennan) (2012).
[134] *JT/BAT v. Cth*, 43 H.C.A. 72 (2012).
[135] *JT/BAT v Cth*, 43 H.C.A. 98 (2012). In its decision the Australian High Court (Justice French) also referred to previous national cases that confirm that trademark registrations offer negative rights (e.g. *Campomar Sociedad Limitida v Nike International Limited* [2000] HCA 12, p. 16 of the decision).
[136] *JT/BAT v. Cth*, 43 H.C.A. 107 (2012).
[137] Gervais, *supra* note 114 at 67.
[138] *See also* Christoper Morcom, *Trademarks, Tobacco and Human Rights*, Trademark World, 18, 18-21 (2008) (noting that "there is not much point in having registered trademarks if one is forbidden to use them in trade").
[139] *See* the opinion delivered by the law firm *Lalive* to Philip Morris International Management SA, *Why Plain Packaging is in Violation of WTO Members' International Obligations under TRIPS and the Paris Convention*, 6-8 (2009), availabe at http://www.smoke-free.ca/plain-packaging/documents/industry-responses/LALIVE_Analysis_23_July_2009.pdf.

which deal with registration issues also refer to use. For example, paragraph 3 of Article 15 states that "Members may make registrability depend on use […]" whereas paragraph 4 provides that "the nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark."[140] A contextual reading of these provisions would therefore suggest that the *use* of a trademark is inextricably linked to its *registration,* and thus, what trademark registrations confer on their owners are also positive rights to use the sign.

The above arguments seem to go too far and in particular to confuse two concepts - registration and use of trademarks – that are different and autonomous instead.[141]

First, the use of trademarks is covered by another provision, namely Article 20 TRIPS Agreement, which will be analyzed *infra*. Also, the reference to Article 15(3) TRIPS does not lend weight to the "positive right" argument. By providing that states *may* make registrability of trademarks depend on use, this article is also saying that countries do not have any obligation to make registration dependent on use, which confirms again that registration and use are different concepts.[142]

Secondly, trademark registrations may have relevant economic value even when the signs in question are not yet used. Trademark registrations, for instance, may be assigned even where the relevant signs have not yet been used. Cases where trademark registrations are purchased by companies that later decide not to use the signs in question are not uncommon. This proves that *registration* may be economically valuable, at least for a certain period of time, regardless of any *use* of the underlying sign. Also, cases where trademark owners keep registration alive despite not being able to use the sign are not rare. For example, despite being legally bound not to use descriptors such as "mild" and "light," some tobacco companies have nonetheless renewed trademarks containing such descriptors.[143]

Moreover, the real purpose of Article 15(4) TRIPS is to ensure that registration can occur even though the use of a trademark is not possible in connection with a particular product, for instance because the good on which it should be affixed cannot be sold on security or safety grounds (e.g. a pharmaceutical product which can be marketed only after obtaining the relevant marketing authorization).[144] It is therefore implicit in such

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[140] Gervais, *supra* note 114 at 21-31 (noting in particular that "it makes little sense to allow registration of marks and ban their use in commerce").

[141] Andrew Mitchell, *Australia's Move to the Plain Packaging of Cigarettes and its WTO Compatibility*, 5(2) Asian J. WTO and Int'l Health L. & Pol'y 399, 409 (2010). Also, as we have seen above at the paragraph, "An Important Corollary: Trademark Registrations do not Give Rise to a Right of Use", in the case concerning the sign "Screw you" the OHIM Grand Board of Appeal noted that "the question whether a trade mark can be registered is separate from the question whether it can be used. […]."

[142] Davison and Emerton, *supra* note 124 at 550.

[143] *See* the Australian registered trademarks no. 598946, "PJ Peter Jackson Extra Mild", renewed in 2010 and no. 466640, "Rothmans Special Mild R", renewed in 2008, owned by British Americal Tobacco Australia Ltd. and Philip Morris Australia Ltd.

[144] Georg Hendrik Christiaan Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property, as Revised at Stockolm in 1967,* 128 WIPO Publication N°611(E) (1968) (noting that Article 7 Paris Convention, whose content is reproduced in Article 15.4 TRIPS, has a narrow

provision that, despite the registration, the use of trademarks may be restricted or even prohibited by governments under certain circumstances.[145]

This interpretation has also been endorsed by a former Director-General of the World Intellectual Property Organization (WIPO), which administers the Paris Convention: "[…] Article 7 [Paris Convention, which is reproduced in Article 15(4) TRIPS and is also incorporated into the latter][146] does not address the question of permission to use a registered mark. Therefore, countries party to the Paris Convention remain free to regulate the sale of certain types of goods and the fact that a mark has been registered for such goods does not give the right to the holder of the registration to be exempted from any limitation of using the mark which may be decided by the competent authority of the country where the mark is registered."[147]

The Paris Convention, therefore, like the TRIPS Agreement, does not mandate a positive right to use a trademark. This conclusion is further reinforced by the following fact. An amendment to Article 7 of the Paris Convention was presented by the Association Internationale de la Propriété Intellectuelle (AIPPI) to the 1956 Lisbon Conference for the revision of this international treaty. It would have added to the said provision the following words: "The exclusive right of the owner or right holder to use a mark thus registered or renewed cannot be prohibited or limited when the sale to which it applies is legal." Yet, the proposed amendment was not accepted. Such refusal does confirm that the Paris Convention has not incorporated any positive right to use a trademark.[148]

Some commentators believe moreover that countries' freedom to restrict or prohibit the use of trademarks would be significantly limited by another provision of the Paris Convention, i.e. the already mentioned Article 6-*quinquies*(B),[149] which is also

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scope of application, and its purpose is to make the protection of industrial property independent of the question whether the relevant products may or may not be commercialized in the state in question).

[145] McGrady, *supra* 131 at 65-6; Correa, *supra* 116 at 182.

[146] Trade-Related Aspects of Intellectual Property Rights, art. 2(1), Apr. 15, 1994.

[147] Letter from A. Bogsch, former Director-General, WIPO, to Director-General, World Health Organization (Feb. 22, 1995). *See* Collishaw Ne, *Tobacco Control and the Paris Convention for the Protection of Industrial Property*, 5 Tobacco Control 165 (1996). The same view was expressed by Mr Ludwig Baeumer (former Director of the Industrial Property Law Department of WIPO) in a letter addressed to a law firm: "[…] The countries of the Paris Union are bound to admit trademarks for registration, nothwithstanding the nature of the goods to which they are applied (Article 7). However, the Paris Convention does not contain any obligation to the effect that the use of a registered trademark must be permitted." *See* Mark Davison, *Plain Packaging and the TRIPS Agreement: A Response to Professor Gervais*, 23 Australian Intell. Prop. J. 160, 164 (2013).

[148] Bodenhausen (quoted by McGrady), *supra* note 131 at 65. See also Karnell, *Some comments on the Article 'Logo Licensing of Tobacco Products – Can it be Prohibited?' by Professor Ulf Bernitz in [1990] 4 EIPR,* 13 European Intell. Prop. Rev. 137, 137-39 (1990) (noting that "it is quite obvious from its historical background that it [Article 7 Paris Convention] must not be given a broader interpretation, for example, so as to exclude a prohibition on the use of a trade mark for a particular kind of product").

[149] *Lalive*, *supra* note 139 at 6-8.

incorporated by reference into TRIPS.[150] As we have seen in the first part of the article, this provision states that trademarks can be denied registration or the latter can be invalidated when they are contrary to morality or public order. They can also be refused registration – Article 6-*quinquies*(B) adds - when they are of such a nature as to deceive the public; when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed; and when they are devoid of any distinctive character. Such provision – the arguments goes - should be interpreted as meaning that not only registration but also the use of trademarks can be prevented exclusively on the above grounds. Countries would therefore, be able to prohibit (not only the registration but also) the use of trademarks exclusively on the grounds mentioned in Article 6-*quinquies* (B).

Accepting this interpretation of the provision in question would prevent countries from adopting the packaging-related measures mentioned in the previous paragraphs, as such measures do not fall within the grounds referred to in the article. Yet, this interpretation, again based on the (erroneous) assumption that the *use* of a trademark would be inextricably linked to its *registration*, cannot be accepted.

Admittedly, it is undisputed that the grounds indicated in Article 6-*quinquies*(B) Paris Convention are not motivated by their registration being problematic but rather by the fact that the use of the trademark would be.[151] For example, registration of a sign which violates prior exclusive rights of a third party would be denied not because the registration itself is inherently wrong, but because of the damages to such third party and consumers' confusion which the use of the later sign provokes.[152] Also, when a trademark office rejects an application, or when a court invalidates a registration, on deceptiveness grounds, the said office or court do so because they have assessed that the use of the trademark might mislead consumers as to certain characteristics of the goods on which the sign in question must be affixed.

Such examples, however, do not support the interpretation in question. Indeed, in the circumstances mentioned above the reference to the *use* of trademark is simply instrumental, i.e. it is necessary to decide whether the *registration* should be granted or invalidated (it would be impossible to carry out such assessment without taking into consideration the use of the sign). In other words, as is also often the case when assessing the registrability of allegedly immoral and unlawful trademarks,[153] the reference to the use of the signs on the market is merely ancillary as it allows trademark offices and judges to verify whether the trademark is registrable. The fact remains that *registrability*

[150] Trade-Related Aspects of Intellectual Property Rights, art. 2(1), Apr. 15, 1994.

[151] *Lalive*, *supra* note 139 at 7.

[152] *Lalive*, *supra* note 139 at 6-8.

[153] See *supra* the paragraph "An Important Corollary: Trademark Registrations do not Give Rise to a Right of Use."

of trademarks, to be assessed in administrative or judicial proceedings also taking into account any possible use of the signs, should not be confused with their *use*.[154]

We should, therefore, conclude that Article 6-*quinquies*(B) Paris Convention cannot be interpreted as extending its scope of application to trademark use, but it just covers registration related issues. It follows that all the measures mentioned in the previous paragraphs – which imply the prohibition or restriction on use of signs aimed at discouraging consumers from consuming tobacco, alcohol, and unhealthy food – cannot be challenged under this provision.

In any case, even interpreting Article 6-*quinquies* (B) Paris Convention in the opposite way, and thus, accepting that this provision also applies to uses of trademarks, such an interpretation would not significantly limit states' freedom to prohibit uses of signs. This article should indeed be read in conjunction with Article 6(1) of the same treaty, which states that "the conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation." In *U.S. - Section 211 Appropriation Acts* the WTO Appellate Body gave a broad interpretation of this provision and gave countries wide legislative discretion when it comes to determining the conditions for accepting or refusing registrations, thus confirming that the Paris Convention is quite liberal in terms of grounds upon which registration can be rejected.[155] Thus, as has been noted, the reference to a right to use that stems from registration loses much of its strength since, if there is great scope for countries to reject registration, accordingly there would also be wide scope to prohibit the use of signs.[156]

The "Revocation" Argument

Some scholars have also stressed that, unlike other IP rights such as copyright (where the owner is not required to use the work in order to maintain protection), trademarks should be used to avoid revocation. In addition - they stress - in many jusridictions applicants must show use or intention to use the sign in order to obtain the registration.[157] This point would be in support of the view that trademark registrations also offer a positive right to use the sign.

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[154] Moreover, registration of trademarks which infringe prior rights, the first ground mentioned in Paris Convention for the Protection of Industrial Property, Art. 6 – *quinquies* (B), March 20, 1883, can be refused or invalidated not only because of the damages to the owners of such prior rights and/or the consumers' confusion caused by the use of the later sign. Indeed most owners of trademarks, especially well-known trademarks, are also keen in opposing the mere registration of subsequent similar signs, even where they are not used, as they want to maintain trademark registers as "clean" as possible, i.e. they want to avoid that registers are "invaded" by similar signs, which could contribute to dilution of their trademarks' uniqueness.

[155] Appellate Body Report, *United States – Sections 211 Omnibus Appropriations Act of 1998*, ¶ 139, WT/DS176/AB/R (Jan. 2, 2002).

[156] Davison, *supra* note 125 at 87-8.

[157] Simon Evans and Jason Bosland, *Plain Packaging of Cigarettes and Constitutional Property Rights*, in Voon et al eds.), *supra* note 98 at 54; *see also* Stephen Stern and Olivia Draudins, *Generic Packaging – A bridge (over the bodies of IP rights) too far?*, 43(7) Australian Intell. Prop. L. Bullettin (2011); Owen H. Dean, *Deprivation of Trademarks through State Interference in Their Usage*, 36 European Intell. Prop. Rev. 576, 585 (2013).

Such argument is also flawed. A look at Article 19 TRIPS is clarifying: "[…] the registration may be cancelled only after an uninterrupted period of at least three years of non-use, *unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner* […]" (emphasis added). Similar provisions are contained in the E.U. Trademark Directive and Regulation which rule out revocation if "there are proper reasons for non-use."[158] For instance, the plain packaging legislation adopted by Australia prohibits tobacco manufacturers to use non-word trademarks and limits the use of word signs. Yet, it prevents the refusal of registration, or its revocation, because of such ban.[159] Also, the first part of Article 19 TRIPS states: "If use is required to maintain a registration […]." This wording means there may also be cases where use is not required to keep the registration alive.[160]

Legitimate Interests of Trademark Owners and Promotion of Harmful Products

Some commentators point to a specific finding of the WTO Panel in *E.C.-Trademarks and Geographical Indications*.[161] They rely on such a finding to reiterate that the TRIPS Agreement provides owners of a registered trademark with legitimate interests which include the right to use the sign.[162] The Panel, in particular, held that "every trademark owner has a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of its trademark so that it can perform that function. This includes its interest in using its own trademark in connection with the relevant goods and services of its own and authorized undertakings. […]."[163]

I believe such statement does not lend weight to the "positive right" argument. First, the Panel referred to the concept of "legitimate interests" when interpreting Article 17 TRIPS, which does not set rights for trademark owners but only deals with exceptions to such rights. It is therefore, hard to claim that the finding in question has created a positive legal right to use a sign. Also, in the very same decision the Panel noted that the "legitimate interests" of trademark owners must be "something different" from full enjoyment of "legal rights."[164] This finding is further reinforced by the WTO Panel decision in *Canada – Pharmaceutical Patents*, a dispute related to the interpretation of

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[158] Commission Regulation 207/2009, 2009 J.O. 15 (1) (EU); Council Directive 2008/95/EC, art. 12(1), 2008 J.O.. (EU).
[159] Tobacco Plain Packaging Act 2011 (Cth) s 28 (Austl.).
[160] Davison and Emerton, *supra* 124 at 558.
[161] Appellate Boday Report, *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by United States), WT/DS174/R, (Mar. 15, 2005).
[162] *See for example*, Gervais and Frankel, *supra* note 142 at 1198-1201.
[163] Appellate Body Report, *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by United States), ¶ 7.664, WT/DS174/R, (Mar. 15, 2005).
[164] Appellate Body Report, *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by United States), ¶ 7.662, WT/DS174/R, (Mar. 15, 2005).

Article 30 TRIPS, which sets forth the permitted exceptions to patent rights.[165] The issue was whether the *de facto* extension of patent protection, which stemmed from potential competitors being unable to launch their products (generics) on the market the very same day the patent expired, was a "legitimate interest" of the patent owner. The Panel held it was not - and stressed that "legitimate interests" cannot be equated with "legal rights."[166]

In any event, it should be noted that there are different kinds of interests in use of trademarks. As has been argued, use is not an end in itself in a trademark context.[167] The interest in use of signs to minimize or prevent the likelihood of confusion between different brands is certainly legitimate, as it makes sure that consumers make educated purchase choices.[168] Yet, there are also interests in use which a government may lawfully consider as not legitimate. For instance, while manufacturers of unhealthy (and legal) products have still a legitimate interest in using trademarks for differentiating their goods from the ones sold by competitors, they nevertheless may not have legitimate interests in using their brand, e.g. in commercial ad messages and on the packaging, for promoting such products and deceiving consumers as to the effects on their health.

Again, the report of the WTO Panel in *Canada - Pharmaceutical Patents* reinforces this view. The Panel noted that "to make sense of the term 'legitimate interests' […], that term must be defined in the way that it is often used in legal discourse - as a normative claim calling for protection of interests that are 'justifiable' in the sense that they are supported by relevant public policies or other social norms. This is the sense of the word that often appears in statements such as 'X has no legitimate interest in being able to do Y.'"[169] It was eventually held that patent owners do not have any legitimate interests in the above mentioned *de facto* extension of patent protection, as such extension would unreasonably delay the entry into the market of generic drugs. This in turn would prevent consumers from buying cheaper medicines straight after the expiry of the relevant pharmaceutical patent.[170] In other words, patentees' interests in *de facto* extension of protection is not legitimate, as it is not supported by a relevant public policy.

By the same token, trademark owners cannot claim a legitimate interest in the use of signs to promote harmful products and to deceive consumers as to the health risks associated with their consumption. Such an interest is not supported by a relevant public policy. On the contrary, a public policy is sound if it imposes for example (i) legislative bans on the promotion of harmful products, whatever shape that promotion takes, e.g.

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[165] Appellate Body Report, *Canada – Patent Protection of Pharmaceutical Products*, WT/DS114/R, (Mar. 17, 2000).
[166] Appellate Body Report, *Canada – Patent Protection of Pharmaceutical Products*, ¶ 7.68, WT/DS114/R, (Mar. 17, 2000) (stressing that the third step of Article 30 TRIPS requires consideration of the legitimate interests of both the patentee and third parties; thus, to equate "legitimate interests" with "legal rights" would make the reference to legitimate interests of third parties redundant, as third parties have no patent legal rights).
[167] Davison and Emerton, *supra* note 124 at 565.
[168] *Id.*
[169] Appellate Body Report, *Canada – Patent Protection of Pharmaceutical Products*, ¶ 7.69, WT/DS114/R, (Mar. 17, 2000).
[170] Appellate Body Report, *Canada – Patent Protection of Pharmaceutical Products*, ¶ 7.82, WT/DS114/R, (Mar. 17, 2000).

advertising in TV, radio, sport events or by using particularly eye-catching brands on the packaging; (ii) obligations to affix on the packaging large warnings about negative health consequences; (iii) bans on the use of sexy descriptors and colors, which are capable of deceiving consumers about the real effects of the products on their health. We have seen that such measures have been adopted or proposed in several countries in the field of tobacco, alcohol and (what is considered) unhealthy food, these measures aiming to correctly inform consumers and curb the promotional impact of the relevant brands.[171]

A complaint by trademark holders would be reasonable should the regulatory measure in question also prevent manufacturers from totally distinguishing their products from those of competitors. Yet, this is not the case with measures highlighted in the second part of the article as they still allow brands to be sufficiently recognizable by consumers. For instance, the ban on the use on the pack of descriptors such as "mild," "light," "ultra-light," and "low-tar,"[172] in force in several jurisdictions,[173] does not prevent

[171] That trademarks also aim at promoting the relevant products is well-known. Judicial bodies and trademark experts have confirmed that on many occasions.
For example, in its decision on the merger of Imperial Tobacco and Altadis the European Commission held that "the brand is key for the customers not only to identify products, but the image of the brand plays a very strong role for targeting the customer groups which feel attracted by a certain appeal." (Case No. COMP/M. 4581, Recital 68). Also, in *Google France* (Case C-236/08 to C-238/08) the CJEU held that "those functions [trademarks' functions] include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services […], but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or *advertising*" (emphasis added). See also *L'Oreal v Bellure* (Case C-487/07, paragraph 58). Likewise, in *Budějovický Budvar, národní podnik v Anheuser-Busch Inc* (C-482/09) Advocate General Verica Trstenjak stressed the "coding, guarantee, origin, identification and individualization, information and communication, monopolizing, naming, quality, distinction, confidence, distribution and *advertising* functions" of trademarks (emphasis added). Similarly, Justice Crennan in the Australian High Court ruling that has found domestic legislation on plain packaging constitutional held: "Whilst the prime concern of the Trade Marks Act is with the capacity of a trade mark to distinguish the goods of the registered owner from those of another trader, trade marks undoubtedly perform other functions. For example […] it may be accepted that distinctive marks can have a capacity to advertise, and therefore to promote sale of products sold under or by reference to them. The advertising function of a trade mark is much more readily appreciated than it once was […]." JT/BAT ,43 H.C.A. 286 (2012).
Several scholars have also stressed the advertising function of brands. For instance Baird, *supra* note 41 at 690, noted that "trademarks also serve an advertising function that can be exploited by sellers to create a demand for their goods or services." Thomas McCarthy moreover argued that "the mark actually helps to sell the goods" and cited what the authors of the Restatement had stressed: "As the geographical scope of markets expanded and systems of distribution became increasingly complex, trademarks came to function as an important instrument of advertising. […] the mark itself can become a significant factor in stimulating sales." *See* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, Vol. 3, ¶¶ 3:11, 3:12 (2003).

[172] *See* Stacy J. Anderson, Pamela M. Ling, and Stanton A. Glantz, *Implications of the Federal Court Order Banning Terms "Light" and "Mild:" What Difference Could It Make?*, 16(4) Tobacco Control 275-79 (2007). In addition to preventing deception amongst consumers, these bans also aim at neutralizing promotional effects. The tobacco industry has indeed used on packaging descriptors as a marketing strategy to discourage cessation and sustain corporare revenues.

manufacturers from displaying their brands on the remaining part of the pack. This is exactly what the CJEU held in the proceedings involving the 2001 Tobacco Products Directive. Indeed the Court, called upon to examine the extent to which the prohibition of the above descriptors could infringe the fundamental right to property, including intellectual property and trademark rights, noted that tobacco producers can keep using other distinctive signs on the packs. In particular, it held that "[w]hile that article entails prohibition, in relation only to the packaging of tobacco products, on using a trade mark incorporating one of the descriptors referred to in that provision, the fact remains that a manufacturer of tobacco products may continue, notwithstanding the removal of that description from the packaging, to distinguish its product by using other distinctive signs."[174]

This is also true of the most drastic measure highlighted in this work, namely the plain packaging of tobacco products adopted by Australia. While this marketing restriction prevents tobacco manufacturers from displaying non-word elements of their trademarks (with a view to curbing any promotional effect), it nonetheless allows them to show their word trademarks on the pack, albeit in a standardized and neutral form.[175] And, words trademarks seem to be capable of distinguishing tobacco products in a retail environment.[176] For example in Australia, even before legislation on plain packaging was passed in 2011, tobacco products could not (and still cannot) be displayed at the point of sale (so called "display ban"). The only indication of the cigaretters stock at the retail point is a list of the brands (word trademarks in a standard font and not accompanied by any fancy logo or image) and their price,[177] and tobacco consumers do make their purchase choice by relying on this list of word trademarks.[178] The introduction of plain packaging in Australia, therefore, has not changed the way consumers choose their preferred cigarette pack. What this has done is to prohibit the use of fancy, colorful and eye-catching elements of tobacco brands outside the course of trade (i.e. on the packaging which is usually shown in public after sale),[179] this ban aiming to prevent the promotion of what are unanimously considered harmful products.

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[173] For example, this obligation has been in force in the E.U. since the first Tobacco Products Directive. Council Directive 2001/37/EC art. 7(27), 2001 O.J. (EU). *See also* the Uruguajan legislation mentioned above at the paragraph entitled "Measures Restricting the Use of Brands".

[174] Case C-491/01, *The Queen v. Secretary of State for Health, ex parte British American Tobacco (Investments) Ltd and Imperial Tobacco Ltd*, 2002 E.C.R. at 152.

[175] Alberto Alemanno and Enrico Bonadio, *Do You Mind My Smoking? Plain Packaging of Cigarettes Under the TRIPS Agreement*, 10(3) J. Marshall Rev. Intell. Prop. L. 457, fn. 45 (2011).

[176] In my previous co-authored work, *supra* note 175 at 456-57, I also reported opposite opinions from several sources, including tobacco companies, highlighting a possible clash between plain packaging and tobacco trademarks' distinctiveness.

[177] Davison and Emerton, *supra* note 124 at 510-11.

[178] Regular smokers often do not even look at the list of brands before purchasing the pack. They already know which brand they want to buy. *See also* Marsoof, *supra* note 129 at 209 (noting that "it is hard to immagine that a hard-core smoker would get confused as to the product he desires").

[179] The primary impact of plain packaging is in social settings after customers have purchased the tobacco product: *see* Mark Davison, *International Intellectual Property Law*, in Tania Voon et al eds., Regulating Tobacco, Alcohol and Unhealthy Foods – The Legal Issue (Routledge, 2014) at 142.

The main problem surrounding the mesaures highlighted in this article 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 trademarks (promotional and distinctive) overlap. If goverments adopt measures aimed at neutralizing the promotional effects of brands, it is inevitable that doing this will also lower their (abstract) distinctiveness.[180] Yet, this is not unlawful under trademark law as long as consumers are still able to distinguish the products in question, as it seems to be the case here.

Also, trademark owners could not challenge the packaging-related measures in question by invoking a loss in brand value. In particular, the Panel's statement in *E.C.-Trademarks and Geographical Indications* that "taking account of that legitimate interest will also take account of the trademark owner's interest in the economic value of its mark"[181] cannot be relied on to oppose the measures at issue.[182] It could not be invoked, in particular, to imply a positive right to use trademarks. Indeed, in the past public authorities have adopted measures in the public interest that had the effect of reducing the value of brands (e.g., ban on advertising of tobacco products in TV, radio, sport events and ban on products placement), without owners formally complaining about a violation of an alleged right to use the brand.

Harmfulness of the Product and IP Analysis

One might also argue that the fact that a (legal) product is harmful to consumers' health should not be invoked as a justification to prohibit or restrict the use of the relevant brands. It has been noted, in particular, that "while many disagree with the use and sale of tobacco, this is *not* the issue here, nor should the nature of the product dictate the outcome of an intellectual property analysis."[183]

I believe this argument is flawed. The nature of the products is relevant and in certain circumstances may influence the outcome of IP analyses, especially when it comes to trademarks, designs, and patents.[184] We have seen, for instance, that the decision to register or refuse a controversial trademark is often subject to an assessment of the relevant products or services. In the U.S. case *In Re Reemtsma Cigarettenfabriken G.m.b.H.* the sign "Senussi" for cigarettes was refused registration because the tenets of

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[180] Davison, *supra* note 147 at 170.

[181] Appellate Body Report, *European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (Complaint by United States), ¶ 7.664, WT/DS174/R, (Mar. 15, 2005).

[182] The Panel's statement in question has been invoked by some opponents of plain packaging of cigarettes: *see for example Lalive*, *supra* note 139 at 9-10 (and also cited in my and Alberto Alemanno's work, *supra* note 175 at 461).

[183] Gervais, *supra* note 114 at 33.

[184] Copyright is an exception as protection is granted regardless of the content and the modalities of creation of works. This is not the case of trademarks, designs and inventions which in most jurisdictions can be excluded from protection if the subject matter is immoral, scandalous or contrary to public policy – and such assessment is often carried out by taking into account the product incorporating the intangible asset.

the Senussi Moslem sect banned tobacco consumption.[185] Moreover, as we also have already seen,[186] when a trademark office rejects an application, or when a court invalidates a registration, on deceptiveness grounds, the said office or court does so because it has taken into consideration the nature of the goods upon which the sign in question must be placed. In several circumstances, therefore, trademarks and the products upon which they are affixed cannot be considered as separate entities.

Thus, my point is that the harmfulness of products is relevant – and public authorities reserve the right to adopt measures aimed at discouraging the consumption of such products by curbing the deceptive and promotional elements of their brands. And trademark owners cannot challenge these measures, especially the ones highlighted in this work, by invoking (non-existent) positive rights to use the sign.

Take the example of cannabis. If countries want to legalize the consumption of cannabis (and there are several governments which have already done so, or are currently discussing this legislative option), they may also want to prevent marijuana and hashish manufacturers and distributors to use colorful and eye-catching brands to promote their consumption, and thus, protect consumers' health.[187] Should we allow cannabis growers and distributors to stop these governements to protect a legitimate public interest by permitting them to claim a positive right to use trademarks? My answer is no.

Not a Right to Use, But Just a Privilege to Use the Sign

We have seen that trademark registrations do not confer on their owners a positive right to use the sign. Mark Davison and Patrick Emerton interestingly argue, by building upon the concepts developed by Wesley Hohfeld,[188] that trademark owners only enjoy a privilege of using their trademarks, which is different from a right to use it.[189] A privilege – Davison and Emerton explain - is not a right in its strict sense. It is just a legal permission to engage in conduct. In the absence of legislations on registered tardemarks - the argument goes - any person would have the privilege of using a sign. That is why registrations are granted, namely in order to offer exclusive rights to prevent third parties from expoliting the brand as well as to restrict the privilege to use a trademark. Yet, privileges may be defeasible: in other words they may be taken away by public authorities when it comes to pursuing public interests.[190]

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[185] In Re Reemtsma Cigarettenfabriken G.m.b.H. (122 USPQ 339, TTAB 1959), *supra* note 70 (for other relevant cases).
[186] See above the sub-paragraph *Registration Versus Use*.
[187] *See also* Davison, *supra* note 147 at 168 (mentioning similar examples).
[188] Wesley Newcomb Hohfeld, *Fundamental Legal Conceptions as Applied in Judicial Reasoning* (David Campbell and Philip Thomas eds.) (Ashgate 2001).
[189] Davison and Emerton, *supra* note 124 at 517 et seq. *See also* Marsoof, *supra* note 129 at 204 (noting that "the right to exclude incorporated in article 16 of TRIPs gives effect to, and protects, a privilege that a trademark owner would usually enjoy in the use of its mark").
[190] Davison and Emerton, *supra* note 124 at 522.

The regulatory measures highlighted above[191] are good examples of cases where public authorities lawfully defeat tobacco, alcohol, and (unhealthy) food manufacturers' privileges to fully use their signs on packaging. In these circumstances governments' interest in preventing or restricting the use of brands which promote the consumption of harmful products and convey deceptive messages about their health consequences, i.e. legitimate public interests, outweighs the privilege to fully use those signs.[192]

Articles 20 TRIPS

Article 20 of the TRIPS Agreement is an important provision for the present analysis as it deals with use of trademarks. It states that "the use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings."

A scholar noted that this provision would imply a positive right to use a trademark "because otherwise there would be no need to cabin the power of WTO Members to 'encumber' such use."[193] It would follow that Article 20 would represent a big obstacle for governments that wish to prohibit or restrict the use of brands.

First (and again), this argument seems flawed for the reasons highlighted above at the paragraph "The Alleged 'Spirit' of International Trademark Law." The view that Article 20 does not create a right to use[194] is further reinforced by the legislative practice of many countries in the specific field of tobacco. In the latest years indeed several states have imposed tobacco advertising restrictions which entail the inability of manufacturers to fully use tobacco brands. As has been rightly argued,[195] such a practice constitutes "subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation" (Article 31(3)(b) of the Vienna Convention on the Laws of Treaties)[196] and is therefore, relevant to an interpretation of Article 20 TRIPS. This practice should therefore lend weight to an interpretation of this provision which does not imply any positive right to use a trademark. After all, none has ever formally complained by arguing that tobacco advertising restrictions curtail an implied right to use brands.

It is important to stress that Article 20 does not ban a complete prohibition on the use of trademarks, but just (unjustifiable) positive encumbrances, namely the possibility for

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[191] *See* the paragraph entitled *Measures Restricting the Use of Brands*.
[192] Davison and Emerton, *supra* note 124 at 565.
[193] Gervais, *supra* note 114 at 12. *See also* Phillip Johnson, *Trade Marks Without a Brand: The Proposals on* Plain Packaging *of Tobacco Products*, 35 European Intell. Prop. Rev. 461, 466 (2012).
[194] Nuno Pires de Carvalho, *The TRIPS Regime of Trademarks and Designs, Comment to Article 20 TRIPS*, (Kluwer 2011) at 417 (noting that Article 20 does not "provide, explicitly or implicitily, that WTO Members are obliged to recognize the right to use trademarks, even if the commercialization of goods is permitted").
[195] McGrady, *supra* note 131 at 62.
[196] Vienna Convention, May 22, 1969 was adopted on 22 May 1969 and entered into force in 1980.

governments to mandate specific requirements about how to use brands.[197] The three examples referred to in Article 20 (i.e., use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings)[198] confirms this interpretation as they all refer to actual use of brands.[199] A typical example of unjustifiable positive encumbrance, which Article 20 prohibits, is an obligation on foreign owners to use their brands together with the signs of local licensees.[200] According to this interpretation of the TRIPS provision, therefore, total bans on the use of trademarks or some of their elements are lawful, as such measures do not provide any positive encumbrance on the use of brands (e.g., the prohibition to use non-word signs triggered by the plain packaging in Australia; the ban on the use of descriptors and colours on cigarettes packs; the South African and EU bans on the use of baby-related logos on infant formula packaging). Basically, they are not regulated, and therefore not proibited, by Article 20.[201]

What about positive encumbrances on the use of trademarks triggered by the imposition of large health warnings on tobacco, alcohol, and food packaging? These measures are indeed encumbrances on the use of trademarks as the space for affixing brands is reduced. The same holds true for the plain packaging of cigarettes adopted by Australia which dictates a much reduced, standard and neutral font for word trademarks. Are such encumbrances "justifiable," and therefore, allowed by Article 20 TRIPS? I believe so. They are justifiable as they aim at promoting public health.[202] In other words, "justifiability" here refers to the legitimate interests of governments to protect a public interest by encumbering the promotional and deceptive use of brands in connection with unhealthy products.[203]

What Article 20 entails is, basically a balancing exercise between various interests and rights, incuding interests of trademark owners in using their signs for distinctive purposes, and the right of governments in preventing uses of brands which mislead consumers about health consequences and promote harmful products.[204] And, it seems that the measures in question guarantee a justifiable balance between curtailing the

[197] McGrady, *supra* note 131 at 62 (noting that Article 20 TRIPS prohibits measures that govern how brands may be used, but not measures which govern when and where trademarks can be used).
[198] The way Article 20 is structured makes it clear that positive encumbrances which reduce the distinctive character of brands are allowed, provided that they are justifiable. *See* Carvalho, *supra* note 194 at 442 (noting that "Article 20 goes as far as admitting, where justifiable (by public policy concerns), requirements concerning the use of trademarks 'that are detrimental to [their] capability to distinguish the goods or services of one undertaking from those of other undertakings'").
[199] Davison, *supra* note 147, p. 162.
[200] Before TRIPS some developing countries, including Brazil, Mexico, and India, sought to strenghten the contractual power of local licensees towards foreign partners, and requested that the licensed trademark be used together with the sign used by the former. Such measures now would not be permitted under Trade-Related Aspects of Intellectual Property Rights, art. 20, Apr. 15, 1994.
[201] Carvalho, *supra* note 194 at 441, fn. 975 (noting that the use of brands may be suppressed by governments).
[202] *See also* Carvalho, *supra* note 194 at 441-42 (arguing that the imposition of health warnings and notices on the risk of consumption of harmful products, size, colours of letters, and characters of brands are to be considered justifiable under Article 20 TRIPS).
[203] Davison and Emerton, *supra* note 124 at 566.
[204] Davison and Emerton, *supra* note 124 at 567.

promotion of tobacco, alcohol, and unhealthy foodstuff and allowing the differentiation of the goods in question.[205] For example, we have seen that after the adoption of the regulatory measures at issue trademark owners can still distinguish their products by using word signs on packs although in a strandardized format (in case of plain packaging adopted by Australia) or even their original brands although in a reduced space of the packaging (in case of mandatory health warnings on tobacco, alcohol, and foodstuff packaging).[206]

Effectiveness of the Measures in Question

The measures analyzed in this article seem also effective. For example, Australia has justified its legislation on plain packaging of tobacco products by relying on – what I believe is - convincing evidence.[207] Recent figures released by the Australian Bureau of Statistics (ABS) also show that total consumption of tobacco and cigarettes in the first quarter of 2014 in Australia is the lowest ever recorded.[208] Moreover, the introduction of plain packaging has triggered a significant spike in Australian callers to Quitlinet, the telephone helpline offering treatment for addiction and behaviour change.[209]

The above data indirectly show that the "brand switching" theory, invoked by the tobacco industry to dispute the effectiveness of plain packaging, is not really convincing. According to this theory, the use of tobacco brands on packaging would just be capable of making consumers shift from one brand to another (say, from Marlboro to Camel) and would not therefore be "an invitation to consume"[210] for non smokers. On the contrary

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[205] Davison, *supra* note 179 at 142.

[206] As far as tobacco-related measures are concerned, see again the CJEU's decision on the ban on the use on the pack of descriptors such as "mild", "light", "ultra-light" and "low-tar" in the proceedings involving the 2001 Tobacco Products Directive. As we have seen, in that ruling the Court basically held that the prohibition in question is proportionate to the aim pursued (i.e. reducing tobacco consumption) and does not infringe the fundamental right to property, including intellectual property and trademark rights, as manufacturers can keep using other distinctive signs on the packs: *see supra* note 174.

[207] See the report Quit Victoria, Cancer Council Victoria, *Plain Packaging of Tobacco Products: a Review of the Evidence*, (May 2011), http://www.cancer.org.au/content/pdf/CancerControlPolicy/PositionStatements/TCUCCVBkgrndResrchPlainPak270511ReEnd_FINAL_May27.pdf; *see also* Melanie Wakefield, Daniella Germain, Sarah Durkin, David Hammond, Marvin Goldberg, Ron Borland, *Do Larger Pictorial Health Warnings Diminish the Need for Plain Packaging of Cigarettes?*, 107/6 Addiction 1159 (2012); David Hammond, Samantha Daniel, Christine M. White, The Effect of Cigarette Branding and Plain Packaging on Female Youth in the United Kingdom, 52/2 J. Adoloscent Health 151 (2013). For early doubts expressed by the tobacco industry regarding the effectiveness of plain packaging see my and Alberto Alemanno's previous work, *supra* note 175 at 472-73.

[208] Australian Department of Health, *available at* http://www.health.gov.au/internet/main/publishing.nsf/Content/tobacco-kff. *See also* Mike Daube and Simon Chapman, *The Australian's Dissembling Campaign on Tobacco Plain Packaging*, 201(3):1 Med. J. Austl. (2014) (citing other interest data in support of the measure).

[209] Jane M Young, Ingrid Stacey, Timothy A Dobbins, Sally Dunlop, Anita L Dessaix and David C Currow, *Association Between Tobacco Plain Packaging and Quitline Calls: A Population-Based, Interrupted Time-Series Analysis*, 200(1) Med. J. Austl.29 (2014).

[210] The expression "an invitation to consume" has been used by Annette Kur, *Restrictions Under Trademark Law as Flanking Maneuvres to Support Advertising Bans – Convention Law Aspects*, 25 Int'l.Rev. Indus. Prop.& Copyright L. 42 (1992); *see also* Mitchell, *supra* note 149 at 404 (reporting the

trademarks, especially when affixed on packaging of products like tobacco, whose main competitive asset is exactly the packaging, are not just about distinguishing brands and acquiring the market share of competitors. They are also about expanding the size of the market by convincing new consumers to use the relevant product.[211]

Convincing evidence has also been brought in relation to health warnings. For example, as far as tobacco and alcoholic products are concerned, early and recent research has shown that such warnings are effective in raising awareness of health risks stemming from tobacco and alcohol consumption and influencing health related behaviours.[212]

There appears therefore, to be a causal link between the measures in question and the protection of the specific public interest, i.e. consumers' health, in the sense that such measures are capable of meeting the desired targets. The governments that have introduced them will thus be able to justify the measures under Article 8 of the TRIPS Agreement, which states that "Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development […]" (emphasis added).[213] Article 8 of TRIPS has not been interpreted thus far by a WTO adjudicatory body.[214] Yet, the provision of another WTO agreement, i.e. Article XX GATT (which allows states to restrict the trade of goods if it is neceessary to protect human health), and the way it has been interpreted by the WTO Panels and the Appellate Body on several occasions, could be relevant here.[215] For instance, in *Brazil – Retreated Tyres* the Appellate Body found that a country trying to justify its measure under Article XX GATT should show that such measure "brings about a material contribution to the achievement of its objectives";[216] and in *E.C. – Asbestos* it held that a country which wishes to justify its measure under this GATT provision could

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opinion of plain packaging discontents: "One argument is that packaging has no impact on consumption, and is designed to encourage existing smokers to switch brands and build brand loyalty, rather than encourage the uptake of smoking. In other words it is about increasing market share rather than the size of the market").

[211] Davison, *supra* note 147 at 169.

[212] *See* Campaign for Tobacco-Free Kids, *Tobacco Warning Labels: Evidence of Effectiveness*, (2013), http://www.tobaccofreekids.org/research/factsheets/pdf/0325.pdf. (reporting the results of several scientific studies); M.S. Wogalter et al., *Research-Based Guidelines for Warning Design and Evaluation*, 33 Applied Ergonomics 219 (2002).

[213] The importance of Trade-Related Aspects of Intellectual Property Rights, art. 8, Apr. 15, 1994, has been stressed by the World Trade Organization, Doha Declaration on the TRIPS Agreement and Public Health 14 November 2011, WT/MIN(01)/DEC/2, (2011). Its Paragraph 4 indeed reminds that WTO countries agree that TRIPS does not and should not prevent members from taking measures to protect public health.

[214] The "justifiability" test under Trade-Related Aspects of Intellectual Property Rights, art. 20, Apr. 15, 1994, has not been interpreted, either.

[215] Tania Voon and Andrew Mitchell, *Implications of WTO Law for Plain Packaging of Tobacco Products*, Voon et al. eds., *supra* note 98 at 125-29.

[216] Appellate Body Report, *Brazil – Measures Affecting Imports of Retreated Tyres*, ¶¶ 150, 151 WT/DS135/AB/R (Dec. 3, 2007).

invoke "scientific sources which, at that time, may represent a divergent, but qualified and respected opinion. A member is not obliged, in setting health policy, automatically to follow what, at a given time, may constitute a majority scientific opinion."[217]

CONCLUDING REMARKS

This article has made the point that economic operators do not have complete freedom when it comes to registering and using trademarks, and public authorities have the right and duty to restrict such freedom if that is necessary to protect public interests. Brands are thus, "touchable."

While provisions which exclude the registrability of immoral and scandalous signs aim at discouraging the use of said brands in the course of trade, the packaging-related measures analysed in the second part of the article aim at correctly informing consumers about the health risks stemming from the consumption of tobacco, alcohol, and certain foodstuff and convincing them not to consume such products. The common aim of both set of rules – bans on registration and measures which restrict use – is therefore, to protect overriding public interests including morality, decency, minorities' rights, and consumers' health. Minors are particularly protected by these bans and measures, as it has been confirmed in several decisions highlighted in this work which stressed the risk of childrens' exposure to sexually-explicit signs (e.g. "Nucking Fats", "Screw You") as well as the need to protect infants' health from aggressive brand-related strategies (see the South African and E.U. bans on the use of baby-related logos on infant formula packaging).

Reducing the impact of brands' messages (namely messages that are considered morally unacceptable or which push consumers to consume harmful products or mislead about health risks) is the common thread of these set of rules. Bans on the registration of immoral and scandalous signs tend to discourage the use of debatable signs in the market which could hurt peoples' sensibilities. The impact of the messages conveyed by these trademarks is thus, greatly reduced as a very few companies would invest into, and use, brands which eventually will not be registered. Similarly, the regulatory measures analyzed in the second part of the article aim at neutralizing the messages conveyed by trademarks used in connection with harmful products, i.e. messages which deceive consumers about health consequences and convince people to buy and consume such products.[218] And, these measures do not violate trademark-related provisions of the TRIPS Agreement and the Paris Convention because trademark registrations do not offer a positive right to use the sign, which can then be prohibited or restricted by public authorities to further public interests. The conclusion that registrations confer just negative rights to use the sign is further reinforced by the provisions related to immoral and scandalous signs. Indeed, the refusal to register such signs does not also entail a prohibition on their use. If therefore, use is not affected by such refusal, that means that registrations do not give birth to a right to use.

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[217] Appellate Body Report, *European Communities – Measures Affecting Asbestos and Asbestos-Containing Products*, ¶ 178 WT/DS135/AB/R (Mar. 12, 2001).

[218] Marsoof, *supra* note 129 (arguing that health warnings on tobacco packaging neutralise and replace the market-driven positive associations conveyed by the brand).

The bans and measures in question share other similarities. For example, they do not actually prevent economic operators or consumers from carrying out a certain behavior, be it the use of immoral or scandalous signs in the course of trade (in case of economic operators) or the consumption of unhealthy products (in case of consumers). What governments aim to achieve by adopting these bans and measures is to push enterprises and consumers to behave the way they deem is correct, namely not to market goods bearing disputable signs or not to consume products which harm consumers' health. The idea is: "we don't mandate, we just suggest."

In both cases, moreover, public authorities' intervention might be subject to change. Morality may indeed change over time, and signs that forty or fifty years ago were considered immoral or scandalous and therefore not registrable may nowadays be perceived differently and thus registrable, and viceversa. Similarly, the prohibition or restriction of use of trademarks in relation to unhealthy products could be lifted whenever the conditions which led to the adoption of the regulatory measure do not exist anymore. Take the example of a product that was considered harmful in accordance with what was considered reliable scientific evidence, and then after the use of the relevant trademark has been restricted or limited on public interest grounds (namely to neutralise its deceptive and promotional effects), new and more reliable evidence reveals that the product in question is not that harmful: in such a case the measure prohibiting or restricting the use of the brand would need to be revoked.[219]

[219] Davison, *supra* note 147 at 171.