



UNIVERSITY
OF
JOHANNESBURG

COPYRIGHT AND CITATION CONSIDERATIONS FOR THIS THESIS/ DISSERTATION

 creative
commons



- Attribution — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.
- NonCommercial — You may not use the material for commercial purposes.
- ShareAlike — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

How to cite this thesis

Surname, Initial(s). (2012) Title of the thesis or dissertation. PhD. (Chemistry)/ M.Sc. (Physics)/ M.A. (Philosophy)/M.Com. (Finance) etc. [Unpublished]: [University of Johannesburg](https://ujcontent.uj.ac.za/vital/access/manager/Index?site_name=Research%20Output). Retrieved from: https://ujcontent.uj.ac.za/vital/access/manager/Index?site_name=Research%20Output (Accessed: Date).

Offensive trademark registrations, blurred lines and legal limits

A minor dissertation presented to the

Faculty of Law, University of Johannesburg

As partial fulfilment for the Masters Degree in Commercial

Law by:

Sivan Amram

UNIVERSITY
(Student number: 201003226)

JOHANNESBURG

Supervisor: Prof. R.W. Alberts

Date: _____

DECLARATION

I, Sivan Amram, do hereby declare that the minor dissertation submitted for the Masters degree in Commercial Law to the University of Johannesburg, apart from the help recognised, is my own work and has not been previously submitted to another university or institution of higher education for a degree.

Sivan Amram

On this day the _____ of the month of _____ 2015



UNIVERSITY
OF
JOHANNESBURG

ABSTRACT

Trademarks serve as an indication of origin of goods or services and differentiate such goods or services from those of another party. A trademark can take many shapes and forms and in particular to this discussion, can also be offensive. Some countries have highly developed systems in place designed to determine whether such offensive marks may be registered and therefore protected under their relevant Acts. There are however, some countries which do not have such systems in place, or that such systems are not developed enough to allow for a proper evaluation of offensive trademarks before they can be registered.

South Africa's landmark case *Laugh it off Promotions CC v SAB International (Finance) BV t/a Sabmark International* dealt with the question of offensive trademarks. It dealt with it in the context of dilution with two registered trademarks and developed the test accordingly. In the process, *Laugh it Off* indirectly applied this test not only to two registered trademarks but also to unregistered marks by applying section 16(1) of the Constitution (freedom of expression) broadly. This application is unsatisfactory as it results in indirectly undermining section 10(12) of the Trade Marks Act 194 of 1993 which grants power to the registrar to deny marks which are offensive or *contra bonos mores* from being registered. In addition there is no further guidance within our own law (case law or legislation) which can assist in determining the registrability of an offensive trademark.

This study seeks to identify the factors and systems used in foreign jurisdictions in respect of offensive trademark registrations and whether such trademarks can be registered. It further seeks to outline the shortcomings of the South African system with regards to offensive trademark registrations. This study concludes with how such shortcomings may be supplemented by factors considered in foreign jurisdictions.

Keywords: Trademarks, offense, registration, scandalous, objective test, freedom of expression.

TABLE OF CONTENTS

DECLARATION	2
ABSTRACT	3
TABLE OF CONTENTS	4

CHAPTER ONE:

1. Introduction	6
-----------------	---

CHAPTER TWO:

2. The United States of America System	8
2.1. Introduction	8
2.2. <i>In re McGinley</i>	8
2.3. <i>In re Mavety</i> and others: A rundown of considerations	10
2.4. Writers	18
2.5. Conclusion	25

CHAPTER THREE

3. The United Kingdom System	29
3.1. Introduction	29
3.2. <i>Hallelujah Trademark</i>	30
3.3. <i>Ghazilian's Application</i>	32
3.4. <i>Basic Trademarks SA's Application</i>	34
3.5. <i>FCUK Trademark Application</i>	36
3.6. <i>Scranage's Trademark Application</i>	38
3.7. Conclusion	39

CHAPTER FOUR

4. The South African System	41
4.1. Introduction	41

- 4.2. *Laugh it off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 41
- 4.3. Conclusion 44

CHAPTER FIVE

5. Reflection and Recommendation 45

BIBLIOGRAPHY 48



CHAPTER ONE

1) Introduction

A trademark serves to identify or distinguish goods or services of one party from another. It can be a word, symbol, design and even a combination of these elements. Ultimately it serves to identify origin. But what happens when such a trademark is offensive? Does this indicate that its origin is offensive too? There will always be a trademark that is offensive and will spark some outrage within the community. Such trademarks can be heavily debated as to whether they should be allowed to be registered or whether it was correct that they were registered in the first place. Consider the 'Kappa' trademark: a logo displaying two women sitting back-to-back, yet simultaneously displaying the far less discreet image of a woman opening her legs from a front-face view. Why would the 'Kappa' logo be granted permission for registration while other trademarks fail to do so? Surely if the 'Kappa' logo is allowed, then other similarly offensive trademarks should be allowed to be registered. In most countries with an established trademark law system there are procedures and considerations in place to ensure that proper judgement is passed in respect of those questionable trademarks. But what happens when such a system is not in place or is not properly developed? Such is a problem faced in South Africa.

Firstly, the problem we face is within the inadequacy of legal certainty regarding section 10(12) of the Trade Marks Act 194 of 1993, which grants the registrar the discretion to refuse registration of an aspiring trademark where it is *contra bonos mores* or will be likely to give offence to any class of persons. In a trademark context no definition of 'offensive' is given nor of *contra bonos mores*, so how is the registrar supposed to exercise his/her discretion without inconsistencies when all he/she can rely on is his/her own subjective understanding?

Secondly, there is an insufficient number of South African cases that deal with the matter, which renders it impossible for any factors to be taken into consideration as these factors have simply not been developed thoroughly. The primary case which set the precedent for trademark infringement is *Laugh it off Promotions CC v SAB International (Finance) BV t/a Sabmark International*.¹ Here the question formed around where trademark protection will be

¹ 2006 (1) SA 144 (CC).

granted in light of the right to freedom of expression. As per Moseneke J the question is whether or not there is a likelihood of economic prejudice to the opposing brand, and if so, whether or not it overrides freedom of expression. However this question deals with trademark dilution and inevitably requires the prejudice of another trademark. The scope of this dissertation will analyse matters of pre-registration and attempt to ascertain precisely which factors attribute to the definition of offensive or *contra bonos mores*. In this regard *Laugh it Off* does not offer much assistance in the matter due to the difference in the merits of the case as it was not a matter of pre-registration.

Lastly, a brief look into what constitutional limitations within a South African context exist when determining whether a mark is offensive or not and to what extent they can help determine a benchmark. The question of use vs registration will not be considered in this analysis as it is a well-documented and prevalent discussion in the refusal of trademarks upon seeking registration.

In order to answer these questions, this dissertation will be divided into chapters which will each deal with whether a trademark is considered 'offensive' or *contra bonos mores* according to different foreign jurisdictions. To follow will be a consolidated list of factors which have been considered by these foreign jurisdictions. The following jurisdictions will be considered: the United States of America and the United Kingdom. Thereafter a critical evaluation of the South African position will be taken in regards to the factors it considers. The ultimately purpose of this dissertation will be: to make recommendations as to how our own system may be improved by combining this list of factors and; to come to concise and thorough standards or factors which determine what both the courts and the registrar should consider to be offensive or *contra bonos mores* when considering the registration of certain trademarks.

CHAPTER TWO

2) The United States of America System

2.1) *Introduction*

The United States of America's (from here on forward referred to as the US) system has one of the most extensive intellectual property systems in the world will therefore be an appropriate system with which to begin. Whether such a system is effective will be determined later. The US equivalent of our very own section 10(12) is section 2(a) of the Lanham Act which provides that:² “(n)o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it-

- a) “Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons...”.

The major difference between the South Africa's section 10(12) and section 2(a) of the US is that our terminology differs, in that section 10(12) uses the terms ‘offensive’ or *contra bonos mores* whilst section 2(a) makes use of the terms ‘immoral’ or ‘scandalous’. Notwithstanding, the terms mentioned above lack concise definitions, therefore similar discretion is granted to the registrar to refuse or accept registration on these grounds. Though, unlike in the South African system, the US system deals with several cases which specifically relate to the terms used in 2(a). It must also be noted that the US system makes provision for specifying exactly which category of goods the trademark falls under and the trademark may therefore not detract from this category. This final point is of particular importance to the system used in the US as class 016 states that provision is made for magazines to specify the content (which may be attached to specific trademarks) it contains.

2.2) *In re McGinley*

A particular case which raised the issue of a lack of clarity on the definition of ‘scandalous’ is *In Re McGinley*,³ in which the appellant had raised the issue that in section 2(a) the term

² 15 U.S.C. 1051 et seq.

³ 66 F2d 481 CCPA (1981).

‘scandalous’ should be considered ‘void for vagueness’.⁴ The court therefore had to determine exactly what the term ‘scandalous’ could be defined as in order to satisfy the requirements as to whether the trademark is registrable. Although this was not the only question dealt with, it is the one with the most relevance for the purpose of this investigation. Here, the trademark at hand displays the image of a nude man and woman kissing whilst locked in an embrace. The trademark was to be registered under “Newsletter Devoted to Social and Interpersonal Relationship Topics” and “Social Club Services”, however evidence reveals that ‘swinging’ (a lifestyle of non-monogamy where sexual relations occur outside the established couple) was promoted.⁵ The trademark was subsequently denied registration on the grounds that it was scandalous, thereby giving rise to the appeal matter. The following factors were considered by the appeal court as to what attributes to a trademark being ‘scandalous’:

- 1) The court held that the lack of clarity on what scandalous is does not constitute an infringement on the litigants 5th amendment rights because “... (t)he Constitution does not require impossible standards; all that is required is that the language conveys sufficiently definite warning as to the proscribed conduct when measured by common understanding and practices” and to expect such standards would be near-impossible.
- 2) Of utmost importance, it must be considered whether or not the trademark is scandalous within the context of the marketplace described in the application of the registration. The trademark must be suitable for this specific target-market.
- 3) When determining the scandalous nature of the trademark one should not consider what the majority of the population believes but rather consider “a substantial composite of the general public”. The third factor can be seen as a culmination of the above two factors- if these three factors are merged they should be able to indicate what a substantial composite of the population would think. We must also note that

⁴ *In re McGinley* (n 3) 483.

⁵ *In re McGinley* (n 3) 482. As stated previously the description of the content of the magazine must be provided for in its application and in this particular case such a description was elusive and should have in fact been registered under pornographic material.

⁶ *In re McGinley* (n 3) 484.

the court did not require an enquiry into the actual goods themselves because this is not requested by the Lanham Act.⁷

- 4) The court considered that the word ‘scandalous’ bears a much higher threshold than the word for ‘obscene’. ‘Obscene’ therefore gives a more liberal allowance while ‘scandalous’ is stricter. The reasoning behind creating this contrast is that it allows for one to judge what will render a trademark as ‘scandalous’ with greater accuracy.⁸
- 5) The court adhered to the availability of the trademark to the open public. The court held that the appellant’s trademark may be used in prominent locations such as billboards or television adverts and as such is viewed more openly by persons of all ages and convictions.
- 6) The court added the application of the word ‘vulgar’ and described it as “...(l)acking in taste, delicate, and morally crude...”. It was further held that anything ‘vulgar’ is encompassed within the word ‘scandalous’.⁹

It is noteworthy to consider the dissenting judgement of Rich J and Baldwin J. Here two factors were pointed out. Firstly that we should consider the goods which are attached to the trademark. The reasoning behind this point is that such goods are in fact attached with the registration of the trademark, thus it makes no sense evade from the types of goods at hand. Secondly, it is interesting that both Rich J and Baldwin J considered the cost of having to defend the appeal on the state, in which they held that defending the matter is simply costing the state more than what the trade mark is worth.¹⁰

2.3) *In re Mavety and others: A rundown of considerations*

The *McGinley* case was not the only one to raise the aforementioned factors in US law when ascertaining the ‘scandalous’ nature that a trademark may carry. *In Re Mavety* was one such case, in which this question was raised again. It considered several of the factors considered

⁷ *In re McGinley* (n 3) 485.

⁸ *In re McGinley* (n 3) 485 FN 9. Here the court stated that obscenity requires more than mere nudity whilst scandalous sits on an even higher threshold, therefore due to the fact that not only did the appellants trade mark contain nudity but also promoted swingers parties, indicates that it may well fall within the scandalous element.

⁹ *In re McGinley* (n 3) 486.

¹⁰ *In re McGinley* (n 3) 487.

in *McGinley* and added others of its own.¹¹ It included similar factors such as: the consideration of the trademark in the context of the marketplace as applied to the goods described in the registration;¹² consideration of the substantial composite of the general public and;¹³ the question of the vulgarity of the trademark.¹⁴ It must be noted that these factors were developed by cases predating even *McGinley*. *Mavety* lists these cases in relation to the consideration given to the ever changing social trends of society. A brief discussion of these cases will help lead to a final indication as to how these cases contributed to the judgment and factors considered in *Mavety*.

Clevenger J who presided over the *Mavety* case stated “(t)oday’s scandal can be tomorrow’s vogue”. This quote indicates that social attitudes are ever-changing, and that the court must be diligent in taking due notice of such trends.¹⁵ It was further stated that a good indicator to determine what these trends are, is to look only at the changes in decisions made by the US Patent and Trademark Office (USPTO) over time. These decisions do not only indicate social trends but can give us sufficient insight into factors considered by the registrar himself/herself.

*In re Riverbank Canning Co.*¹⁶ involved the use of the name ‘Madonna’ on wine bottles. Here the court looked at several aspects such as the dictionary definition of both ‘scandal’ and ‘Madonna’, including setting the precedent for the use of “a substantial composite of the general public” when looking at the trademark not only with the good it is attached to but also the context of it in general.¹⁷ The court also gave the dictionary definition of ‘scandalous’ as “shocking to the sense of truth, decency, or propriety; disgraceful; offensive; disreputable; . . . giving offense to the conscience or moral feelings; . . . [or] calling out [for] condemnation.”¹⁸ Ultimately the court decided that such a trademark is scandalous.¹⁹ This decision was brought about on the basis that a substantial composite of the general public would not take kindly to the relation of the sanctified name of ‘Madonna’ being depicted on something such as wine

¹¹ 33 F 3d 1367 Fed. Cir (1994).

¹² *In re Mavety*(n 11) 1372.

¹³ *In re Mavety* (n 11) 1371.

¹⁴ *In re Mavety* (n 11) at 1374.

¹⁵ *In re Mavety* (n 11) 1371,1372.

¹⁶ 95 F.2d 327, 37 USPQ 268 CCPA (1938).

¹⁷ *In re Riverbank* (n 16) 1031 and *In re McGinley* (n 3) 485.

¹⁸ *In re Riverbank* (n 16) 1029.

¹⁹ *In re Riverbank* (n16) 1032.

because wine is considered by many Christians as evil, especially when consumed in excess. This resulted in the trademark being “called for condemnation”. The court also stated that commercialising such a name would create “doubtful property” which gives an indication that commercialising religious names automatically places the trademark under scrutiny.²⁰

In re Runsdorf, involved the use of the term ‘Bubby Trap’ for brassieres and unlike *Riverbank*, did not deal with trademarks which suggest religious connotations.²¹ The court found this trademark to be scandalous on two grounds: firstly, that the term ‘Bubby’ is defined in Webster’s Third New International Dictionary (1968) as “breast now often considered vulgar” and secondly, such would result in being scandalous as it would be “offensive to individual sense of property or morality”. Thus, two dictionary definitions were used for ‘bubby’ and ‘scandalous’ along with the use of the term ‘vulgar’ in that it is now encompassed in the term ‘scandalous’.²²

In re Madsen involved the use of the term ‘Week-end Sex’ in a magazine.²³ The court resolved the matter by looking specifically at the “...moral values and conduct fashionable at the moment when the trademark is viewed in light of the present mores...” hence the current values of the community at that present moment were held in high regard when determining if the trademark is scandalous.²⁴ The court further held that such a case must be viewed on its own merits and that “Week-end Sex” clearly brings sexual relations to mind though is still not offensive to the public’s sense of property or morality; it is not vulgar nor scandalous as per the current *mores*.

In re Tinseltown, Inc. involved the use of the term ‘Bullshit’ on the outside layer of the applicant’s accessories in an attempt to satirise other well-known brands such as Gucci or Hermes.²⁵ Here the court also considered the case on its own merits due to the fact that it was the first case to deal with a profane word to be registered as a trademark.²⁶ The court turned to the *McGinley* case for guidelines to determine whether the trademark is scandalous by looking at a “...substantial composite of the general public”. However whilst *McGinley* was

²⁰ *In re Riverbank* (n 16) 1031.

²¹ 171 USPQ 443 TTAB (1971).

²² *In re Runsdorf* (n 21), any vulgar term would inevitably result in the mark being scandalous.

²³ 180 USPQ 334 TTAB (1973).

²⁴ *In re Madsen* case (n 23) 1.

²⁵ 212 USPQ 863 TTAB (1981).

²⁶ *In re Tinseltown* (n 25) 2.

used, the court opted to apply a much broader standard rather than the posh clientele at which the accessories were aimed at being sold to.²⁷ As a standing point, the court considered how the dictionary definition is to be used in relation to the word 'Bullshit'. It was contended that the word has received a definition of "Nonsense; especially: foolish, insolent talk" in the Merriam-Webster's New International Dictionary (1942) and has therefore acquired a secondary non-profane meaning, though the court was not so convinced that it may still be registered.²⁸ It was further contended that by looking at this dictionary definition and the current *mores* of society, the word in itself has been used so regularly that it has attained a non-profane status. The court rejected both these arguments and stated "...the fact that profane words may be uttered more freely does not render them any the less profane. Nor does this fact amend the statute by which we are required to determine the registrability of such matter as trademarks".²⁹

In re Hershey involved the use of 'Big Pecker Brand' on T-shirts.³⁰ The court considered the trademark "... in the context of the marketplace..." and is of scandalous nature according to a substantial composite of the general public. However, the court did consider that these factors are highly subjective.³¹ Although The Webster's Third New International Dictionary (1981) defines "pecker," as "Penis- often considered vulgar" the court was not convinced of its vulgarity and decided that such evidence standing alone is too little to show that the trademark is vulgar.³² It is also noteworthy that the trademark was considered together with the bird head design on the specimens which reinforced the conventional meaning of the word 'Pecker'.³³ This shows how context and dictionary definitions must go hand in hand to receive a better understanding of the nature of a trademark and whether it is scandalous or not.

In re Old Glory Condom Corp involved the use of the US flag on a condom wrapper that was refused registration on the grounds of section 2(a) for being scandalous.³⁴ The court gave the

²⁷ *In re Tinseltown* (n 25) 2, "...we could not possibly apply a standard of public policy to the question before us which would be limited to a particular stratum of society, defined by its level of "sophistication", or, as others might perceive it, its level of vulgarity."

²⁸ *In re Tinseltown* (n 25) 3, this was the 3rd edition (1976) of the dictionary.

²⁹ *In re Tinseltown* (n 25) 3.

³⁰ 6 USPQ2d 1470 (1988).

³¹ *In re Hershey* (n 30) 2.

³² *In re Hershey* (n 30) 2 "Accordingly, these references, while relevant, do not carry great weight in determining whether a substantial number of the general public even recognize the term 'pecker' as a slang word for penis".

³³ *In re Hershey* (n 30) 3.

³⁴ 26 USPQ2d 1216 TTAB (1993).

same definition of ‘scandalous’ as per the definition of the word in the *McGinley* case as a word that is likely to offend a substantial composite of the general public.³⁵ The reasoning behind finding the use of the American flag to be scandalous was founded on the fact that the American flag is sacrosanct and by relating it to sexual activities would be highly offensive. This case cited various other cases such as *Tinseltown*, and *McGinley*, and determined a pattern, in that the trademarks considered in the aforementioned cases involved the element of vulgarity.³⁶ In this case no such vulgarity could be found. Moreover the court ascertained that one must look at the trademark as a whole. The brand promoted safe sex therefore the use of the American flag in this context could not be seen as scandalous (the question of context taken from the *Hershey* case).³⁷

In re In Over Our Heads Inc. registration involved ‘Moonie’ pants on dolls which could be dropped to expose their buttocks.³⁸ The registration was denied for being scandalous on the basis that it disparaged The Unification Church founded by the Reverend Sun Myung Moon. The name ‘Moonies’ itself was not considered as scandalous but rather the disparagement because it “...lack(s) in taste and is an affront to an organized religious sect...”. The court applied the dictionary definition of ‘Moonies’ in that it may on the one hand refer to the leader of the church whilst on the other hand simply refer to the dolls as ‘moons’. Also, ‘Moonies’ were in fact defined as “...a little ball cut from translucent stone and used in playing marbles”, according to Webster's Third New International Dictionary (1976).³⁹

The last case discussed in the *Mavety* case made reference to the *Hershey* case which held that because of the highly subjective and vague nature of the test for the definition of ‘scandalous’, it would be easier for the court to allow the registration and only deal with the matter thoroughly if an application is brought against it, should someone take offence.

The evidence mentioned above clearly indicates that laws have developed over the years. If one considers the early *Riverbank* case in comparison to the *Old Glory Condom Corp* case it

³⁵ *In re Old Glory condom corp* (n 34) 1, “[g]iving offense to the conscience or moral feelings ...” and “shocking to the sense of ... decency or propriety....”.

³⁶ *In re Old Glory condom corp* (n 34) 5.

³⁷ *In re Old Glory condom corp* (n 34) 6.

³⁸ 16 USPQ2d 1653 TTAB (1990).

³⁹ *In re In Over Our Heads* (n 38) 1.

is safe to say that the morals of society changes progressively.⁴⁰ Whilst the facts in each of these discussed cases did indeed differ they all reveal the increasing openness of the courts to accept more and more seemingly ‘scandalous’ trademarks, by taking into account factors which pertain to the merits of each case. For example, in *Riverbank*, any trademark which involved religious material was considered doubtful from the start, yet in *In Over Our Heads*, the seemingly religious subtext of the trademark was nevertheless allowed. It seems that as more and more factors are considered by the courts so grows the acceptance of the courts of seemingly scandalous trademarks.

Runsdorf ensured that the vulgarity of a trademark was a high contributor to its level of ‘scandal’ and in fact vulgarity even formed part of the definition of ‘scandalous’.⁴¹ *Madsen* stated that the morals of the community played an important role in determining the nature of ‘scandalous’ and that each case must be determined upon its own merits as each is unique. *Tinsletown*, being the first case to deal with profanity, upheld the *McGinley* judgement in that in a case of profanity one cannot only be looking at such a narrow market (like posh clientele) but must look at a substantial composite of the public buying the product. It also appears that when the court is dealing with a trademark that can potentially harm other well-known trademarks, the court will take a more protective stance and will be less inclined to grant registration of that trademark. *Hershey* developed the law further in that it considered the tests of *McGinley* and decided that they were simply too subjective. The court however opted to give greater consideration to the trademark itself on the actual product within the context of the market place. Subsequently, *Old Condom Corp* emphasised the continual growth of these factors in the form of an even more accepting judgement, taking all of the above developments into consideration. This judgement is considered as accepting because of the sacrosanct status of the American flag yet with the proper consideration of the appropriate factors even that can be overcome. The continual openness of the court by taking more factors into account is indicative of how the community morals are being considered and that what is considered as ‘scandalous’ now requires greater scrutiny.

It is clear that *Mavety* not only considered the social trends of the above cases but further incorporated the factors considered into its own judgement. In the case of social trends, the

⁴⁰ In America, religion and patriotism hold similar reverence in American society, yet as per *Old Glory* the relation of patriotism to safe sex was allowed.

⁴¹ Trade Mark Manual of Examining Procedure (TMEP) October 2015 1203.01.

court applied the factor considered in *Madsen* in which one must consider the trademark in the "...context of contemporary attitudes...". As seen above, these attitudes tend to morph for greater leniency more often than not. In *Mavety* this idea was clearly expressed through the statement of Clevenger J "...we must be mindful of ever-changing social attitudes and sensitivities ... Proof abounds in nearly every quarter, with the news and entertainment media today vividly portraying degrees of violence and sexual activity that, while popular today, would have left the average audience of a generation ago aghast."⁴²

When determining whether a trademark is 'scandalous' is a conclusion of law which needs to be determined on a factual enquiry. As further determined by the courts, this factual enquiry needs not be developed afresh as it is similar to that of the factual determination of confusion.⁴³ It is crucial to emphasise again that the court believed that this factual determination (distinguished from such a determination for confusion) is "derived from the perspective of the substantial composite of the general public". It appears that the court applied this reluctantly as further reference was made to the dissenting judgments of Rich and Baldwin which criticized the "...judicial creation of the substantial composite of the general public standard as nonsensical and unsupported by the authority cited by the majority...". Richard and Baldwin further stated that it simply applies this standard as they are "duty bound to apply the standard set forth by our predecessor court"⁴⁴ Whilst it was applied reluctantly it was applied nonetheless.

Such a judgment is reminiscent of the *Hershey* case in which the court held that the test of *McGinley* was too subjective. On the grounds of this subjectivity the court further applied the *In over our Heads* judgment in which the court simply opted to allow for the registration and that should any person take offence they may then bring an opposition to the registration.⁴⁵ The reason being for this is due to the fact that no ascertainable objective test exists and therefore it would make more sense to allow the registration, as an opposition would allow the court to work with more cut and dry factors and thus make a less subjective decision.

⁴² *In re Mavety* (n 11) 1371.

⁴³ *In re Mavety* (n 11) 1371 par IV and *Frederick Gash, Inc. v. Mayo Clinic*, 461 F.2d 1395, 1397, 174 USPQ 151, 152 CCPA (1972) "The inquiry under [15 U.S.C. s 1052(a)] is similar to that under ... 15 U.S.C. s 1052(d), which is likelihood of confusion of the marks as applied to the respective goods and/or services."

⁴⁴ *In re Mavety* (n 11) 1371.

⁴⁵ *In re Mavety* (n 11) 1374.

The court went on to consider both the factors of vulgarity and the use of dictionary definitions as provided for in *Runsdorf* and *Tinseltown*. The court raised two issues regarding this matter. The first issue was that the term ‘vulgar’ is not an accurate way to render a trademark as scandalous because what is considered ‘vulgar’ will not always be considered as ‘scandalous’ by the substantial composite of the general public. Also, that each different publication of a dictionary may have varying opinions as to what would be considered as vulgar as a result of differences of opinion within the publication staff. However, it is not only the different publications which are a cause of concern but also the different editions. For example whilst the 1932 edition of Webster's New International Dictionary as cited in *Runsdorf* considered the term ‘bubby’ as “...now vulgar...” the 1968 edition considered it as “...now often considered vulgar...”.⁴⁶ The court thus held that a dictionary definition of ‘vulgar’ cannot be the sole basis for determining what is considered as ‘scandalous’ by the substantial composite of the general public.⁴⁷ They can however be indicative of social trends within society.

The second issue was that dictionary definitions of seemingly vulgar words also carry non-vulgar definitions, so which of the two will effectively be considered as ‘scandalous’ by the substantial composite of the general public? Such a burden to prove which dictionary definitions apply the most rests with the USPTO. As seen in *Mavety* while ‘tail’ may refer to a female sexual partner it can alternatively and in a non-vulgar fashion refer to a ‘rear-end’ or ‘buttocks’.⁴⁸ The court however did question the use of dictionary definitions which dictate the vulgarity of the word alone to determine if the substantial composite would consider it as scandalous and did look into the matter further.

A factor which we may thus consider strongly is that where there are varying definitions found in different publications, it is the one that is most widely used and popular that should be considered. Where there are other editions of that publication then the latest edition of a dictionary definition should be considered. As explained before, such an onus to prove is rightfully placed on the USPTO to prove where there are alternative definitions that the substantial composite will consider the one that is vulgar. It remains essential to emphasize

⁴⁶ *In re Mavety* (n 11) 1373.

⁴⁷ *In re Mavety* (n 11) 1373, “Were we simply to ignore editorial usage labels in the dictionary references cited by the Board, we would have to agree with the dissent that the majority had ‘...essentially nothing but speculation about how this term would be perceived by the public.’”

⁴⁸ *In re Mavety* (n 11) 1374.

that a dictionary definition may be sufficient to determine whether a trademark is ‘scandalous’ or not where multiple dictionaries, including one standard dictionary all indicate that a word is ‘vulgar’.⁴⁹

The court further dealt with the defence of freedom of expression in terms of the first amendment. It was alleged that the use of section 2(a) had offended the right to freedom of expression. The court swiftly dealt with the matter and rejected it based “...on the face of it or as applied”. No further debate was given to this matter.⁵⁰

2.4) *Writers*

Authors seem to be well divided within the US regarding how section 12(a) should be implemented. Some do not believe in its implementation at all whilst others believe it should be amended either fundamentally or simply be given minor tweaks.

The first proposition made provides that we disregard the vague definition of ‘scandalous’ or immoral in terms of section 2(a) altogether, in lieu of thin protection of trademarks, which will be discussed in full at a later stage.⁵¹ Phillips makes several arguments as to the inherent problems of the words ‘immoral’ and ‘scandalous’ as defined in section 2(a) and ultimately concludes how thin protection solves this issue.

The provision of section 2(a) is broken down. This deconstruction is applied to the actual purposes of a trademark. A trademark’s purpose is to serve as a “...reliable indicator of the source of goods and services for consumers, and to protect trademark holders from unfair business practices of competitors such as free-riding and customer diversion practices.”⁵² The rest of the wording of section 2(a) which provides for ‘deceptive’ or ‘disparaging’ tends to support this purpose to protect from trademarks that misrepresent, mislead or defraud. It therefore raises the question as to why ‘immoral’ and ‘scandalous’ was paired with ‘deceptive’. A fundamental conclusion is that no logical connection exists between the above-mentioned purpose of a trademark and the inclusion of ‘scandalous’ or ‘immoral’. The term ‘deceptive’ is therefore sufficient.

⁴⁹ TMEP 2015 (n 14) 1200-1203.01.

⁵⁰ *In re Mavety* (n 11) 1370 and *In re McGinley* (n 3) 484.

⁵¹ Phillips “A case for scandal and immorality: Proposing thin protection of a controversial trademarks” 2008-2009 *BIPLJ* 55.

⁵² Phillips (n 51) 58.

Another issue presented was the rationale or intention of the legislator for the inclusion of 'immoral' or 'scandalous'. Since no actual explanation of such intention exists on part of the legislator, the USPTO developed their own plausible explanation and described it as a means of avoiding the appearance that government endorsement has been given and allocation of funds made for the protection of a distasteful a trademark⁵³. However this reasoning is inherently flawed. Registration does not amount to any sort of approval by government of the trademark itself any more than what the registration of a patent does not amount to an endorsement of that patent. Withal, the argument that barring 'scandalous' trademarks amounts to a protection of public welfare and morals is a flawed argument. The Lanham Act is not welfare legislation and its purpose is to prevent unfair trade practices⁵⁴. The possible reasoning behind the intention of the legislator to include 'scandalous' or 'immoral' in section 2(a) is light of the objectives of the Lanham Act is unsound.

The above argument is then further solidified due to the discrepancy between trademark and patent or copyright law. In order to apply for protection of a patent or copyright the enquiry of scandal or morality is not considered, yet patents for 'scandalous' material are frequently issued.⁵⁵ The legislator can therefore not use the above reasoning that these terms protect the morality and welfare of the public.

Phillips further probes the inherent issues of the priorly discussed factors in determining the definitions of moral or scandalous and comes to the same conclusion reached in *Hershey* and *In over our Heads*: that they are simply too subjective and have inconsistent results.⁵⁶ Essentially, this subjectivity is what gave rise to every constitutional challenge to section 2(a). The *McGinley* judgement swiftly dismissed the argument that s2(a) is void for vagueness and breaches of the 5th amendment rights to freedom of speech was again confirmed in *Mavety*, citing 'scandalous' as "sufficiently precise to satisfy due process requirements". However, it is argued that actual void-for-vagueness requirements such as a notice to the public to determine if a particular term or condition of vague was not considered.

⁵³ Phillips (n 51) 68 and *In re McGinley* (n 3) 483.

⁵⁴ Phillips (n 51) 69.

⁵⁵ Phillips (n 51) 71.

⁵⁶ Phillips (n 51) 60, 65.

This means that until such considerations are given the constitutionality of section 2(a) under the Fifth Amendment remains questionable.⁵⁷

In light of the above criticism and uncertainty regarding the term ‘scandalous’, Phillips provides that thin protection should be offered to all trademarks, irrespective of any scandalous or immoral nature. Thin protection therefore involves only the protection of trademarks which are “...inherently distinctive as source indicators of specific goods and/or services, and would create liability for direct infringement of the trademark for the same or closely related goods and/or services.” A controversial mark that would otherwise be deemed scandalous would still be placed within the principal register.⁵⁸ ‘Thin’ protection is considered as such for the following: it does not limit where the product can appear but rather the classes or services where the symbol of a registered trademark may be used. This will only create liability where the infringement of the controversial trademark has occurred with that specific class or service. Thus where infringement occurs in an unrelated market, protection will not be offered.⁵⁹ It therefore limits the scope and remedy in order to prevent the matter extending past its importance in litigation.

Other authors argue for the tweaking of the current system instead of re-inventing it. Christine Farley suggests that we simply remove the question of the trademark within a commercial context and only look at the trademark itself in the abstract. This suggestion is based on the removal of subjectivity and uncertainty created by the consideration of context when trying to make moral judgement in a trademark analysis (as context changes sempiternally). Contextualisation leads to inconsistent results by its very design because it “...changes our understanding of words, inoffensive words become offensive and vice versa all based on context”.⁶⁰

Ultimately such an approach will fulfil the objectives of law, produce more consistent results and become more manageable for the USPTO. We must note that this suggests not to simply disregard the morality requirement of section 2(a) but rather to forget the context factor which determine a trademark’s morality. Unlike the aforementioned article that strived for thin protection and sought to completely do away with the terms ‘scandalous’ or ‘immoral’, Farley

⁵⁷ Phillips (n 51) 67.

⁵⁸ Phillips (n 51) 75.

⁵⁹ Phillips (n 51) 75.

⁶⁰ Farley “Stabilizing morality in Trademark Law” 2013-2014 *AMULR* 1019 1039.

suggests that section 2(a) (along with the terms ‘scandalous’ and ‘immoral’) is in line with international standards.⁶¹ Additionally it will remove the subjectivity that plagues the current test because “...contextualising words in order to make moral considerations leads to an impossible task. It is only when those words are decontextualized that such determinations become manageable.”⁶²

In light of the current trend of offensive trademarks, section 2(a) can have no other objective other than to protect the public from such trademarks. Therefore unlike Phillips, Farley believes that by shying away from the moralistic requirements of section 2(a) would make more sense than to simply repeal it.⁶³ The various factors that follow support her suggestion to simply remove the question of context.

The current situation regarding context is to determine it according to its commercial use.⁶⁴ This means that we consider the secondary meaning of the trademark in question within its context. Farley makes particular reference to the *Redskins* case in which the abstract definition of ‘Redskins’ is offensive- though in the context of football association, concomitant with merchandising, it is not.⁶⁵ On the contrary Farley makes the argument that a word or trademark which is racist will remain so, irrespective of contextual consideration.⁶⁶ This is a ‘per se’ approach and is supported by the wording section 2(a).⁶⁷ The section makes use of the word ‘matter’ and not ‘trademarks’ thus it is not the trademark that is in question but the matter itself and must thus be considered out of context.⁶⁸ Subsequently Farley recommends the creation of a database in which the examining attorney may consult when conducting a per se examination of the trademark as to whether a word is scandalous or immoral. Although criticism will persist during the creation of a database (differences of opinion, over-inclusive/under-inclusive lists etc.) it is no different to the methods currently used by examining attorneys in consulting dictionaries or other such databases.⁶⁹

⁶¹ Farley (n 60) 1025.

⁶² Farley (n 60) 1022.

⁶³ Farley (n 60) 1026.

⁶⁴ Farley (n 60) 1027.

⁶⁵ Farley (n 60) 1028 and *Pro Football, Inc. v. Harjo (Harjo IV)*, 565 F.3d 880, 880-81 D.C. Cir. (2009).

⁶⁶ Farley (n 60) 1030.

⁶⁷ Farley (n 60) 1031.

⁶⁸ Farley (n 60) 1031.

⁶⁹ Farley (n 60) 1033.

Marks with religious significance are particularly troublesome as context may vary greatly under circumstances where a trademark remains the same. For example the use of the trademark 'Jesus' may either be used for jeans (a brand registered for clothing and sportswear named 'Jesus Jeans') or on the other hand ministerial services. An all-or-nothing approach is preferred with regards to trademarks with religious significance, either all are allowed or none are allowed.⁷⁰ An approach similar to that of section 2(b) of the Lanham Act should therefore be followed whereby commercial use of flags, coats of arms, or "other insignia of the United States, or of any State or municipality, or of any foreign nation." is barred. Such is determined on a per se basis and in the abstract.⁷¹ A list which contains such trademarks indeed exists which the examining attorney may then consult. The same should exist for trademarks of religious significance.

Farley therefore concludes that the current test of context to determine morality or scandalous nature of a trademark "...cloud(s) the picture rather than illuminate(s) it and does not actually achieve the objectives of section 2(a)".⁷² Thus the objective of this section which is "...to deny the benefits of federal registration to those trademarks that injure the public by causing deep offense." will be achieved in a more consistent and accurate manner.⁷³

Anne Lalonde and Jerome Gilson continuously outline the difficulty faced by the USPTO in keeping scandalous trademarks out of its registries.⁷⁴ However unlike the previous mentioned authors, they are far more conservative regarding section 2(a) and only suggest tweaking the current factors rather than removing elements of them or removing them entirely.

Both the question surrounding the definition 'immoral' and the understanding of morality as having its own independent factor play a role.⁷⁵ Morality does not form its own separate factor as it is a near impossible task to determine what society considers morally reprobate.⁷⁶ Thus morality is determined from the "...point of view of morality rather than discovering

⁷⁰ Farley (n 60) 1036, 1037.

⁷¹ Farley (n 60) 1038.

⁷² Farley (n 60) 1049.

⁷³ Farley (n 60) 1050.

⁷⁴ Lalonde and Gilson "Trademarks Laid Bare: Marks that may be Scandalous or Immoral" 2011 *TMR* 1477 1477.

⁷⁵ Lalonde and Gilson (n 74) 1489.

⁷⁶ Lalonde and Gilson (n 74) 1490; TMEP 2015 (n 41) 1200-1203.01 and *In re McGinley* (n 3) 484: The question of what is 'immoral' does not receive an independent status to what is 'scandalous' and in fact forms part of the same category as scandalous (hence I have not delved into the discussion of morality).

what material is in fact immoral”.⁷⁷ What can be determined here is that morality in fact helps to determine the definition of ‘scandalous’ rather than what is actually considered as immoral. Hence we consider the ever-changing morals of society.

A factor which may also determine the definition of ‘scandalous’ is the intention of the applicant. Intention however, should not out-rule cases in which trademarks which are clearly ‘vulgar’ and should be denied. One cannot claim the defence of parody or satire for such trademarks (for e.g ‘Bullshit’) as the intention seems to be to create parody.⁷⁸ Such is not always the case, as seen in *Old Glory Condom Corp.* Here the court clearly considered the good intentions of the applicant in mixing patriotism and the fight against AIDS “...emphasizes that its trademark is expressly designed not to offend but to redefine patriotism to include the fight against sexually-transmitted diseases, including AIDS”.⁷⁹ Clearly the applicant’s intention was considered by the court and as such may be considered a factor of determining the scandal of the trademark.

It is important that constitutional limitations such as the first amendment freedom of expression be discussed. During the exposition of the *Mavety* case this debate was only given a slight consideration and swiftly dealt with the matter in that such a defence may not be raised. The reason for this position is that the courts have adopted a uniform approach for rejecting these defences on the basis that while a trademark is denied registration it may still be used and therefore freedom of expression is not denied to the applicant.⁸⁰ This raises the ever-so-popular debate of use vs registration which does not fit within the scope of this dissertation. While the applicant may make the claim, given the history of the courts attitude to this matter in both *McGinley* and *Mavety*, it is highly unlikely that the applicant will succeed.

There are varying factors so described in the US system which the court or the USPTO may consider when determining the registrability of a trademark. The reasons for the development of these factors are the inconsistencies and subjectivity in trademark law. It may therefore be more appropriate to create solutions to this issue rather than to stack more cumbersome

⁷⁷ Lalonde and Gilson (n 74) 1490 and *Ritchie v. Simpson*, 170 F.3d 1092, 1098-99 Fed. Cir. (1999).

⁷⁸ Lalonde and Gilson (n 74) 1497 and TMEP 2015 (n 41) 1200- 1203.01.

⁷⁹ Lalonde and Gilson (n 74) 1498 and *In re Old Glory Condom Corp* (n 34) 6.

⁸⁰ Lalonde and Gilson (n 74) 1531.

factors. However, it can be concluded that most of these solutions are simply a reiteration of the current factors. The following has been proposed:

- 1) Amending or repealing statutory language: this solution implies the removal of the terms ‘scandalous’ and ‘immoral’ from section 2(a) and replacing these terms with ‘vulgar’, ‘shocking’ or ‘prurient’. One may also amend the word ‘scandalous’ or ‘immoral’ and replace them with ‘obscene’ as such a word is of a lower standard than ‘scandalous’. While this would narrow the scope of rejections of trademarks and allow more potentially obscene trademarks on the market, it would also create more legal certainty and allow the courts and the USPTO to be consistent in their decisions.⁸¹ This proposition is largely in line with that of Phillips for thin protection.
- 2) Providing additional guidance to examining attorneys: many of the factors we have outlined may be openly interpreted and may have different meanings attached to them based on the individual. Greater guidance should therefore be provided in the Trademark Manual of Examining Procedure as to what should be considered when looking at “evidence that a substantial portion of the general public would consider the trademark to be scandalous in the context of contemporary attitudes and the relevant marketplace”.⁸² There is simply insufficient explanation on what exactly the above test of scandal comprises of and which factors must be considered. Further education to managing attorneys regarding how to handle such scandalous marks would also be highly beneficial as it will ensure consistency in examination.
- 3) Changing Standard from “General Public” to “Actual or Potential Purchasers”:⁸³ this solution would provide the best possible results. When looking at a mark we must consider the sort of people who will be exposed to it, in particular, the consumers who are most likely to buy the product to which a trademark is attached. This will mean that the tests will not be so subjective and far more narrowed, resulting in greater consistency and swift, accurate decisions as we will no longer have to consider an unnecessarily broad public.

⁸¹Lalonde and Gilson (n 74) 1533- 1534; *In re McGinley* (n 3) FN 9 and TMEP 2015 (n 41) 1200-1203.01 which describes the different thresholds between scandalous and obscene.

⁸² Lalonde and Gilson (n 74) 1536 and TMEP 2015 (n 41) 1200-1203.01.

⁸³ Lalonde and Gilson (n 74) 1536.

It appears that all the above-mentioned authors have an issue with the subjectivity of the current test. All propositions have been made by these authors to either narrow it down or remove it entirely, they all agree that greater objectivity is required.

2.5) *Conclusion*

The US system of determining which trademarks may be registered and which may not via section 2(a) of the Lanham act is far from flawless, though remains the most developed. The starting point of the registrar when determining a trademark's registrability will be whether a trademark is scandalous to a substantial composite of the general public. From here on flow the questions of which factors we must consider in determining the definition of 'scandalous'. It must be noted that throughout the exposition of the above-mentioned case laws and articles, most of the factors boil down to a question of context surrounding the trademark itself which will give rise to its supposed scandalous nature.

- 1) When looking at the trademark the standpoint of the substantial composite of the general public is crucial. This factor has remained intact throughout case law since its early beginnings in *Riverbank*. However it is not always certain what this substantial composite is. Is it simply a less wide version of the general public or is it specifically limited to those people who would buy the products to which the trademark is attached? According to *Riverbank* the test extends beyond those who would purchase the products. However, the conclusion agrees with the opinions of Anne Gilson and Jerome Gilson in which they suggest that 'General Public' should be changed to 'Actual Potential Consumers'. The ratification of this statement is that it will narrow the already broad test which the courts and registrar must contend with. However, this must be considered with the level of vulgarity of the trademark in conjunction with its marketing. An evidently vulgar trademark intended for pornographic purposes may be directed towards those who view pornographic material, such as potential customers. Nonetheless such a trademark cannot be displayed in public advertisements as it will certainly offend citizens who are not potential customers.
- 2) Dictionary definitions may help the registrar understand what the trademark in question actually means when determining if a trademark is 'scandalous'. Regardless,

dictionary definitions alone are simply too insufficient to deny the registration of a trademark. Uniformity with several editions and publications may increase the value of such evidence whilst lack of uniformity will reduce it. It must also be noted that the enquiry of vulgarity was born from dictionary definitions. The definition of vulgar may be highly subjective depending on the examiner dealing with the registration of the trademark. Providing dictionary evidence which proves the vulgarity of the trademark may curb such issues. Also, because vulgarity now forms part of determining 'scandal' as per *Runsdorf*, it would make no sense to exclude dictionary evidence. We may also consider the opinion of Farley in that examining attorneys should be able to consult a consolidated list of words which would be considered as scandalous or immoral for purposes of section 2(a).

- 3) Context can be very broad and would not be of assistance when trying to compile a list of factors in determining which trademarks are 'scandalous' and which are not. When one looks at whether the trademark is scandalous one will reflect on its context, and this will be a "factual enquiry" as per *Mavety*. Context is therefore determined by looking at the facts surrounding the trademark to determine whether it is scandalous or not. The first factor under context is as per what was said in *McGinley* in that we need to look at the trademark within the context of the marketplace described in the application of the registration. The court did not elaborate much on what this context is, however, it is justified that we need to consider the class under which the trademark is filed in order to better understand its context. For example, in *Mavety* the registration was clearly placed in the category of pornographic magazines or 'adult entertainment'. The context of the registration was not to mislead anyone as the registration is clear. Pornography in itself offends certain people and is vulgar in its own right but it is an acceptable part of society that has even attained its own category of registration. Thus, in the case of *Mavety* the type of registration and its commercial use should play an important role in deciding whether the trademark itself is scandalous.

Consider *McGinley*: here the applicant clearly intended to mislead the registrar by making the registration under "Newsletter Devoted to Social and Interpersonal Relationship Topics" and "Social Club Services", however the magazine promoted

‘swinging’ and ‘swingers clubs’ which are in their very nature pornographic. The two factual scenarios here clearly differ where the former did intend to mislead and the latter did not. The type of registration should thereby give a clear indication of whom the general composite of the public are (aimed at pornography users or everyday magazine readers) and thus determine whether such is scandalous or not. This will also help determine the trademark within the context of the market place. This factor will therefore assist in determining who exactly the prospective customer of the product attached to a trademark will be, and will allow the examining attorney to make a more informed and objective decision. It should also be considered that where a proper and sufficiently objective enquiry into context is not possible, context should be disregarded altogether and that the trademark is considered in the abstract as per Farley. This is not entirely desirable as it may make the test too objective.

- 4) In defining scandalous, society’s morals and its ever changing nature must be borne in mind. This is an important factor that may form part of the context as we are considering the trademark under context of today’s society’s moral compass. The registrar and the court must therefore be aware of our ever-changing social trends. However, the test does not end there. While it is instructed by *Mavety* that we must consider society's current morals, such an instruction is still vague with regards to morality itself. It is accepted that it is not necessarily a question of whether the trademark is immoral directly but rather which trademark will be ‘scandalous’ from the viewpoint of morality. Anne Lalonde and Jerome Gilson make good arguments in that morality in s 2(a) should not be an independent factor but should help determine when a trademark is in fact scandalous. It must also be noted that the dictionary definition of ‘scandalous’ used in *Riverbank*, *McGinley* and *Mavety* further considered the word ‘immoral’ in its definition which simply re-enforces the above construction.
- 5) The question of intention must be considered. The courts however, did not deal with this matter specifically under its own heading of intention. In the process of achieving an objective standard for determining whether a trademark is scandalous or not there must still be an element of subjectivity on part of the applicant. Particularly in cases of parody as seen in *Tinseltown* for the use of “BULLSHIT” and *Old Glory* which sought to promote a sense of patriotism in prevention of HIV. Intention appears to be a factor

only considered in very specific circumstances where it is warranted or alleged. The context must therefore be considered before the intention to see if the use of this factor is warranted. As discussed by Anne and Jerome Gilson, the court in *Tinsletown* considered the trademark's vulgarity and held that such clearly overcame the applicant's intention. In the case of *Old Glory* the patriotic intention of the applicant was a strong factor to be considered. It appears that each scenario must be judged on its own merits when considering intention. However, vulgarity of the word may be a strong indicator that intention should be disregarded.

- 6) The US federal courts will not entertain the defence of freedom of expression in this regard and as such would be futile to raise this as a factor that should be taken into consideration.

While section 2(a) does not provide much insight the definition of 'scandalous', case law has given more than sufficient factors which fill the gap of lack of definition. Whether they provide sufficient objectivity becomes a question of how the factors are applied and if they are applied correctly.

CHAPTER THREE

3) The United Kingdom System

3.1) Introduction

In the United Kingdom's (from here on forward referred to as the UK) section 3(3)(a) of the Trade Marks Act of 1994 provides that a trademark shall not be registered if it is "contrary to public policy or to the accepted principles of morality...". The first element of section 3(3)(a) is public policy and is described by the Manual of trade marks Practice (from here on forward referred to as MTP) as something which denies "...protection to trademarks which could induce public disorder, or increase the likelihood of criminal or other offensive behaviour."⁸⁴ The definition of principles of morality is defined more as an objective assessment which involves a consideration of various factors such as: whether the trademark is likely to cause mere distaste or justifiable outrage; the height of this outrage; whether it is sufficient that the examiner actually finds the trademark offensive; how the assessment should be made and; whether or not the kinds of goods and services at hand makes a difference.⁸⁵

The MTP further goes on to describe the different categories of trademarks which exist that would generally offend s 3(3)(a). These categories are those with criminal connotations, those with religious connotations and explicit/taboo signs (including swear words), and those with relations to drugs. The MTP also points out that trademarks which fall within these categories are likely to offend public policy and the accepted principles of morality simultaneously.⁸⁶

The above section 3(3)(a) gives a contrast as to how offensive trademarks are dealt with in the UK as opposed to the US. Firstly the word 'scandalous' does not appear in the 1994 version of the Trade Marks Act. However it does appear in the 1938 TMA under section 11 which included the term "...any scandalous design...".⁸⁷ The inclusion of 'scandal' in the 1938 TMA indicates that similar factors which have influenced US law under 'scandal' may also influence UK law under public policy and accepted principles of morality. The following will

⁸⁴ 3rd of March 2009 chapter 3 "Offensive Marks" par 1.

⁸⁵ MTP (n 84) par 2.

⁸⁶ MTP (n 84) par 1, where a mark involves the use of illegal drug usage is not only against public policy but also against accepted principles of morality.

⁸⁷ Morcom, Roughton and St Quintin *Modern Law of Trade Marks* (4th edition) 152.

outline how public policy and morality have developed to apply to trademarks seeking registration by discussing cases dealing with each of the three categories mentioned in the above paragraph.

3.2) *Hallelujah Trademark*

The question of whether one may register the trademark ‘Hallelujah’ in relation to women’s clothing was put before the court. Here sections 11 and 17(2) of the 1938 Trade Marks Act were used.⁸⁸ With regards to section 11, it was the question of whether the trademark was against the public’s perception of morality that concerned the court and there was no question of whether it was against public policy or that the trademark was scandalous.

The court therefore answered the above by considering the following factors:

- 1) The court looked at the dictionary definitions of both ‘Hallelujah’ and ‘moral’. ‘Hallelujah’ is considered by all English dictionaries as a word with religious significance and a holds a strong relation to God.⁸⁹ Nonetheless, it was held that dictionary definitions are simply insufficient to prove how a practicing Christian or even the public in general would consider the word.⁹⁰
- 2) The definition of “morality” was also questioned. The court defined it as “...concerned with the distinction of what is right and wrong, virtuous, righteous” through several dictionary definitions. However while this definition was given, the court noted that we live in a ‘permissive age’ where our societies accepted morals are constantly undergoing change.⁹¹ We therefore need to consider morality when judging a trademark in light of the “...generally accepted standards of today and not by those of 1938.” This means that while law prescribes that we must consider morality, it matters not how old that legislation is and will be considered from today’s current perspective. The court also held that while this decision falls to the discretion of the registrar, such a discretion must: be exercised in a way that follows precedent; keeps in touch with the morality trends of

⁸⁸ *Hallelujah Trade Mark* 1976 RPC 605 605.

⁸⁹ *Hallelujah Trade Mark* (n 88) 606.

⁹⁰ *Hallelujah Trade Mark* (n 88) 607.

⁹¹ *Hallelujah Trade Mark* (n 88) 607.

today and; avoid becoming an “arbiter of morals”.⁹² This is a highly balanced view which allows for subjectivity while maintaining a strong element of objectivity.

- 3) The Advertising Standards Authority (from here on forward referred to as ASA) may be a good indication of a trademark’s offensiveness on the basis of the complaints they would receive on it from the public. It was contended that in general the ASA receives more complaints on trademarks with religious connotations than any other. However the court refused to entertain the notion that such evidence is sufficient because the “...use of trademarks consisting of religious names on or in relation to clothing can cause sufficient offence to lead to public complaint and is viewed by a substantial sector of public opinion as being wrong.”⁹³ Therefore while the ASA may be a good indicator of what the public considers immoral, it is simply insufficient on its own.
- 4) The court considered whether similar prior registrations will have any influence on the registration of the trademark in question. The answer was simple, explaining that “(e)ach application has to be judged on its own merits and for the goods on or in relation to which it is intended to use the trademark”.⁹⁴
- 5) The court outlined that two different degrees exist when denying a trademark’s registration. The first and highest is in terms of section 11 which provides for an outright refusal of the trademark if it offends morality because it “...offends the generally accepted *mores* of the time...”. The second is in terms of section 17(2) which allows for refusal on the basis of the registrar's discretion. Here the use of such discretion is warranted where the registrar believes that it would “...be reasonably likely to offend persons who might be in a minority in the community yet be substantial in number.” This is a lesser test to the first.⁹⁵

The above factors are very vague and provide little insight as to what standard is provided when one considers morality (it is insufficient that we simply look at today’s morals). Lastly we must further ask the level of offence the public finds in the trademark before it is denied

⁹² *Hallelujah Trade Mark* (n 88) 608.

⁹³ *Hallelujah Trade Mark* (n 88) 608.

⁹⁴ *Hallelujah Trade Mark* (n 88) 608.

⁹⁵ *Hallelujah Trade Mark* (n 88) 610.

registration. While there are inherent issues, this case provides a good stepping stone for further development.

3.3) *Ghazilian's Application*

This case involved the registration of the mark 'Tiny Penis' and specifically dealt with the application of section 3(3)(a) of the 1994 Trademarks Act.⁹⁶ The court delved deeper into the above-mentioned issues regarding morality and the standard applied when a trademark is considered offensive and against public morality, which 'Hallelujah' failed to address.

Unlike in 'Hallelujah', no question of the Registrar's discretion came to light in this matter. The court interpreted the words of section 3(3)(a) as "mandatory" and that under such a section the registrar is "...given no discretion to register in the circumstances where the registration is contrary to public policy or morality...". A judgement must therefore be reached by the registrar if it is contrary to public policy or morality and is not a matter of discretion.⁹⁷

The court further considered the fact that a trader has the right to adopt whatever trademark he/she feels will best enhance the sale of the goods to which it is attached. This trademark is accordingly allowed to receive protection so long as it is distinctive. A distasteful trademark may therefore appeal to a certain sector of the market and enhance sales. A trader is therefore allowed to adopt whichever trademark he/she feels will bring success to business sale.⁹⁸

When applying section 3(3)(a) and asking whether a trademark is within the bounds of public policy or within the accepted principles of morality, the court added that such a consideration needs to be taken from the perspective of the "...right-thinking members of the public...".⁹⁹ With this in mind the court therefore sought to define a dividing line between offensive and non-offensive trademarks in order to decide on the refusal or allowance of registration.¹⁰⁰ It was held that where a trademark does offend principles of morality, denying registration did not prevent the person from using it. The following test was therefore created.

⁹⁶ *Ghazilian's application* (2002) RPC 33.

⁹⁷ *Ghazilian's application* (n 96) 631 par 9, 10.

⁹⁸ *Ghazilian's application* (n 96) 633 par 17.

⁹⁹ *Ghazilian's application* (n 96) 633 par 18 and *Masterman's Design* [1991] RPC 89 103.

¹⁰⁰ *Ghazilian's application* (n 96) 634 par 21 and 22.

Two important questions were raised: firstly, to what extent is the trademark offensive and secondly, which sector of the public did it affect most? The former was answered by analysing the extent that a trademark will cause “outrage” or be considered as “merely distasteful”, specifically in terms of it undermining current religious, family or social values. The latter was analysed by considering whether such outrage would occur to a lesser degree amongst a more widespread section of the community or to a higher degree within a smaller section of the community. This test is all determined within the bounds of the “right thinking” members of the public. By applying this test through the eyes of a right-thinking member, the court ensured that the test remained objective and that the mere fact that the hearing officer himself found the trademark offensive was insufficient.¹⁰¹ Moreover, the court did allow the hearing officer to draw conclusion on his/her own knowledge as to whether trademarks would offend the public sense of morality, though the deciding factor cannot be based simply on this conclusion.¹⁰²

In applying the above test the court looked at several more factors. Again, like with ‘Hallelujah’, the question of context was asked. It was argued that the trademark of ‘Tiny Penis’ was used in clothing and therefore performed the task of distinguishing the applicant’s products. This meant that the trademark would have to appear on signs in “...shop windows, advertising billboards in public places and on labels on clothing and accessories.” These goods as well as the trademarks attached to them will be on display for the general public to view. Whether the public chooses to or not, they “...will be exposed to the trademark of ‘Tiny Penis’ out of context”.¹⁰³ The court agreed with this reasoning and held that it was a correct and objective approach taken by the registrar. The question of what ‘offence’ entails was asked and the court answered in finality that the offence “...resides in the fact that an acceptable social and family value is likely to be significantly undermined.” In coming to this conclusion the court held that “...parts of the male genitalia...should not be debased by use as a smutty trademark for clothing.”¹⁰⁴ Using the term ‘Tiny Penis’ would cause outrage within the community.

¹⁰¹ *Ghazilian’s application* (n 96).

¹⁰² *Ghazilian’s application* (n 96) 635 par 32. The court however does warn that when drawing upon such perception it must be in the context of the ‘right-thinking’ person, ensuring the objectivity of the test.

¹⁰³ *Ghazilian’s application* (n 96) 637.

¹⁰⁴ *Ghazilian’s application* (n 96) 638 par 49.

The court therefore made use of: the context of the term; its use as a trademark for clothing; where it will be found; what it describes; the objectivity of right thinking persons and; how it may cause outrage or distaste.

3.4) *Basic Trademarks SA's Application*

In *Basic Trade Mark SA's Application* the trademark name 'Jesus' sought to be registered by the applicant for various classes of goods (including clothing and sportswear).¹⁰⁵ The registration was denied by the registrar and the matter went on appeal which the court subsequently dismissed.

The court reached its decision by considering the following factors: First and foremost, the court considered the religious connotations of the trademark 'Jesus' and how it will affect society. The court held that while "...religious significance is not always or necessarily sufficient to render a trademark unregistrable under section 3(3)(a)", it does not make it immune to offence and that it is possible that it may have a "...troubling effect..." on persons whose religious beliefs connects to this trademark. Ultimately such persons must be respected in a civilised society. In coming to this conclusion the court referred to the 2003 ASA's understanding that trademarks or advertisements involving religious significance may never reach a straightforward decision since "(s)ome aspects of religion are so sacred to believers that it is rarely going to be acceptable to use them in marketing without causing serious offence ... (and)(m)arketing communications that seem to exploit religious imagery for purely commercial purposes can be problematic. (T)he most offence is likely to be felt when the product itself conflicts with the beliefs of that faith."¹⁰⁶ The court further looked specifically at the name and added that 'Jesus' is the "...ultimate Christian name." and that it "...commands the highest degree of reverence and respect amongst committed Christians." In this decision the court thus considered three elements: the level of religious significance of the word used; how widespread the religion is within the area of effect of the trademark and; the sort of reaction this trademark would be met with when applying it in a commercial context because. It was concluded that "(t)he very idea that the name 'Jesus' should be appropriated for general commercial use is...anathema to

¹⁰⁵ *Basic Trade Mark SA's Application* 2005 RPC 25.

¹⁰⁶ *Basic Trade Mark SA's Application* (n 105) 620 par 20.

believers...”.¹⁰⁷ Thus when a trademark has a religious subtext it would be wise to consider those three factors when denying registration in terms of s 3(3)(a).¹⁰⁸

The factors considered here are reminiscent to *Riverbank* in the US, specifically for the religious connotations of the trademark. The court in *Basic Trade Marks* gave a judgement very similar to that of *Riverbank*. However as seen above this judgement is more sophisticated and considers many more factors than *Riverbank* regarding trademarks with religious significance.¹⁰⁹ The appearance of the ASA in this judgement is indicative that it may hold more prominence than what was first thought in *Hallelujah* and *Ghazilian* and may possibly assist the court to a greater extent in determining the offensiveness of the trademark.

It was further contended that any decision made by the registrar that is arbitrary will be unlawful. The court however held that section 3(3)(a) does indeed call for judgement regarding whether the trademark is registrable or not and subsequently may have “...room for more than one view...”. The mere fact that more than one judgement may exist “...does not ... render the decision making process arbitrary...”. It was further held that the registrar’s decision to deny registration was not subjective because refusal is decided on the basis that the trademark “...is seriously troubling in terms of the public interest in the protection of morals”. This meant that the test encompassed the applicant’s right to freedom of expression under Article 10 of the European Commission of Human Rights. Article 10(2) provides that “(t)he exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to ... prevention of disorder ... (or) ... protection of morals”. The court therefore took these limitations of freedom of expression into consideration and by doing so will provide the “...proper basis for objective determination of legal rights of persons applying for registration”.¹¹⁰ There was therefore no basis for the claim of arbitrary decision making as the decision was not made with a lack of objectivity, nor will the possibility of an alternative judgement render it so. It is also noteworthy that where there is a lack of objectivity in the

¹⁰⁷ *Basic Trade Mark SA’s Application* (n 105) 622 par 25.

¹⁰⁸ The use of the three elements considered when determining the offensiveness of a mark with a religious context is simply a rewording of the test developed in both the *Ghazilian* and *Hallelujah* cases.

¹⁰⁹ *In re Riverbank* (n 16). Simply stated that marks with religious connotations will be doubtful property and that it must be scrutinized.

¹¹⁰ *Basic Trade Mark SA’s Application* (n 105) 621 par 23 and MTP (n 84) par 1. The judgement correctly abides by the MTP which specifically states that where there is a lack of objectivity one would inadvertently be diminishing the applicant’s freedom of expression.

decision making process of the registrar it does not mean that the trademark must automatically be allowed to be registered, but stands on grounds for appeal.¹¹¹

The court ultimately applied the test developed in *Ghazzilion* and held that “... (t)he Hearing Officer was right to conclude that use of the word ‘Jesus’ as a trademark would cause greater offence than mere distaste and do so to a significant section of the general public...It is legitimate to apply the prohibition in s 3(3)(a) of the 1994 Act to branding which is anti-social by reason of its ability to undermine an accepted social and religious value to a significant extent.”¹¹²

3.5) *FCUK Trademark Application*

In this case the question dealt with by the court was whether the trademark ‘FCUK’ could be so closely linked to the word ‘fuck’ that it could be misconstrued as such. It was argued that such a connection was so transparent and obvious that even via a visual representation it would be difficult not to see the word as profane.¹¹³

This case delves deeper into which factors will be considered regarding trademarks that closely relate to words of profanity. The court further clarified the purpose of section 3(3)(a) in that it prevents the registration of trademarks which the courts will later refuse to enforce. The courts would refuse to enforce such trademarks as a result of it being against ‘morality’ or ‘public order’. For example a court will not grant Intellectual property rights on a bank robbery plan.¹¹⁴

The court determined that section 3(3)(a) distinguishes between trademarks that are against morality and trademarks that are against public order as different considerations apply to each.¹¹⁵ Specifically with regards to those trademarks contrary to morality, the court listed several factors applicable. The court largely repeated the factors already mentioned in the above cases but gave several new factors to be considered. The court added that we do not look at the circumstances or the intention of the applicant prior to the registration and thus for

¹¹¹ *Basic Trade Mark SA’s Application* (n 105) 621 par 23.

¹¹² *Basic Trade Mark SA’s Application* (n 105) 622 par 26.

¹¹³ *FCUK Trade Mark Application* 2007 RPC 1.

¹¹⁴ *FCUK Trade Mark Application* (n 113) 25 par 56, 57.

¹¹⁵ *FCUK Trade Mark Application* (n 113) 25 par 59.

section 3(3)(a) to apply we only consider the trademarks intrinsic qualities.¹¹⁶ This is of particular importance when trying to ascertain the registrability of trademarks relating to profane words. The court added that the reason for only looking at the intrinsic qualities of the trademark is because even if the applicant's intention changes or it is assigned to someone else with a different intention it would not immunise the word as a trademark.¹¹⁷

One of the greater considerations when looking at words as trademarks was paying close attention to the possible slang meaning of the word as used by the public when determining the applicability of section 3(3)(a). This is because the slang meaning could be considered offensive while the actual word as a trademark does not.¹¹⁸

The court also added that where the registrar or a Hearing Officer relied on their own knowledge to determine if a trademark is offensive, reliance may diminish with the ambiguity of certain trademarks.¹¹⁹ Basically, the lack of a registrar's knowledge of certain trademarks is caused by blurred lines formed around the trademark. This level of ambiguity is determined by looking at the duration of the use of the trademark and questioning the level of ambiguity present in the use of a supposed profane word.¹²⁰

The court held that the best way to determine the offensiveness of a trademark is by considering its actual use within the market. For purposes of the 'FCUK' trademark, no signs of significant offensiveness could be proven and while the ASA did note several complaints against it had not actually adjudicated against the trademark.¹²¹ It must be noted that such a trademark had been in existence for a long time, supported various cultural events (such as public competitions, sponsorships, fashion shows and other events within public view) and had several adverts on television. Taking these circumstances and how they were met with little offense into account indicated that the brand did not contravene section 3(3)(a) (90).¹²² The appeal was subsequently dismissed.

¹¹⁶ *FCUK Trade Mark Application* (n 113) 25 par 60(1).

¹¹⁷ *FCUK Trade Mark Application* (n 113) 32 par 88.

¹¹⁸ *FCUK Trade Mark Application* (n 113) 26 par 60 (9).

¹¹⁹ *FCUK Trade Mark Application* (n 113) 26 par 62, 63.

¹²⁰ *FCUK Trade Mark Application* (n 113) 31 par 84.

¹²¹ *FCUK Trade Mark Application* (n 113) 27 par 68.

¹²² *FCUK Trade Mark Application* (n 113) 33 par 90.

3.6 *Scranage's Trademark Application*

Under the context of the *FCUK* case we will also consider the *Scranages* case.¹²³ Here the appellant tried to register the mark 'Fook' attached to headgear and clothing. The primary issue rested with the fact that 'Fook' is so phonetically similar to the word 'fuck' in certain areas of the UK and was thus against the principles of morality in terms of section 3(3)(a).¹²⁴

The court refused the appeal on two grounds. Firstly, even though the word 'fuck' is used in everyday conversation, it is still a profane word and could offend many people. Therefore "(t)he general use of the word is likely to cause a justifiable outrage amongst a significant section of the public."¹²⁵ Secondly, due to the oral nature which renders the trademark offensive and the way it will be advertised (radio, television or word of mouth) it will give it ample opportunity to be used and be indistinguishable from the word 'fuck'. Such oral use can therefore not be disregarded.¹²⁶

In coming to this decision the court drew on the judgement of *Dick Lexic Ltd's Community Trademark Application*.¹²⁷ This decision differed in the sense that the mark 'Dick and Fanny' was allowed to be registered. The court reasoned that such words are rarely used in both formal and informal speech and that while they are slang for human reproductive organs they also bear a secondary slang to the names Richard and Francis. The trademark therefore "... contains no incitement and conveys no insult".¹²⁸ This led to the court's second reasoning that instead of provoking sexual connotations it would rather allude to two people in a relationship. In the case of *Scranages* no other secondary or less offensive meaning could be drawn upon from 'Fook'. The trademark was simply too phonetically close to 'fuck' (which was clearly not registrable) and could therefore not be allowed to be registered.¹²⁹

¹²³ *Scranage's Trade Mark Application* (2008) ETMR 43.

¹²⁴ *Scranage's Trade Mark Application* (n 123) 1 par 2.

¹²⁵ *Scranage's Trade Mark Application* (n 123) 5 par 11.

¹²⁶ *Scranage's Trade Mark Application* (n 123) 5 par 12.

¹²⁷ *Scranage's Trade Mark Application* (n 123) 2 par 5 and *Dick Lexic Ltd's Community Trademark Application* (2005) ETMR 99.

¹²⁸ *Dick Lexic Ltd's Community Trademark Application* (n 127) par 10.

¹²⁹ *Scranage's Trade Mark Application* (n 123) 5 par 12, 13.

3.7 Conclusion

The UK provides a solid backbone when testing the offensive nature or morality of a trademark. The test as set in the *Ghazilian* case is couched within an objective framework by having to consider the morality of a trademark from the eyes of a 'right-thinking person'. If one bears this objectivity in mind constantly, one then considers which sectors of society (as well as the majority or minority of persons within these various sectors) will be offended concomitantly with the consideration of the levels of offence experienced by those sectors. The test is ensured further objectivity by regarding article 10(2) of the European Commission of Human Rights which ensures that the applicant's right to freedom of expression is tested against the morality of society and public order. This is the general test applied in all scenarios irrespective of the type of registration (whether it is of religious significance, taboo or drug related).

It is from the above objective test that we can expand further by taking into consideration other elements that pertain to each subsection as mentioned in the MTP. While the *Hallelujah* case may have been general it did show that dictionary definitions may be of use when determining the offensive nature of certain trademarks. The use of the ASA on its own was insufficient but proved to be a good indicator of what others may consider as offensive. This view regarding the ASA was later reaffirmed in the *Basic* and *FCUK* cases whereby both decisions required the views of the ASA on the trademarks in question.

The *Ghazilian* case essentially developed the test which was to be used in later cases questioning the level of offensiveness of a trademark. Objectivity of this test was of priority as it first developed the need to view any offensiveness from the eyes of a 'right thinking person'. Only after this was developed did it require the two stage process of how offensive the trademark is and how many people it offends. The court added further elements to be considered such as the fact that the trademark holder has the right to adopt whatever mark he/she thinks will enhance the sale of their goods. The consideration of where the trademark will be advertised alongside the type of trademark that it is seems to be of equal importance.

The *Basic* case went on to develop the factors that need to be considered when looking at trademarks with religious significance via a three stage process. This involved the consideration of the religious trademark itself and its significance to a particular faith, how

widespread the faith is in a particular area and what reaction a person of that faith would have if they saw such a trademark used in a commercial context.

The *FCUK* case delved deeper into the intricacies of dealing with trademarks of profanity or taboo. It held that circumstances or intention play no role in the decision making process but rather only the intrinsic qualities of the trademark. Furthermore, one requires that attention must be paid to the slang meaning of a particular word used as a trademark. In a more general context the court added that the duration which the trademark had been in existence along with any possible complaints it may have received during that time are an indicator of its offensiveness. The *Scranages* case also dealt with profanity but rather emphasised how closely a word may sound like a profane word in the context of its pronunciation across various geographical areas of the UK. The *FCUK* and *Scranages* cases are two different cases in terms of the courts submissions. *Scranages* has no bearing on *FCUK* due to the fact that 'FCUK' and 'fuck' were not phonetically similar. This indicates that phonetic similarity is indeed a factor to be considered.

An exposition of these cases reveals that the UK has provided a more solid and objective basis for judging the offensive nature of trademarks through the eyes of the 'right-thinking person'. With a two-stage test applicable to all categories of trademarks (such categories identified in the MTP) and further factors to be considered for each category it is the UK system that provides the most legal certainty on the matter. Essentially there are a standard set of factors applied to each type of trademark with the test applied broadly, however nothing prevents certain factors from being used interchangeably for different trademarks where those factors can be applicable in the context. The distinction between factors for each type of trademark does however render the decision making process more manageable.

CHAPTER FOUR

4) The South African System

4.1 Introduction

Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (from here on forward referred to as LIO) appears to be the single authority that overrules most law pertaining to the lack of legal certainty regarding section 10(12).¹³⁰ As a result of this monopoly not much literary or case work has been done on the matter of pre offensive registrations. This is largely because too much weight has been placed in the constitution, in particular section 16(1), being the right of freedom of expression.¹³¹ The only real limiting provision of which trademarks may be registered is section 10(12) of the Trade Marks Act, which provides that the registrar may deny registration of an offensive trademark or a trademark that is *contra bonos mores*.¹³² While such power to limit exists, it in itself is limited by the decisions passed down by LIO. The following will deal with determining what impact LIO has had on our law and what constitutional limitations it has placed. Recommendations as to how our trademark law may be improved in this regard will follow, evading again from the question of registration vs use.

4.2 *Laugh it off Promotions CC v SAB International (Finance) BV t/a Sabmark International*

From the outset we must note that LIO dealt with matters of an existing trademark. The typical question asked so far in our discussion from previous cases was whether the registrar was correct in refusing the registration, while in LIO it is a question of infringement by one trademark of another. The matter dealt within LIO is therefore the protection of other existing trademarks.

The question to the court was whether it could deny the use of the logo on a t-shirt “Black labour White guilt” by LIO on the basis that it offended the ‘Black Label’ trademark. Such offence resulted in dilution of the Black Label mark belonging to South African Breweries

¹³⁰ 2006 (1) SA 144 (CC).

¹³¹ The Constitution of the Republic of South Africa 1996.

¹³² Act 194 of 1993.

(from here on forward referred to as SAB). The next question was whether such offence was protected by section 16(1) of the Constitution. This question led to a particularly broad statement made by Moseneke J regarding the application of section 16(1) “...the mere fact that the expressive act may indeed stir discomfort in some and appear to be morally reprobate or unsavoury to others is not ordinarily indicative a breach of section 34(1)(c).”¹³³ While Moseneke J does use this in context of section 34(1)(c) of the Trade Marks Act (which makes provision for protection from dilution of a trademark) it appears that his statement is not made to be limited to the above section but rather that section 16(1) is far more overreaching. This is confirmed later where Moseneke J states that “(t)he constitutional guarantee of freedom of expression is available to all under the sway of the constitution, even where others may deem the expression unsavoury, unwholesome or degrading”¹³⁴.

It appears that freedom of expression is, by the construction above, over-encompassing on two grounds. The first ground is that it answers the question of whether registration is guaranteed where freedom of expression is granted. This leads to the second ground. As a result of the right to register via freedom of expression, section 16(1) essentially renders the powers of the registrar in terms of section 10(12) of the Trade Marks Act obsolete.¹³⁵ It no longer matters whether the registrar may find the particular mark offensive because mere offense does not result in it being unregistrable. If the registrar was to deny registration it could be easily fought on the basis of section 16(1). This limits the discretion of the registrar because the trademarks in question need to be utterly offensive in order to be denied. Value judgements can therefore not be made by the registrar in marginal cases where offensiveness is border-line. It is possible to say that prior to LIO section 10(12) may have been seen as a possible limitation of section 16(1), however as a result of LIO, far too much prominence has been placed in freedom of expression. Section 16(1) now limits section 10(12) of the Trade Marks Act.¹³⁶

¹³³ *Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* (n 130) 765 par 55.

¹³⁴ *Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* (n 130) 765 par 55.

¹³⁵ Alberts “The Sheriff of Constitutional Hill and offensive trademarks” 2007 *THRHR* 114 116 “...having regard to the tenor of LIO, that our courts would adopt the view that freedom of expression also includes the “right to register”, and that a limitation on the registration of a mark, such as that contained in section 10(12), would also be interpreted strictly.”

¹³⁶ Alberts (n 135)118 “ states that section 10(12) can be seen as a limitation of section 16(1) and that 16(1) can only be seen as a ‘preliminary protection’ such is not the case anymore”.

Moseneke J went on further to say that there must have been a “likelihood of substantial economic harm”.¹³⁷ This qualification extends to section 34(1)(c) of the Trade Marks Act in respect of dilution, however it is limited to it. In the case of pre-registration this qualification has no bearing on the application of section 16(1). There can be no economic harm in a case of pre-registration as there was no registered trademark to begin with and therefore it cannot infringe on another. This test is essential in matters of section 34(1)(c) but is of no use in terms of section 10(12).

In contrast to Moseneke J, Sachs J raised the question of context and therefore parody was injected into what appeared to predominantly be a section 16(1) application. In the discussion of what constitutes parody, Sachs J opened the door for the consideration of further factors, stating that “(t)here is nothing in our law to suggest that parody is a separate defence. Rather, it should be considered as an element in the overall analysis...”. He further states that “... everything will depend on context.”¹³⁸ Even though Sachs J stated the above in the context of parody, it can be used as an indication that other factors may be used in the determination of the offence of a trademark. Therefore in deciding whether or not a trademark is offensive or not one is required to look at it in the context in which it is used. Although it was not specifically stated, Sachs J has slightly mitigated the dominance of section 16(1), and that other factors may therefore be considered. In the same breath, Sachs J makes the following statement: “(w)e are not called upon to be arbiters of the taste displayed or judges of the humour offered ... we are obliged to interpret the law in a manner which protects the bodies such as Laugh it Off to advance subversive humour.”¹³⁹ It appears that while Sachs J did allow for other factors to be implemented, he limits their use just as Moseneke J did. Both Judges were hesitant to elaborate on the factors which one must consider when looking at the offense a trademark creates and eventually they both refer back to an application of section 16(1).¹⁴⁰

¹³⁷ *Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* (n 130) 766 par 56.

¹³⁸ *Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* (n 130) 773 par 81.

¹³⁹ *Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* (n 130) 782 par 108.

¹⁴⁰ Devenish “We Are Amused: Laugh it Off Promotions CC v SAB International (Finance) BV T/A Sabmark International” 122 SA LJ 2005 792 799 “His judgment, however, appears to follow the salutary rule that a court should in general decide no more than is absolutely necessary for the adjudication of a particular case.”

Devenish agrees that LIO has placed too much power in section 16(1) “(t)herefore even express vulgarity and coarseness may indeed in certain circumstances be legitimate vehicles for the conveyance of ideas.”¹⁴¹ The court does however state that that freedom of expression does not necessarily overrule section 34(1)(c) and that it is a legitimate constitutional limitation of section 16(1).¹⁴² While this may be the case in terms of section 34(1)(c) such may not be the case for section 10(12). The court applied the freedom of expression very broadly, and while it specified parameters for section 34(1)(c), it indirectly limited other trademark provisions such as section 10(12).¹⁴³

4.3 *Conclusion*

As far as the South African position is concerned, LIO is the benchmark for matters relating to trademark law in general, but more specifically to offensive registrations be it pre or post registration. This is a clear indication of the present constitutional dispensation in this country, in which the courts must always have regard to the Bill of Rights. However, placing a regard too heavily on the rights held within the Bill of Rights is not always beneficial. By placing priority in freedom of expression, LIO has severely limited our trademark law with regards to the registration of new trademarks because the factors which the registrar may consider when deciding upon the registration of new trademarks has been limited. This emanates from the conclusions of both *Alberts* and *Devenish* in which freedom of expression essentially allows for registration to occur even where offence is clearly visible. The powers of the registrar in terms of section 10(12) of the Trade Marks Act to deny registration is thus limited in the sense that unless there is a clear and gross offence created by the trademark it may be denied. In all other instances, if offence is visible it could easily be challenged by section 16(1) of the Constitution.

¹⁴¹ *Devenish* (n 140) 802.

¹⁴² *Laugh it Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* (n 130) 763 par 47 and *Devenish* (n 140) 800.

¹⁴³ *Alberts* (n 135) 166.

CHAPTER FIVE

5) Reflection and Recommendation

South African law stays true to its constitutional dispensation. While this may be an admirable attempt at ensuring constitutional rights, it does not necessarily prove beneficial for the development of the trademark law. The powers of the registrar to deny registrations of trademarks which are considered offensive in terms of section 10(12) of the South African TMA have been limited by LIO by the prominence given to section 16(1) of the constitution. How can this be overcome? In the long term the position of LIO must change. Section 16(1) cannot stifle the discretion of the registrar to the extent that it is the main consideration, but should rather form part of a much larger test. Section 39(2) of the Constitution allows for the consideration of foreign law when interpreting the Bill of Rights. It is therefore possible that while section 16(1) may be a significant factor, it can still be applied to the question of whether a trademark is 'offensive' or not in conjunction with far more developed foreign law and the various factors and tests which are considered therein.

The question that naturally follows is therefore, which system is best suited for the South African trademark environment? The ideal system is one that considers the great importance to freedom of expression but is not entirely limited to it. It is a system that allows subjective factors yet houses them within an objective framework. We must remember that every country has its own agendas and factors when considering whether a trademark is considered as offensive or not. South Africa has a unique set of cultures which will not be found in any other country and therefore what the registrar may find offensive here may not be found offensive in the US or the UK. Additionally offence may also be caused inter-culturally within South Africa. This proposal is therefore not one of finality but one that hopes to lay down a foundation for the development of our own unique system for deciding on registration of (possibly) offensive trademarks. This can be done by applying the systems discussed so far with their attributes that are most suitable for the South African system. However because of our unique culture as a nation this system may be supplemented by other factors, tailor-made for our requirements later on. It is therefore not an exhaustive system but one which must operate within a structured framework.

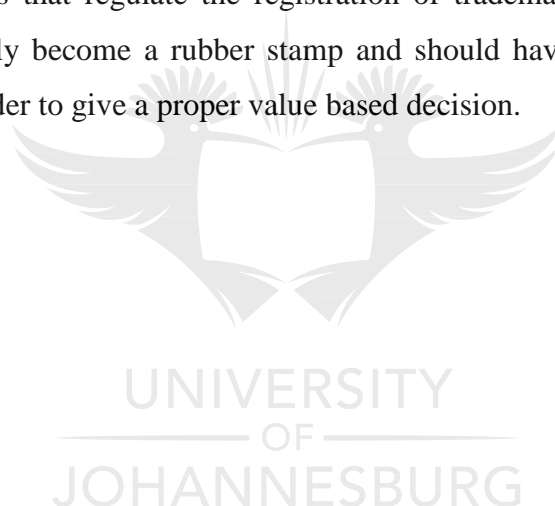
This dissertation has dealt with the UK and the US and has determined that each have a unique line of reasoning. The US uses a system which tries to accommodate every person who takes offence to a trademark. This leads to the creation of many factors without regard to proper structure of an objective system. The US does try and provide a test such as the “general composite of the general public”, but such a test is in itself broad and provides little objectivity, while still allowing many subjective factors to be developed without a proper objective framework. Unlike the UK, the defence of freedom of expression is not entertained by the courts of the US which resonates with its lack of objective framework. Without proper consideration for constitutional freedoms, it is not possible for any test to be considered as objective. The US has a line of reasoning that seeks to accommodate all without placing proper structured procedure.

The UK seems to provide the most stable and objective system as it provides a solid foundation for further developments. Firstly, the MTP not only provides for definitions of the requirements of section 3(3)(a) of the Trade Marks Act but goes on to identify the different categories of trademarks that would generally carry offence. These classifications and definitions are lacking in both the US and South African systems. Secondly, case law in the UK has been well developed and balanced. The approach of the courts and the registrar in the UK is therefore an objective one supplemented by certain subjective factors applicable to the type of trademark. The test was developed in the *Ghazilian* and *Basic* cases which consisted of the ‘right thinking’ person. In both these cases other subjective considerations were allowed yet they were applied within the first mentioned objective framework. The same process followed for both the *FCUK* and *Scranages* cases but with different subjective elements. Thirdly, the UK also holds freedom of expression as per Article 10(2) of the European Commission of Human Rights in high regard. This element was discussed in the *Basic* case which was the final case to fine tune the objective test. Here it was held that the test is not objective where freedom of expression is not taken into consideration. This provision is also stated in the provisions of the MTP. Such importance placed on freedom of expression resonates with the South African constitutional dispensation.

The UK therefore uses a system that would be ideal to base our system on. For any additional factors which may need to be considered, the US contains a plethora of factors in various scenarios and various trademarks. These factors are not necessarily disjointed. Certain

considerations are attached to certain types of trademarks and such a precedent is followed. These considerations may supplement the proposed UK system. It should also be noted that several authors such as Farley, Phillips, Anne Lalonde and Jerome Gilson maintain that the current system in the US is far too subjective, therefore they propose various changes. It is advisable to supplement the UK system with these factors, should the objective UK system be lacking.

The current position created by LIO is concerning and in the long run untenable. The court did not err in considering freedom of expression, but it did err in the overriding powers given to it (specifically with regards to section 10(12) of the Trade Marks Act). There is a necessity to fill the gap created by our constitutional court's decision. We should follow suit in the more developed systems that regulate the registration of trademarks more efficiently. Our registrar must not merely become a rubber stamp and should have the necessary power to exercise discretion in order to give a proper value based decision.



BIBLIOGRAPHY

1. South Africa

a. Legislation

- i. Trade Marks Act 194 of 1993.
- ii. The Constitution of the Republic of South Africa 1996.

b. Case law

- i. *Laugh it off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2006 (1) SA 144 (CC).

c. Articles

- i. Alberts W “The Sheriff of Constitutional Hill and offensive trademarks” 2007 *THRHR* 114.
- ii. George D “We Are Amused: Laugh it Off Promotions CC v SAB International (Finance) BV T/A Sabmark International” 122 *SA LJ* 2005 792.

2. The United States of America

a. Legislation

- i. The Lanham Act, 15 U.S.C. 1051 et seq.
- ii. Trade Mark Manual of Examining Procedure October 2015.

b. Case Law

- i. *In Re McGinley* 66 F.2d 481 CCPA (1981).
- ii. *In Re Mavety* 33 F.3d 1367 Fed. Cir (1994).
- iii. *In re Riverbank Canning Co* 95 F.2d 327, 37 USPQ 268 CCPA (1938).
- iv. *In re Runsdorf* 171 USPQ 443 TTAB (1971).
- v. *In re Madsen* 180 USPQ 334 TTAB (1973).
- vi. *In re Tinseltown Inc* 212 USPQ 863 TTAB (1981).
- vii. *In re Hershey* 6 USPQ2d 1470 (1988).
- viii. *In re Old Glory Condom Corp* 26 USPQ2d 1216 TTAB (1993).

- ix. *In re In Over Our Heads Inc* 16 USPQ2d 1653 TTAB (1990).
- x. *Frederick Gash, Inc. v. Mayo Clinic*, 461 F.2d 1395, 1397, 174 USPQ 151, 152 CCPA (1972).
- xi. *Pro Football, Inc. v. Harjo (Harjo IV)*, 565 F.3d 880, 880-81 D.C. Cir. (2009).

c. Articles

- i. Phillips R “A case for scandal and immorality: Proposing thin protection of a controversial trademarks” 2008-2009 *BIPLJ* 55
- ii. Farley CH “Stabilizing morality in Trademark Law” 2013-2014 *AMULR* 1019.
- iii. Lalonde AG and Gilson J “Trademarks Laid Bare: Marks that may be Scandalous or Immoral” 2011 *TMR* 1477.

3. The United Kingdom

a. Legislation

- i. Trade Marks Act of 1994.
- ii. Manual of trade marks Practice 3rd March 2009.

b. Case Law

- i. *Hallelujah Trade Mark* 1976 RPC 605.
- ii. *Ghazilian’s application* (2002) RPC 33.
- iii. *Masterman’s Design* (1991) RPC 89 103.
- iv. *Basic Trade Mark SA’s Application* 2005 RPC 25.
- v. *FCUK Trade Mark Application* 2007 RPC 1.
- vi. *Scranage’s Trade Mark Application* (2008) ETMR 43.
- vii. *Dick Lexic Ltd’s Community Trademark Application* (2005) ETMR 99.

c. Books

- i. Morcom C, Roughton A and Quintin T *Modern Law of Trade Marks* Butterworths Law (4th edition).