

## Chapter 6

# Summary and Recommendations

### 6.1. SUMMARY

At the beginning of this book the question was posed whether the exercise of ‘European trademark rights’ – that is, the rights granted to right holders under the European Trademark Regulation and the national trademark rights harmonized by the European Trademark Directive – causes a disproportionate impairment of the freedom of expression of third parties as protected by Article 10 European Convention on Human Rights (ECHR).

In order to answer this research question, the analysis first turned to the justified interests protected by trademark rights and by freedom of expression, respectively. Chapter 2 examined whether, in view of the need for balancing trademark rights and the justified interests behind them with freedom of expression, European trademark rights are justified by the rationales for trademark rights. Chapter 3 addressed the question of whether freedom of expression, as granted under Article 10 ECHR, can or must serve as a limitation to trademark rights and, if so, what level of protection it would grant to third parties.

This book took the position that the best possible respect for freedom of expression can be achieved and the least chilling effects will be caused when trademark law itself provides clear limitations and room to take into account third-party freedom of expression. Consequently, two stages of balancing trademark rights with third-party freedom of expression were analysed. Chapter 4 explored the first stage of balancing, that is, balancing at the stage of the grant and revocation of trademark rights and specifically balancing of the grounds for refusal and revocation of trademark registrations with third-party freedom of expression. Chapter 5 analysed the second stage of the balancing, that is, that between the scope of protection of trademark rights and third-party freedom of expression.

## *Chapter 6*

This book examined the relevant European laws and jurisprudence from the European courts adjudicating in these matters, that is, the European Court of Justice (ECJ) and the Court of First Instance, as well as the European Court of Human Rights. Furthermore, the book has analysed law and jurisprudence from Germany, the Netherlands, and the United Kingdom, and in some cases, it has referred to the legal systems of other European countries, as well as to the law and jurisprudence from the United States of America.

Chapter 1 laid out the key elements of the conflict by way of a brief introduction to the conflict. It started with introducing two basic functions of trademarks: (1) the identifier function, which refers to the part of the trademark that informs consumers about product characteristics and, thus enables them to make a rational decision about the product; and (2) the communicator function, which features in advertising, where trademarks are used as communicators, thus allowing advertisers to transport messages to consumers. Then it was explained that trademarks are idiosyncratic, that is, that trademarks can have multiple meanings at the same time, such as one or several commercial meanings, as well as a cultural, social, or political one. Trademark law needs to distinguish between these different meanings and, in this process, a choice has to be made as to which meaning has to be protected and which must be left available to third parties. Subsequently, it was explained that the conflict between trademark protection and freedom of non-commercial expression is a conflict between two incompatible modes of communication, that is, monologic and dialogic modes of communication. Trademark rights are monologic, because they grant right holders control over (the meaning of) their trademarks and do not aim at generating a response by third parties. In contrast, freedom of non-commercial expression is dialogic, because it grants the freedom to change or influence the meaning of signs and is (implicitly) aimed at generating responses.

Furthermore, Chapter 1 showed how conflicts between trademark rights have dramatically increased over the past 25–30 years, as trademarks have gained social, cultural, and political roles and the scope of protection under freedom of expression has been extended to commercial expression.

Chapter 2 analysed European trademark rights in light of their rationales. In doing so, it has dispelled the myth that everything of value deserves protection and that, consequently, expenditure in advertising should automatically trigger an entitlement to trademark protection. Instead, it was argued that, from the viewpoint of distributive justice, exclusive trademark rights need to be justified by a proper, that is, well-grounded, rationale, as they exclude third parties from certain uses of signs. It was shown that trademark rights that provide protection against confusing use can be justified by economic rationales, such as the search cost rationale or the dynamic efficiency rationale, and that the right to protect the distinctiveness and repute of trademarks may possibly be justified by an extended version of the Lockean labour rationale. While that latter rationale focuses on the moral entitlement of a right holder, it makes it abundantly clear that rights, if they are based on a ‘moral’

entitlement, will need to be limited so that third parties are not overly restricted in their own freedom of action. Lockean labour theory tries to achieve this by requiring that ‘enough and as good’ must be left to third parties.

The analysis of rationales also considered the interpretative tool or ‘rationale’ employed by the ECJ and national courts, that is, the ‘essential function doctrine’. In doing so, it exposed the clear and inherent conceptual limitations of this doctrine, which confines itself to a descriptive assessment of the positive functions of trademarks. To some extent, it has the air of a utilitarian or economic justification of trademark rights, as it is connected to the functions of trademarks. However, it misses the core normative element of a utilitarian rationale, that is, that rights should only be protected to such an extent that positive effects outweigh negative effects. Consequently, functions that do not create overall positive effects should not be protected. Regrettably, though not surprisingly, the lack of normative qualities of the essential function doctrine has led the ECJ in recent judgments to expand enormously the scope of protection granted to trademarks by extending protection to all functions of trademarks without carefully weighing the negative and positive consequences of that choice.

In applying the rationales to the substantive provisions of European trademark law, it was shown that in many areas, such as identity protection, indirect confusion and post-sale confusion, and in respect of the protection of distinctiveness and repute, the protection granted by European trademark law stretches further than what can be justified. In fact, trademark protection has continuously been extended and now impairs types of commercial expression that could be of great benefit to consumers; in addition, trademark rights now have the potential to limit social, cultural, and political discourse. It was concluded that the fact that European trademark rights are not fully justified by the rationales for trademark rights needs to be taken into account when balancing rights and interests in conflicts between trademark rights and freedom of expression.

The analysis in Chapter 3 showed that freedom of expression, as granted under Article 10 of the ECHR and Fundamental Freedoms, may provide a potentially forceful protection to third parties who want to use a particular trademark. Member States of the ECHR are under an obligation to ensure that the exercise of trademark rights will not contravene Article 10 ECHR and they have a positive obligation under Article 10 ECHR to guarantee that the exercise of such rights will not overly impair expressive diversity. It was argued that it is crucial to integrate solutions to the conflict with Article 10 ECHR within trademark law, as the best respect for freedom of expression is achieved and the least chilling effects are caused when trademark law itself provides clear limitations and room for balancing with third-party freedom of expression. This can be achieved at various levels. First, legislators should structure trademark law in a manner that does not disproportionately restrict the freedom of expression of third parties. Second, also trademark registering

## Chapter 6

authorities should interpret open norms of trademark law in accordance with freedom of expression, to the extent this is permitted. Third, individuals in the Member States of the ECHR can invoke Article 10 ECHR before national courts in a conflict involving trademark rights, and courts are obliged to protect their freedom of expression. This is also referred to as indirect horizontal effect of Article 10 ECHR vis-à-vis trademark law. Courts can balance freedom of expression and trademark rights in two ways. First, they can balance the two within the framework of trademark law itself, by interpreting 'open' provisions of trademark law in light of freedom of expression. Second, if internal balancing does not lead to the required result or if it is excluded, as in the case of Article 5.3 the German Grundgesetz, courts can balance freedom of expression and trademark rights externally in a human rights framework. This means that trademark rights as protected by Article 1 First AP ECHR, that is, the right to protection of property, will be balanced against Article 10 ECHR.

In order to provide a proper interpretation of freedom of expression, the chapter examined the rationales for that freedom. The classic rationales of freedom of non-commercial expression explain that expression on matters of public interest deserves strong protection even if it is exaggerated, offensive, oppositional, or false, because such expression may contribute to the quest for truth or to various processes in a democracy. In addition, freedom of expression should be granted because it contributes to individual self-fulfilment. While these classic rationales justify a general freedom of non-commercial expression, they fail to provide a specific rationale for the protection of a freedom of third parties to use certain signs that are protected by trademark rights.

An additional, more specific rationale was found in the theory of dialogic democracy. This theory explains that social, cultural, and political processes in society are not solely determined by participants and institutions, but that the aim of these processes is often to fix or change the dominant meaning in society, which is embodied in dominant signs (e.g., flags or state emblems) and increasingly also in trademarks. As a result, the theory of dialogic democracy views social, cultural, and political processes as processes of 'meaning making'. For individuals and groups the ability to influence the meaning carried by dominant signs is an important condition to take part in social, cultural, and political processes and to participate fully in a democracy. The theory thus justifies not only a general freedom of expression to speak, but also a specific freedom to use and change the dominant meanings carried by signs, including trademarks that (potentially) carry social, cultural, and political value.

The rationale for the protection of commercial expression, including the freedom of third parties to use signs protected by trademark rights, can be found in the positive effects of commercial expression for a citizen in today's society; it is thus a freedom to provide information to (potential) consumers. Since commercial expression can also cause direct and clear negative effects

(e.g., when it is misleading, or about harmful products such as cigarettes), this rationale allows for more leniency in restricting freedom of commercial expression.

Freedom of expression under Article 10 ECHR is not absolute, but rather subject to varying levels of protection. The chapter explored this varying level of the protection of freedom of commercial and non-commercial expression, while also drawing on the rationales of freedom of expression. In principle, trademark rights may place a restriction on the freedom of non-commercial expression only if there is a pressing social need and if the restriction does not extend further than necessary; in relation to freedom of commercial expression, restrictions must be justifiable in principle and proportionate.

In addition to this clear division in scrutiny between purely commercial and non-commercial or mixed expression, the European Court of Human Rights (ECtHR) has defined a range of criteria that can be used in determining the appropriate level of protection.

Purely commercial expression, which includes descriptive, referential use of trademarks or use in comparative advertising, may be restricted even if it is truthful and non-misleading. However, it may not be severely restricted. The ECtHR, for instance, did find that a restriction that made price comparisons virtually impossible was a disproportionate impairment of Article 10 ECHR.

According to the ECtHR, non-commercial expression that contributes to matters that are of public interest enjoys strong protection. It does not need to be nice and polite, but may also shock, offend, or disturb. Since expression about public figures, that is, figures and institutions that are the object of public interest, receives particularly strong protection, it was argued that, by analogy, expression that uses ‘public symbols’, including certain trademarks that are of social, cultural, or political value, should receive protection of equal strength.

It became clear that freedom of non-commercial expression must prevail over trademark rights, even if a degree of economic harm is present. The limits of freedom of non-commercial expression must be found, for example, where, taking all the relevant facts and factors in an individual case into account, criticism or comment no longer bears any factual relationship to an issue of public interest connected to the trademark, but rather primarily disparages the trademark at stake.

The examination of jurisprudence concerning artistic expression showed that if courts want to take full account of the role of artistic expression that uses or transforms trademarks in the process of social, cultural, and political meaning making, they would need to take an open-minded and differentiated view when it comes to assessing the meaning of that expression.

The examination of jurisprudence relating to mixed expression, that is, expression that contains both commercial and non-commercial elements, showed that the strength of protection granted must not be determined, for example, solely by the fact that an expression is contained in a commercial

## Chapter 6

medium, that it is voiced in advertising, or that it would fall under provisions of unfair competition law or trademark law. Instead, the expression must be judged carefully and independently, by taking all relevant factors into account, since a wrong qualification would lead to the application of the significantly lower level of protection that applies to commercial expression. For example, even a simple and, at the face of it, plainly commercial trademark parody sold on T-shirts may entail a discussion on matters of public interest and may thus be entitled to a higher level of protection. In cases that remain unclear, it has been argued that it would be best to grant heightened protection under Article 10 ECHR.

Finally, it was pointed out that chilling effects created by both substantive and procedural requirements that cause or increase inequalities between litigants or severe punitive sanctions may, by themselves, constitute a disproportionate impairment of freedom of expression.

Chapter 4 dealt with the first stage of balancing, that is, the balancing of the grant and revocation of trademark rights with a public interest of third parties who may be affected in their freedom of commercial and non-commercial expression. As this public interest of freedom of expression has two aspects, it was referred to as a 'twofold public interest'. The first aspect relates to the freedom of commercial expression of third-party traders to use trademarks in a descriptive or otherwise informative manner in order to inform consumers about their own goods and services. The second aspect is the public interest of the freedom of non-commercial expression of third parties to use the prospectively trademarked signs in a non-commercial manner as well as the interests of the recipients of such expression, and a more general interest in not impairing expressive diversity. The interest in protecting expressive diversity may be impaired if trademark rights come into existence in signs of high social, cultural, or political value for expressive goods or services, for example, a trademark right in the name Elvis Presley for the organization of festivals, shows, or merchandise. Such rights may grant the right holder far-reaching control over the representation of the idol 'Elvis' in the public sphere.

It was pointed out that the interest in protecting expressive diversity differs from the interest in protecting cultural heritage that has been identified by some scholars and recognized by a number of courts. While that second interest aims at protecting cultural meaning embodied in cultural signs primarily against commercialization, the interest in expressive diversity does not aim to forestall commercialization, but seeks to ensure the availability of a diversity of (commercial and non-commercial) representations of the signs concerned.

The analysis of Chapter 4 focused on the grounds for refusal and revocation of the registration of trademarks, as these can be interpreted in a manner that allows balancing trademark rights with freedom of expression. Registering authorities already have the necessary discretion to carry out the type of balancing that is required from the perspective of freedom of expression,

because the ECJ has ruled that they have to carry out a full and stringent examination by balancing the interests of the prospective right holders against specific public interests.

While none of the public interests hitherto considered by the ECJ relate to the protection of freedom of expression, a number of the grounds for refusal and revocation may play a role in protecting the twofold public interest stemming from freedom of expression. In particular, these are the grounds of descriptiveness, customariness, and non-distinctiveness; the ground for refusal of bad faith and the grounds related to public policy do, however, not allow for such protection.

The ground of descriptiveness protects the public interest in keeping descriptive (and generic) signs available to all competitors, which is a very similar interest to that stemming from the freedom of commercial expression of third-party traders to use descriptive and generic signs in order to inform consumers, meaning that this ground has the effect of protecting the freedom of commercial expression of third-party traders. In addition, this provision may have the effect of protecting the public interest stemming from non-commercial expression, as it ensures that the descriptive meanings of signs of high social, cultural, or political value will be kept free. This book argued for a widened application of this ground for refusal in order to take full account of the twofold public interest stemming from freedom of expression.

The ground for refusal of non-distinctiveness protects the public interest of consumers to use trademarks in order to orient themselves in markets by restricting the registration of signs that are devoid of any distinctive character; put differently, it is used to assess the *de facto* capability of a sign to distinguish. Various courts, including the ECJ, have also used this ground to restrict the *de jure* capability of a sign to distinguish, so that it remains available for others, that is, courts have found that certain signs are not allowed to be used to distinguish goods and services. These courts have done this either implicitly, by holding that consumers will not recognize certain types of sign (slogans, expressive signs on T-shirts or very famous names) as distinctive, or sometimes explicitly by holding that such signs must be kept available for normative reasons. It was argued that such interpretations must be seen as a clear indication of *opinio juris* to the fact that the existing grounds for refusal insufficiently protect the need to keep certain signs available for third parties. The chapter then examined whether this approach could be used to safeguard the public interest stemming from freedom of non-commercial expression, and in particular that of protecting expressive diversity.

Furthermore, Article 3.3 European Trademark Directive (TMDir) was examined, which allows for the registration of descriptive, customary, or non-distinctive signs once they have acquired distinctive character. As this provision may lead to the impairment of the twofold public interest stemming from freedom of expression, it was argued that this provision should not be applied to certain highly descriptive signs and signs of high social, cultural, or political value.

## Chapter 6

Finally, the ground for revocation for signs that have become a common name in trade was scrutinized. It entails the necessary recognition of the fact that many trademarks may become the common name for certain goods or services. In doing so, it has the effect of protecting the public interest stemming from the freedom of commercial expression of traders. However, in its current form, it forces right holders to ‘police’ against their trademarks becoming generic, which may result in chilling effects. In order to counter these effects, the book argued for an amendment to this provision and for a clearer limitation to the scope of trademark rights, which would allow third parties to use trademarks as generic indications in non-commercial expression.

Chapter 5 examined the second stage of balancing trademark rights with freedom of expression, by focussing on the scope of protection. In particular, it was examined whether the criteria defining the scope of trademark rights as set by European trademark law, that is, the constitutive criteria as well as the limitations, can be interpreted in a manner to ensure that the exercise of trademark rights will not pose disproportionate limitations of commercial and non-commercial expression of third parties.

In relation to Article 5.1 TMDir, it was argued that a prohibition of confusing use is in line with freedom of commercial expression, as this freedom is granted in order to inform consumers. Confusing use will, in most cases, not serve that aim, as it misinforms consumers. However, as Article 5.1 TMDir extends beyond prohibiting purely confusing use, the different elements of the scope of that provision were analysed.

Furthermore, the chapter analysed the balancing of trademark rights with freedom of commercial expression under the limitations of Article 6.1.b and c TMDir, which allow for descriptive use and referential use, as well as the limitation provided by the Comparative Advertising Directive. By and large, it has been argued that a strong focus on consumer interests, as that contained in the jurisprudence under the Comparative Advertising Directive, would help a great deal in influencing the balancing processes in a manner that the exercise of trademark rights will not cause disproportionate impairments the freedom of commercial expression under Article 10 ECHR.

In relation to Article 5.2 TMDir, the criteria relating to taking advantage, blurring, and tarnishment, as well as the limiting criteria of unfairness and due cause, were examined. We proposed a number of ways to interpret these criteria in line with Article 10 ECHR; the most important results of this analysis can be found in the following section.

Turning to the freedom of non-commercial and mixed expression, we started with analysing the interpretation of the criterion of ‘use in the course of trade’ under Articles 5.1 and 5.2 TMDir, respectively, which is not used by courts to restrict the scope of trademark rights to only those third-party uses that should receive lowered protection under Article 10 ECHR.

The analysis showed that Articles 5.1.a and b TMDir do not have a strong impact on non-commercial and mixed expression; yet, the scope of these



provisions may cover some forms of trademark use in mixed expression that is of public interest. Moreover, these provisions allow for the prohibition of uses that would increase expressive diversity.

The interpretation of most of the constitutive criteria of Article 5.2 TMDir lacks consideration of the effects of trademark protection on the freedom of non-commercial and mixed expression. For instance, before the *Adidas* case, the criterion of ‘use in relation to goods and services’ was used to limit trademark rights to uses that, seen from the perspective of freedom of expression, also enjoyed less protection. However, since the ECJ’s *Adidas v. Fitnessworld* decision, the criterion of use in relation to goods and services is satisfied already when the public makes a link or association between the trademark and the sign used by the third party. Likewise, the definitions of distinctiveness, repute, taking advantage, blurring, or tarnishment are not specifically limited to the commercial context. This allows trademark right holders to gain far-reaching control over the use and the meaning of a trademark, not just in commercial life, but also in many spheres of social, cultural, and political life. This development is potentially in severe conflict with Article 10 ECHR and this book has proposed numerous ways to interpret the criteria of trademark law in line with the demands of Article 10 ECHR.

The remainder of the chapter assessed in depth the balancing of trademark rights with freedom of non-commercial and mixed expression. That part of Chapter 5 contains many interpretative solutions and a number of suggestions for legislative amendments, which are presented in the following section.

## 6.2. RECOMMENDATIONS

Throughout this book, a number of problematic areas of trademark law were indicated that may need to be amended by legislators. The book also indicated a variety of manners in which courts can interpret existing trademark law in conformity with the demands of Article 10 ECHR. To conclude, this book provides an overview of the most important recommendations.

The exercise of trademark rights may disproportionately impair the freedom of commercial expression of third-party traders, in particular where it hinders them in informing consumers by means of descriptive or generic signs or by using registered trademarks descriptively, in a referential manner or in comparative advertising.

Overall, trademark law already takes account of similar interests to those protected by freedom of commercial expression, that is, that of consumers and that of third-party traders to use descriptive signs or to use registered trademarks descriptively or generically. Yet, the strong focus placed on the commercial interests of trademark right holders in many areas of trademark law may have to be counterbalanced. One way to address this problem, then, may be to strengthen the existing competitive balance in trademark law itself,

## Chapter 6

by focussing on the freedom of competition and on minimizing consumer search costs. This is a valid and necessary approach, but an overall restoration of the competitive balance within trademark law has not been the subject of this book. Rather, this book took a freedom of expression perspective and focussed on the imperatives provided by freedom of commercial expression.

In this sense, it was argued that trademark law should put a stronger focus on integrating the consumers' interests to receive information. A model for such a focus can be found in the jurisprudence under the Comparative Advertising Directive.

Steps to ensure the conformity of trademark rights with freedom of commercial expression can be taken when trademarks are registered and in the definition and interpretation of the scope of trademark rights.

In relation to the grant of trademark rights, it was argued that in order to take full account of the public interest stemming from freedom of non-commercial expression the ground for refusal of descriptiveness may have to be extended to what were referred to as 'indirectly descriptive signs'. These are signs that do not just describe directly 'characteristics of the goods or services' themselves, but also signs that describe circumstances surrounding the goods and services, such as the consumers of these goods, or that may be understood as exclamations on the part of the users, for example, the sign 'New Born Baby' for baby dolls, 'Kinder' (trans. 'children') for chocolate, or 'Lief!' (trans. 'Sweet!') for baby clothing. In relation to Article 3.3 TMDir, which allows for the registration of descriptive, customary, or non-distinctive signs once they have acquired distinctive character, there may be a need to exclude signs that are highly descriptive or generic from becoming registerable as trademarks.

In relation to the scope of trademark rights, it was argued that the limitation of descriptive use, contained in Article 6.1.b TMDir, should be used by courts to provide a counterbalance if a third party uses a trademark that should arguably have been refused for reasons of descriptiveness (e.g., the signs 'Lief!' for baby clothing or 'Kinder' for chocolate against descriptive use by third parties). In relation to Article 6.1.c TMDir, allowing for referential use, decisive weight should be given to the protection of consumer interests, as is the case under the Comparative Advertising Directive. The restriction of referential use to cases of necessity is not always justifiable under Article 10 ECHR, as it completely reverses the proportionality test under Article 10.2 ECHR.

Also, the criteria of taking unfair advantage, blurring, and tarnishment under Article 5.2 TMDir should be interpreted more in light of consumer interests. In particular, the prohibition of taking unfair advantage may lead to a disproportionate impairment of the freedom of commercial expression of third parties. It has been interpreted as covering the 'taking advantage of the level of attention' inherent in a trademark, which would cover many forms of trademark use that are necessary in competition to inform consumers. I have proposed to introduce a mandatory requirement of image transfer, which may

help in limiting the scope of the prohibition of taking unfair advantage as it means that only those third-party uses become actionable, which entail the transfer of an identifiable part of the image.

In relation to freedom of non-commercial expression (including mixed expression that is of public interest), the extension of trademark rights in order to protect the increased commercial value of trademarks, taken together with the increased social, cultural, and political role of trademarks, cause an increasing potential for conflicts. The impact of trademark rights on freedom of expression has not been sufficiently recognized by the drafters of the TMDir, European Trademark Regulation (TMReg) and national trademark, as well as by many courts. There seems to be a general neglect of the fact that high commercial importance of trademarks and high investments will go hand in hand with an important social, cultural, or political role of those signs and that there is thus a need to carefully balance the conflicting interests. As a result, trademark rights as applied in practice now extend to many forms of expression that must be highly protected under Article 10 ECHR.

In this book, we analysed a variety of possible interpretative solutions that can aid courts in balancing trademark rights with freedom of expression and in granting the appropriate level of protection pursuant to Article 10 ECHR; also suggested were a number of legislative amendments. To start with, there are four important considerations following from the jurisprudence relating to Article 10 ECHR, which may guide legislators, courts, and registering authorities.

First, since expression about public figures, that is, figures and institutions that are the object of public interest, receives particular strong protection, it was argued that by analogy, expression that uses ‘public symbols’, including certain trademarks that are of social, cultural, or political value, should receive protection of equal strength.

Second, use of trademarks in opinions and value judgments may enjoy a wide-reaching freedom under Article 10 ECHR. In fact, freedom of non-commercial expression must, in many cases, prevail over trademark rights, even if a degree of economic harm is present. Even pejorative use, or polemic use of trademarks, or use that contains swearwords, obscenity, associations with death, or racism, may be justified even if criticism is voiced by a disgruntled individual. One of the limitations of freedom of expression is reached, however, if: (i) the criticism or comment does not bear a factual relationship with an issue of public interest connected to the trademark; (ii) or if the use primarily disparages the subject of criticism.

Third, third-party use of trademarks can very often be interpreted in many possible ways. This is, in particular, the case with the use of trademarks in processes of social, cultural, or political ‘meaning making’. It is essential that courts, when assessing such expression, consider, with an open mind, various interpretations of the expression. Only by doing so will they be able to identify those elements of expression that are of public interest, leading them to apply the appropriate (heightened) level of protection under Article 10 ECHR.

## Chapter 6

Fourth, in order to also allow small parties and individuals to participate in public discourse or in processes of meaning making, it is necessary to remove chilling effects. Such chilling effects may arise due to obstacles to the exercise of freedom of expression, such as the prospect of severe sanctions, significant costs of litigation, a need to litigate to the highest court in order to get the freedom respected, or a lack of equality of arms between litigants. It would be particularly important to address obstacles that are posed by readily available sanctions and by the rule contained in the Article 14 of the Directive on the enforcement of intellectual property rights, which allows judges to order the losing party to reimburse all the costs of a winning party in intellectual property disputes. This rule should not be applied to cases involving non-commercial or mixed expression.

As Article 10 ECHR requires courts to grant a heightened level of protection to non-commercial and mixed expression, the analysis specifically focussed on the question of whether this entitlement to heightened protection is reflected in the scope of trademark rights.

The assessment showed that the criterion of ‘use in the course of trade’ contained in Article 5.1 and 5.2 TMDir is important, as it excludes purely non-commercial expression from the scope of trademark rights. It is, however, not interpreted in a manner that would exclude all of the mixed expression that should receive heightened protection. Likewise, the definitions of use in relation to goods and services, distinctiveness, repute, taking advantage, blurring, or tarnishment under Article 5.2 TMDir are not specifically limited to the purely commercial context and neither do the limitations to the scope specifically reflect the need to grant heightened protection to third parties using trademarks in mixed expression.

A number of interpretative solutions to this problem have been proposed. First, it was argued that courts should take into account, wherever possible, at least the following factors: (1) the intensity of the public interest as opposed to the commerciality; (2) whether the use has taken place in an editorial manner, that is, in the contents of a commercial (news) publication or film; (3) whether the trademark has been used in a source-identifying manner; (4) the intent of the speaker.

Second, a specific problem relates to the prohibition of taking unfair advantage, whereby courts interpret ‘advantage’ as the ‘level of attention’ carried by a trademark. This is not proportionate under Article 10.2 ECHR. The existence of a level of attention inherent in a trademark may be the exact reason why a higher level of protection under Article 10 ECHR may have to be granted to a third party. It is one of the most basic principles of freedom of expression that the higher the public interest in expression is, the less tolerable are impairments of freedom of expression. Therefore, it was suggested that only if third-party trademark use in non-commercial or mixed expression would clearly take advantage of the image of a trademark by transferring (transferrable) elements of the mark should the prohibition apply. Where

an image is indeed transferred, a careful balance under the criteria of unfairness and due cause must be carried out.

Third, also the prohibition of blurring is problematic when applied to expression that is of public interest, as right holders cannot reserve ‘a space in peoples’ minds’ in public discourse. Under Article 10 ECHR, the more attention is accumulated by an idea, person, or symbol, the sooner a third party is justified in making that idea, person, or symbol the subject of public debate and, thus, in breaking the hold of a trademark on the public’s mind. Therefore, it was argued that the prohibition of blurring should be applied with great care where trademarks have gained a new expressive meaning or where the expression is otherwise of public interest.

Fourth, aside of such interpretative solutions, this book has explored the possibility of adding a non-commercial use exception to trademark law. In this respect, it examined the non-commercial use exception under the U.S. Lanham Act and concluded that this exception should be an example for European trademark law. By creating such an open exception, trademark law would make clear that, in line with Article 10 ECHR and the rationales for trademark rights, mixed expression that is of public interest must receive heightened protection. Specifically, such an open exception allows courts to use the four above-mentioned criteria in a freedom of expression oriented balancing process.

Another important concern is to create better recognition, within European trademark law, of the fact that trademarks can gain new meanings in general language, which third parties should be able to use. Currently, only the ground for revocation for signs that have become ‘a common name in trade’ specifically applies to trademarks that have become generic. While that ground protects the interest of consumers to be able to use trademarks as distinctive signs and the interest of third-party traders to use generic signs, the provision creates unnecessary chilling effects. It forces right holders to ‘police’ against their trademarks becoming generic, meaning that they are stimulated to invoke their trademark rights not just against third-party traders, but also against third parties who use the trademarks generically in non-commercial or mixed expression, for example, in news reports or other publications. As such chilling effects can amount to a disproportionate limitation of freedom of expression, it was argued that the obligation to police should be removed.

In addition, a clear limitation of trademark rights in case of third-party generic use in non-commercial or mixed expression is necessary. While a proper application of the above-mentioned criteria of commerciality or a non-commercial use exception may provide a limitation of trademark rights, it may be a better solution to add a specific limitation to Article 6.1 TMDir, which allows a third party to use newly developed meanings of trademarks in non-commercial or mixed expression.

Furthermore, the author has explored whether a parody exception, as contained in several national copyright laws, would offer a solution for the

## Chapter 6

adequate balancing of third-party trademark use in a transformative manner or in ‘meaning making’. While there is a need to provide a limitation that will allow courts to balance trademark rights with transformative use of trademarks, a parody exception as contained in copyright law may be too limited for such purposes. In particular, the foreseeable transportation of balancing criteria developed under copyright jurisprudence into trademark law may provide results that are too limited. Therefore, taken by itself, a parody exception might be providing insufficient protection to third parties who want to use trademarks in processes of ‘meaning making’. Yet, a parody exception may be a welcome addition to trademark law as part of a set of limitations including a non-commercial use exception, as it may point judges specifically to the importance of protecting uses of trademarks in parody.

One specific problem concerns Article 5.5 TMDir and, in particular, Benelux courts and legislators. Article 2.20.1.d BVIE, the implementation of the optional Article 5.5 TMDir in the Benelux countries creates the most critical situation with respect to the freedom of expression of third parties. It protects the distinctiveness and repute of all trademarks, hence also those without a reputation, against ‘all other uses’, even if the third-party use takes place outside of trade. The analysis in this book showed that this provision has a stifling influence on a whole range of artistic or political expressions, because it allows right holders to prohibit use of their marks in a discourse that is wholly unrelated to any sort of trade or commercial activity.

Trademark right holders and even governments may see and have seen themselves authorized to invoke trademark rights in order to stifle public debate. It is extremely hard to reconcile with Article 10 ECHR that trademark rights can be invoked in order to prohibit, for example, a campaign group from responding to policies of a trademark right holder outside any sort of commercial context. The crucial point is that such a far-reaching scope of trademark rights creates chilling effects. Possibly, the mere existence of the overzealous protection under Article 2.20.1.d BVIE may be seen as a disproportionate limitation on freedom of expression, as it cannot be justified by any of the rationales for trademark rights because there is no pressing social need for this far-reaching scope, and it creates potentially severe chilling effects. In order to address these concerns, it was suggested that the Benelux legislators should urgently consider amending that provision.

Finally, the book also examined the impact of trademark rights on expressive diversity. Article 10 ECHR places on states a positive duty to guarantee expressive diversity, which means that they must ensure that the exercise of trademark rights will not overly impair expressive diversity.

Expressive diversity may be impaired when trademark rights in signs of high social, cultural, or political value for expressive goods or services are exercised.<sup>1</sup> The author has contended that it may be necessary to create room

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1. For a definition, see s. 4.1.

### *Summary and Recommendations*

for the protection of expressive diversity by adding a limitation to Article 6.1 TMDir specifically for signs of high social, cultural, or political value in relation to expressive goods and services. However, such a limitation may be difficult to define and, as the main problem consists in the regular exploitation of such trademark rights (i.e., uses of identical or similar signs in relation to identical or similar goods or services), trademark right holders may end up with a severely curtailed right.

A more appropriate solution may be to refuse the registration of signs of high social, cultural, or political value as trademarks in relation to expressive goods and services. One possibility to achieve this would be to widen the application of the ground for refusal of descriptiveness, or to apply the ground for refusal of non-distinctiveness to those signs that are not properly functioning as trademarks – that is, signs that may express an allegiance and not primarily trade origin, or the names of famous characters or persons like Picasso, Obelix, and Asterix, which primarily represent the persons or characters and not trade origin. Yet, the ground for refusal of non-distinctiveness actually does not allow registering authorities to discriminate with respect to such signs. Therefore, it was argued that legislators may need to consider adding a new ground for refusal of registration of signs of high social, political, or cultural value in relation to expressive goods and services.