

What slant should the law take on 'scandalous' trade marks?

A recent ruling by the US Supreme Court regarding a potentially scandalous trade mark raises the issue of how such a case might be addressed in Australia.

ANGUS MACINNIS and **STUART GREEN** provide some insight.



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Many areas of law come to mind when “freedom of speech” is mentioned, but trade mark law is probably not among them. Voltaire was never moved to exclaim, “I disapprove of what you say, but I will defend to the death your right to trade mark it”. In Australia, current limits on the registration of trade marks only concern commercial speech.

In the US, the First Amendment to the US Constitution means that things are different. The First Amendment’s protection of free speech recently was used to overturn a legislative provision in the *Lanham Act*, which prohibited the registration of trade marks “which may disparage ... persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” The US Supreme Court decision raises the question of how the issue would be approached in Australia.

The case involved a group called the Slants, “the world’s first and only all-Asian American dance rock band”, who applied

to register their band name as a trademark.

The US Patent and Trademark Office (USPTO), noting that the word “slant” was an offensive racial epithet, refused registration on the basis of the *Lanham Act*’s non-disparagement clause. The Slants argued their intention was to “reclaim” the epithet and “drain its denigrating force as a derogatory term” and appealed.

The Slants’ argument, taken all the way to the US Supreme Court, was that the non-disparagement clause was an unconstitutional infringement on the right of freedom of speech (including, in this case, freedom of trade marks) guaranteed by the First Amendment. The Supreme Court agreed unanimously that the non-disparagement clause was unconstitutional and The Slants will get their trade mark (an application to register “The Slants” as a trade mark in Australia was lodged in August 2015, but withdrawn at the start of this year, so perhaps there will be no Australian tour to celebrate. However, Simon Tam from The Slants will be attending the World Congress of The

International Association for the Protection of Intellectual Property in Sydney in October, so there might at least be a solo number or two if you ask nicely).

The decision also handed a win to the Washington Redskins NFL team against a 2014 decision to cancel six of the team’s trade marks on the basis that they disparaged Native Americans. In a practical sense, the decision also seems to have opened the proverbial flood gates with the USPTO receiving numerous trade mark applications for images, symbols and words that would previously have fallen foul of the *Lanham Act*’s “non-disparagement clause”.

Scandalous trade marks in Australia

In Australia, we don’t have a constitutional guarantee of freedom of speech, but we do have an equivalent provision preventing the registration of “scandalous” trade marks (*Trade Marks Act 1995*). So how might an application by The Slants have fared here?

The definition of what is “scandalous” changes over time. In 1955, an application to trade mark “Mecca” was refused on the

basis that “the registration of MECCA as a trade mark might offend other nations, besides offending members of the Australian community”. Today, there are no fewer than 25 trade marks registered in Australia which include the word “Mecca”.

In an earlier incarnation of the *Trade Marks Act*, the equivalent section prohibited trade marks “the use of which would be contrary to law or morality” – it is difficult to imagine that IP Australia would today willingly take on the role of moral guardian.

The context in which the trade mark will be used is also important. What is scandalous in a church house may not be scandalous in a public house. In a 2011 case (*Peter Hanlon, ATMO 45*), for example, which allowed the registration of the trade mark “POMMIEBASHER” for certain clothing, the IP Australia hearing officer considered that: “Even if the clothing is intended for infants, lawn-bowlers or members of a church choir, I fail to see how the trade mark approaches even the lesser standard of bad taste, let alone ‘scandalous.’”

Despite his success in relation to the trade mark, Hanlon was refused registration of the business name “Pommiebasher” on the basis that it was offensive, a decision upheld by the Administrative Appeal Tribunal.

Conversely, an application in 2014 to trade mark “MH370” was refused for many reasons, including that the trade mark was scandalous, because: “It is likely that the use of this letter/ numeral combination would offend a section of the community and is therefore scandalous. This is because of the sensitive nature of the tragedy to the Australian public and the associated loss of lives.”

A review of Australian trade mark practice suggests that IP Australia might not be as avid for scandal as the USPTO. The IP Australia Trade Marks Office Manual of Practice and Procedure states:

“Trade marks incorporating words and images which appear to condone and/or promote violence, racism or sociopathic behaviours fall within the ambit of scandalous marks.” The manual goes on to say: “there are some trade marks which, no matter what the market is, will always be regarded as scandalous and therefore unacceptable to the Registrar. These trade marks are often those likely to be seen as promoting racial vilification, religious intolerance and personal abuse of an individual.”

However, this has not prevented the registration of trade marks including words which have a secondary (or even primary) meaning as an offensive racial epithet. For example, trade mark protection for the word “WOGS” in Class 41 (entertainment) was granted to Thirdcosta Pty Ltd (the company responsible for the production of theatrical productions such as “Wogs out of work” and “Wog-a-rama”) in 1997. The fact these productions have largely been created by Australians of Greek heritage means it might be argued that the use of “WOGS” in this context involved a reclamation of the term rather than the promotion of racism or racial vilification.

Of course, as with many aspects of commercial speech, the marketplace may well be a better regulator than the legislature. The adoption of a trade mark with racially derogatory overtones is likely to alienate many consumers (and even if registration of a trade mark is refused, that will not prevent use of the same trade mark as an unregistered or “common law” trade mark).

However, there is merit in IP Australia’s approach. In an age where the ability to control one’s brand can be a real part of controlling one’s identity, prospective trade mark applicants like The Slants shouldn’t be required to go all the way to the highest court in the country when all they want to do is to get the brand back together. **LSJ**



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