Trademark protection and freedom of expression: an inquiry into the conflict between trademark rights and freedom of expression under European, German, and Dutch law

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5 Balancing the Scope of Trademark Rights with Freedom of Expression

5.1 Introduction

5.1.1 Introduction

In the previous chapter, I dealt with the first stage of balancing, i.e. with the grant and revocation of trademark rights to be balanced with a public interest stemming from freedom of expression. In this chapter, I will examine the second stage of balancing, i.e. balancing the scope of trademark rights with freedom of expression. As I argued in chapter 3, it is crucial to bring the considerations of 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. Therefore, I will concentrate, in this chapter, on examining various constitutive criteria and limitations of trademark rights with a view to identifying appropriate places for weighing freedom of expression with trademark rights and to providing an evaluation of the need for amendment. Thereby, I will examine whether the criteria defining the scope of trademark rights as set by European trademark law, i.e. the constitutive criteria as well as the limitations, can be interpreted in a manner that ensures that the exercise of trademark rights will not cause a disproportionate impairment of freedom of expression.

The freedom of commercial expression of third party traders protects their ability to provide information to consumers and the corresponding interests of consumers to receive information. As I explained in chapter 2, the scope of trademark law is already structured in such a manner as to avoid severe impairment of communication in trade. It limits the scope of trademark rights to “use in relation to goods and services”, both under Article 5.1 and 5.2 TMDir, and it contains limitations that allow for referential and descriptive use by third parties (Article 6.1 TMDir). In addition, the Directive on Misleading and Comparative Advertising has made room for trademark use in comparative advertising. However, the criteria defining the scope of trademark rights have been gradually expanded in jurisprudence, and limitations are interpreted restrictively. This means that trademark rights may impair the communication between third party traders and consumers to the extent that they infringe their freedom of expression.

1 The analysis of section 3.3 showed that courts can balance trademark rights within trademark law by interpreting the open provisions, i.e. those provisions that allow for interpretation in light of Article 10 ECHR. If such balancing is of no avail or if it is no option, they may also resort to external balancing, thereby openly balancing trademark rights as protected by Article 1 of the 1st Additional Protocol to the ECHR, i.e. the right to property, against Article 10 ECHR. In my opinion, such external balancing must always remain an option.

commercial expression, which is the case, when the restrictions caused by the exercise of trademark rights are not *justifiable in principle and proportionate.*

Freedom of commercial expression may be infringed when trademark rights prohibit third parties from using trademarks in a manner that makes efficient communication with consumers very difficult or impossible, in particular, when it prohibits trademark use as referential indications, as descriptive indications of trademark use in comparative advertising.

Referential use of a trademark is important for (unlicensed) traders, who may need to use the trademarks of e.g. a car company, referentially in order to communicate to consumers what they are selling or repairing, or for third party traders using e.g. the Gillette logo on the packaging of replacement razor heads in order to inform consumers that these razor heads can be used on a *Gillette Sensor™* holder. Such references in trade are essential for traders in spare or supplemental parts, as well as for newcomers and for smaller traders in general. Without such references, it may be quite difficult or even impossible for them to indicate to consumers the destination of their products.

Third parties will need to use trademarks descriptively in two differing manners. First, third parties will need to use e.g. the geographically descriptive indication Spa for juices to indicate that goods originate in Spa, Belgium, despite the existence of the trademark right in the sign Spa for mineral water. In this case, the sign itself has an ordinary (non-trademark) descriptive meaning that needs to be accessible. In particular, this type of descriptive use will be hindered, if trademarks rights are granted in weak or partly descriptive signs. In the discussion about this type of descriptive use, I will thus also relate to the analysis of chapter 4, where I showed that the ground for refusal of descriptiveness restricts the grant of trademark rights over descriptive signs, but that in light of freedom of commercial expression this ground for refusal may have to be extended to cover 'indirectly descriptive signs.'

Trademark use in *comparative advertising* may be important for an efficient comparison of goods and services. For example, a competitor in a telecommunications market may need to refer to the market leader or his products in comparative advertising, in order to let consumers know about the alternative choice of services that he is offering. Equally, price comparisons are impossible without using the trademarks of competitors.

Freedom of non-commercial expression, which includes forms of mixed expression, may be impaired by trademark rights if third parties are hindered in using trademarks in

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4 ECJ 23 February 1999 *BMW*.

5 ECJ 17 March 2005 *Gillette*.

6 I defined ‘indirectly descriptive signs’ as signs that are not just those that describe directly ‘characteristics of the goods or services’ themselves but also those that describe circumstances surrounding the goods and services, such as the consumers of goods or that may be understood as exclamations of the users, e.g. the sign ‘New Born Baby’ for baby dolls, ‘Kinder’ (trans. ‘children’) for chocolate or ‘Lief!’ (transl. ‘Sweet!’) for baby clothing.

7 E.g. *Hof Arnhem* 20 March 2007 *UPC v. KPN*. 
expression that is of public interest, in e.g. art and cultural bricolage,8 news,9 commentary,10 or criticism.11 The analysis in chapter 2 has shown that trademark rights have been extended in such a manner as to cover most forms of mixed expression, that European trademark law contains few limitations which would allow for the balancing of trademark rights with the freedom of non-commercial and mixed expression of third parties, and that none of the existing limitations specifically aims at providing such a space for balancing.

Under Article 10 ECHR, states must respect and protect freedom of expression, which, as I argued, means that state authorities should interpret trademark law in accordance with that Article. This implies a balancing process, whereby appropriate weight is given to the freedom of expression of a third party, but it does not mean that that freedom is absolute. On the one hand, participants in public discourse do have a right to express themselves efficiently, strongly, and in a manner that catches attention,12 as, under Article 10 ECHR, also opinions that shock, offend and disturb13 are protected, a fact which is a recognition of the value of oppositional expression and dissent in the public discourse in democratic societies.14 On the other hand, not all forms of harm must be tolerated. There needs to be, for instance, sufficient reason for using a trademark in an expression that causes harm.

Overall, the restrictions placed by the exercise of trademark rights on the freedom of non-commercial expression must follow a pressing social need and must not “reach further than necessary to achieve the stated aim”.15

Freedom of non-commercial expression of third parties is strong, in particular, if a trademark is a ‘public symbol’, i.e. if it has become a sign of social, cultural, or political importance, since, in that case, the meaning embodied in such a sign can play a key role in social, cultural, and political discourse. There are many forms of such use; in some, the public interest components are strong, in others, they may be weak and commercial motives may play a great role. In this introduction, I want to mention just a few typical examples.

Third parties may use trademark use in political or social commentary, e.g. on critical websites or in campaigns and protests. Greenpeace and other environmental organisations that seek to raise awareness about the environmental impact of the policies of companies like Shell and Esso16 typically target those trademarks that carry the highest rate of

8 BGH 3 February 2005 (Lila Postkarte).
10 BGH 3 February 2005 (Lila Postkarte).
12 ECtHR 7 December 1976 Handyside v. The United Kingdom; BVerfG 6 November 1968 (GEMA), p. 286: „Da es der Sinn jeder zur Meinungsbildung beitragenden öffentlichen Äußerung ist, Aufmerksamkeit zu erregen, sind angesichts der heutigen Reizüberflutung aller Art einprägsame, auch starke Formulierungen hinzunehmen.“
13 ECtHR 7 December 1976 Handyside v. The United Kingdom, para. 49.
14 Netanel 2005.
15 See section 3.2.1.
recognition, i.e. logos, and sometimes they alter these trademarks in order to raise awareness about the ‘mal-practices’ of the respective trademark right holders. The fact that these trademarks are simultaneously the main carriers of reputation of a company creates a large potential for conflict.

In art, commentary, or parody, the choice for a particular trademark is often essential, as far from just identifying a source, a trademark may also often represent a social phenomenon or social or cultural meanings which a third party would not be able to efficiently bring to the forum of (artistic) dialogue if the use of the particular sign were to be restricted. Trademarks, like signs generally, serve as a “shortcut from mind to mind”\textsuperscript{17}, and, as I set out in section 3.4.2, by using and altering the meaning of certain signs, persons can take part in the process of social, cultural or political ‘meaning-making’. A famous example of such use in art are the Campbell Soup Can paintings of Andy Warhol.\textsuperscript{18} Depending on the viewpoint taken, these paintings are an expression of the individuality of the artist or they may be seen as providing commentary on mass production or on advertising techniques, both of which deserve strong protection under Article 10 ECHR.

A further important requirement in the balancing process is that courts, when assessing the meaning of third party trademark use in non-commercial or mixed expression, should be careful to consider various possible interpretations of the expression. Indeed, third party trademark use in non-commercial or mixed expression, e.g. in the Campbell soup can example, may often be interpreted in very different manners, as trademarks are idiosyncratic and can thus be used to transmit highly compressed (commercial and non-commercial) information and connotations. Only if courts are open-minded about a diversity of interpretations will it be possible that the interests of persons and groups to take part in the process of social, cultural or political meaning making are fully protected.

Moreover, legislators and courts should consider that the far-reaching nature of existing trademark rights and strong enforcement mechanisms can produce a significant secondary impact on freedom of non-commercial expression, i.e. they may produce chilling effects on those that want to participate in public discourse and on those that want to express themselves.

### 5.1.2 Outline

In this chapter, I will follow the structure of trademark law by individually discussing several constitutive criteria of the scope of protection of trademark rights as well as their limitations. In this context, I want to point out to the reader that I will not discuss individual cases in their entirety, but will rather refer to different aspects of a single case in various parts of the chapter.

In section 5.2, I will start by examining the criterion of ‘use in the course of trade’. It sets an outer boundary to the scope of protection of trademark rights by limiting it to the commercial sphere. I will inquire whether this criterion can accommodate the need for heightened protection of non-commercial and mixed expression under Article 10 ECHR, by keeping such expression beyond the reach of trademark rights.

In section 5.3 (on identity protection and protection against confusing use), I will discuss criteria relating to the absolute protection of trademarks against the use of

\textsuperscript{17} U. S. Supreme Court, \textit{West Virginia State Bd. of Educ. v. Barnette.}

\textsuperscript{18} This was for instance cited also by Advocate General Colomer opinion in the \textit{Arsenal v. Reed} case. AG Colomer 13 June 2002 \textit{Arsenal Football Club}, para. 63.
identical signs on identical goods, as well as criteria relating to the prohibition of confusing use. In particular, I will examine whether Article 5.1 TMDir allows for balancing with freedom of commercial expression, in particular, by allowing for referential use, use in comparative advertising, and descriptive use and whether it takes any account of the freedom of non-commercial expression of third parties or of the interest of society in expressive diversity.

In section 5.4 (on the protection of distinctive character and repute), I will examine a number of criteria used in Article 5.2 TMDir, which is the main provision that protects the distinctive character and repute of trademarks. In particular, I will focus on the criterion of ‘use in relation to goods and services’, which is interpreted differently than the same criterion contained in Article 5.1 TMDir. Moreover, I will examine the definitions of taking advantage, blurring, and tarnishment and I will examine the impact on freedom of expression caused by Article 2.20.1.d BVIE, the only national provision which fully implements Article 5.5 TMDir.

Finally, in section 5.5 (dealing with balancing under the limitations to the scope of trademark rights), I will analyse whether the limitations of trademark rights provide adequate room for balancing. In the analysis, I will, first, show that the limitations must not be limited only to such cases in which a third party use can demonstrate absolute necessity of the use. Such an interpretation would not be proportionate under Article 10 ECHR, as it completely reverses the proportionality test under that Article (section 5.6.1). Second, I will turn to the balancing between freedom of commercial expression and trademark rights (section 5.5.2). Third, I will analyse in depth the balancing of trademark rights with freedom of non-commercial and mixed expression (section 5.5.3). In that section, I will also propose solutions for the problems that are indicated, i.e. I will discuss possible additional limitations to be introduced. In sub-section 5.5.3.1, I will turn to the assessment of the commerciality in mixed expression and the question of whether a non-commercial use exception would properly remove disproportionate impairments of Article 10 ECHR. Furthermore, I will explore the balancing of rights in cases where a third party uses newly developed meanings and whether there is room for the balancing of the interest of citizens in expressive diversity (sub-section 5.5.3.2). In section 5.5.3.3, I will explore cases, in which trademarks are used and transformed in processes of social, cultural or political meaning making. Moreover, I will explore whether a parody exception would provide adequate room for balancing in such situations. In section 5.5.3.4, I will discuss general considerations relating to the balancing of harm with freedom of expression, and in section 5.5.3.5, I will take a final look at the chilling effects caused by trademark law and trademark litigation.

5.2 LIMITATION OF TRADEMARK RIGHTS TO USE IN THE COURSE OF TRADE

Under European trademark law, the criterion of ‘use in the course of trade’ is the key criterion that limits the scope of trademark rights to the commercial sphere. This criterion applies to Article 5.1 TMDir and Article 5.2 TMDir; the criterion is however absent from Article 5.5 TMDir, a provision that can be implemented at the discretion of EU Member States and which has only been implemented in Benelux law. Amongst others, this lack of the criterion of use in the course of trade makes Article 5.5 TMDir, which I will
discuss separately in section 5.5, one of the most problematic provisions of European trademark rights.

As I explained in section 3.5, under Article 10 ECHR, freedom of expression, be it non-commercial or mixed expression, must be protected strongly when it contributes to public discourse or when it is of public interest, in contrast to purely commercial expression that receives lower protection. This means that, from the perspective of freedom of expression, the scope of trademark rights should be interpreted in a manner that their prohibitions on third party use differentiates between non-commercial and commercial expression. It is not in line with Article 10 ECHR that third parties, who use trademarks in such expression, should be subject to the same strict standards as those that use them in a purely commercial manner. In fact, the prohibition of the use of trademarks in (truthful) public discourse or art may require a special justification, which the rationales of trademark rights may not offer as they show that trademark rights are justified only when they apply to trade. Moreover, trademark rights that extend too far into the political, social, or artistic sphere, they may cause chilling effects because they may stifle expression in that sphere. Consequently, criteria that effectively limit the scope of trademark rights to purely commercial expression can play a vital role in ensuring that trademark rights will cause no disproportionate impairment of freedom of non-commercial and mixed expression.

The question now is whether the criterion of ‘use in the course of trade’ currently limits trademark rights to commercial expression and whether it can be interpreted in a manner to facilitate such a limitation, as under Article 10 ECHR and Article 5 GG courts are obliged to interpret the criterion in line with freedom of expression. If that limitation cannot be achieved under the criterion of ‘use in the course of trade’, courts must ensure otherwise that non-commercial and mixed expression receives the correct level of protection under Article 10 ECHR.

In this section, I will examine the current interpretation of the criterion of ‘use in the course of trade’ in the jurisprudence of the ECJ and CFI, in German jurisprudence and doctrine and in Dutch jurisprudence and doctrine.

5.2.1 JURISPRUDENCE OF THE ECJ

The ECJ interprets the criterion of ‘use in the course of trade’ as use that, “takes place in the context of commercial activity with a view to economic advantage and not as a private matter.”

In the scarce European jurisprudence on the matter, it has so far only been clarified that the use of a trademarked term to designate a scientific research project must be considered use outside of trade if the researcher or the research entity itself does not directly seek to gain an economic advantage. In the *Galileo* case, which revolved around use by the European Commission of the trademarked term ‘Galileo’ for a project to create a European satellite navigation system, the CFI held that despite the Commission’s own

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19 See above section 2.3.
20 See above section 3.3.
efforts to make the Galileo project a financial and commercial success, the Commission itself was “not offering goods or services on the market,” and that,

“[b]y using the word ‘Galileo’ in the context of the research, development and deployment phases of the project, which precede the economic operational phase proper, the Commission is not seeking to obtain an economic advantage over other operators, given that there are no operators in competition with it in that field.”

In my opinion, this decision provides two crucial limitations to the criterion of ‘use in the course of trade’. First, by limiting trademark rights to ‘offering goods or services on the market’ and, second, by introducing the requirement that an economic advantage must be sought in a direct manner vis-à-vis competitors, an important number of trademark uses in non-commercial and mixed expression will fall outside the scope of trademark rights. However, the basic definition still may cover much more than purely commercial expression as it includes many forms of mixed expression. In particular, it does not distinguish between commercial media and non-commercial content, thereby extending trademark rights to public discourse contained in (commercial) art, or criticism, and to news and comment contained in commercial media services and publications.

5.2.2 THE GERMAN MARKENGESETZ

Under German law, the criterion of use in the course of trade (‘im geschäftlichen Verkehr’) is satisfied by actions that may serve,

“any own or foreign business interest. Not captured are purely private, scientific, political or official (public/governmental) acts.”

This definition is wider than the one provided by the ECJ because it does not require the existence of an ‘economic advantage’. According to German doctrine, the criterion should be interpreted broadly and should be understood as encompassing every

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22 Para 115 to 117 of the Galileo decision state, “[i]n that regard, the Commission does indeed emphasise the commercial objective of its project. It is doing all it can to ensure that the project is operational and that satellite radio navigation services can indeed be provided in accordance with the planned timetable, as the project’s whole purpose is its economic operation. Nevertheless, the role of the Commission is limited to launching its satellite radio navigation project as the ‘European response’ to the American GPS and Russian Glonass systems, to providing financial support for the project’s research, development and deployment phases, as well as to establishing the appropriate framework for the subsequent economic operational phase, in particular, through participation in the creation of the ‘Galileo Joint Undertaking’ and the publication of a call for tenders with a view to integrating the Galileo project with existing navigation systems. In doing so, the Commission is not undertaking an economic activity since it is not offering goods or services on the market. By using the word ‘Galileo’ in the context of the research, development and deployment phases of the project, which precede the economic operational phase proper, the Commission is not seeking to obtain an economic advantage over other operators, given that there are no operators in competition with it in that field. Contrary to the proposition defended by the applicants, it is not, therefore, artificial to make a distinction in the present context between the Galileo project’s economic operational phase and the earlier phases.”

23 BGH 13 November 2003 (GeDIOS), “Zum geschäftlichen Verkehr rechnen grundsätzlich grundsätzlich alle Handlungen, die einem beliebigen eigenen oder fremden Geschäftszweck dienen. Nicht erfaßt werden lediglich rein private, wissenschaftliche, politische und amtliche Handlungen.” (citations omitted). The criterion is common to trademark law, unfair competition law, and other laws regulating trade and should thus be interpreted in a unitary manner. Fezer 2001, p. 645

24 BGH (‘Handtuchspender’), holding that intent to make profit is not required; LG Düsseldorf 25 October 2000 (‘FTP-Explorer’), placing a hyperlink (not necessary that a fee is paid for the act).
commercial action or omission on a market that serves one’s own or a foreign business interest, which includes trademark use by doctors, lawyers, tax advisors, auditors, artists, scientist as well as use in the commercial dealings of governments.\textsuperscript{25}

German jurisprudence generally excludes purely non-commercial expression, as it does not apply trademark rights to purely private use and to use on e.g. non-commercial complaint sites on the internet. According to the BGH, purely private use is considered to fall outside the course of trade, as a person may alter a trademark on clothing or luxury articles, e.g. a watch, for personal use, since,

“someone who wears [or alters] trademarked clothes does not thereby become an object that is subjected to the determinations of a right holder.”\textsuperscript{26}

In the opinion of the BGH, wearing branded clothing in public is considered a personal matter despite eventual positive effects on a persons standing in public. The crucial point is that wearing and altering clothes is a matter of personal choice.

In addition, German jurisprudence does not apply trademark rights to non-commercial expression in relation to e.g. complaint sites.\textsuperscript{27} In the \textit{Oil-of-elf.de} case, the Kammergericht Berlin\textsuperscript{28} found that the criticism of a complaint site operated by environmental non-profit campaigners, pursuing only idealistic aims in directing their criticism against a multinational oil company, constituted use outside of the course of

\begin{footnotes}
\item\textsuperscript{25} Fezer 2001, p. 645.
\item\textsuperscript{26} BGH 12 February 1998 (Rolex Watch with diamonds), “Das Verbietungsrecht findet seine Grenze, wenn die Verwendung der Marke nicht in Beziehung auf den geschäftlichen Verkehr stattfindet. Veränderungen einer Markenware, die der Abnehmer der Ware für den Eigenbedarf vornimmt oder vornehme läßt, sind markenrechtlich irrelevant. Allein Veränderungen an einer zur Weiterveräußerung im geschäftlichen Verkehr bestimmten Ware können markenrechtliche Verbotsansprüche auslösen […] Der geschäftliche Verkehr wird durch das Tragen einer Uhr nicht in einem rechtlich bedeutenden Sinne berührt. Die Art, sich zu kleiden, gehört zum persönlichen, privaten Bereich eines jeden Menschen. Wer sich dabei mit hochwertiger Markenware oder mit Luxusgegenständen schmückt, mag mit einer Steigerung seines Ansehens in der Öffentlichkeit, auch bei geschäftlichen Kontakten, rechnen. Die Art seines Auftretens bleibt aber seine persönliche Note. Wer Markenware trägt, wird damit nicht selbst zu einem der Bestimmung des Markeninhabers unterworfenen Objekt. Eine andere Beurteilung kann bei solchen Personen gegeben sein, die sich aus kommerziellen Gründen zum Tragen bestimmter Markenwaren verpflichten und insoweit auf ihr persönliches Selbstbestimmungsrecht verzichtet haben. So liegt der Streitfall indessen nicht.”
\item\textsuperscript{27} Rohnke 2005, p. 871. In two a-typical cases involving trademark use on the Internet, the criterion of ‘use in the course of trade’ has been interpreted very extensive. The Landesgericht Düsseldorf in the \textit{scheiss-t-online.de} case held that the complaint site of a private individual against German Telecommunications company T-Online was using the trademark ‘T-Online’ in the course of trade. The court reasoned that the criticism of the private individual would further the interests of third party traders and thereby would have an effect on trade. LG Düsseldorf 30 January 2002 (‘scheiss-t-online.de’). “Der Beklagte ist im Internet aufgetreten. Der Zugang zu seiner Domain war für jedermann gegeben. Ein geschlossener Benutzerkreis lag nicht vor. Inhalt der Domain war das Zurverfügungstellen eines Forums für T-Online-User, die mit den Leistungen der Klägerin bzw. ihres Tochterunternehmens nicht zufrieden waren. Dieses Forum diente zumindest den geschäftlichen Zwecken der Wettbewerber der Klägerin. Dies reicht für die Annahme eines Handelns im geschäftlichen Verkehr aus.” A similarly broad rationale was initially adopted in the \textit{awd-aussteiger.de} case. The Landesgericht Hamburg reasoned that a complaint site offered services, albeit non-remunerated, to people who wanted to spill their guts about a company. Such offering of ‘services’ was deemed sufficient to constitute use in the course of trade. LG Hamburg 28 February 2003 (‘awd-aussteiger.de’). The decision in the \textit{awd-aussteiger.de} case was overturned on appeal, be it on the point of the criterion of use ‘in relation to goods and services’ and not in relation to the qualification of the trademark use as use ‘in the course of trade’. OLG Hamburg 18 December 2003 (‘awd-aussteiger.de’).
\item\textsuperscript{28} Kammgericht Berlin 23 October 2001 (‘Oil-of-elf.de’).
\end{footnotes}
Similarly, the LG Köln found that a plaintiff could not invoke trademark rights to stop Greenpeace from claiming that the milk of a dairy producer was ‘Gen-Milch’ (i.e. genetically modified milk), as the campaign group did not use the relevant trademark in the course of trade.30

Mixed expression will however often fall under the criterion of use in the course of trade, unless it concerns use in lexical publications or use in relation to scientific research. The use of trademarks in lexical publications is considered to be use outside the course of trade. According to a ruling dating from 1928, failing to mention in a dictionary that a word is also a registered trademark is not considered to qualify as use in the course of trade.31 According to § 16 MarkenG a trademark right holder may demand of the publisher of a lexical publication to indicate that a generic term is also a registered trademark. As I argued in section 4.3, this provision, which is equal to the one contained in Article 10 TMReg, is a fair compromise between a publishers and the public’s interest that a trademark is officially recognised as generic and a right holder’s interest in protecting the distinctiveness of his trademark.

Similar to the jurisprudence of the CFI in the Galileo case, German jurisprudence determines that use of a trademarked sign in scientific research will fall outside of the scope of trademark law, when the research entity is not itself commercially exploiting the research results. For instance, using a trademark in a presentation of scientific results that are not meant to be exploited commercially, does not qualify as use in the course of trade.32 Furthermore, in its INMAS decision, the OLG Hamburg found that the choice of the title of a scientific research project cannot be considered to be use in the course of trade,33 because the fact that scientific results are regularly used at a later stage for commercial exploitation does not make trademark use in a research project itself fall into the scope of trademark rights. Neither could the commerciality of scientific research be deduced solely from positive effects on the ‘image’ of a research facility produced by research and connected publications themselves, even though such ‘image effects’ can, in turn, attract investment in a research facility.34 According to the OLG, the critical question to be asked is whether the scientific party itself has the intent to commercially exploit the results of the research. This position has also been accepted in German doctrine.35

German jurisprudence does, however, not use the ‘use in the course of trade criterion’ to reduce the scope of trademark rights such as to exclude non-commercial expression in or on a commercial medium. According to the BGH, for instance, use of a trademark on a humorous and artistic post-card that was sold for profit has been held to constitute use in the course of trade.36 However, after having established that trademark law applied to the

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30 LG Köln 24 May 2006 (“Gen-Milch”).
31 RGZ, 1928, 117, 108 (Lysol).
32 BGH (‘VISPER’). Likewise, use of trademarks in prescriptions by doctors is not considered to fall under use in the course of trade. First held in RG GRUR 1913, p. 64.
33 OLG Hamburg 18 April 2007 (‘INMAS’).
34 Ibid.
36 BGH 3 February 2005 (Lila Postkarte).
case, the BGH externally balanced the trademark rights with Article 5.3 GG, i.e. the freedom of art, and found that the use on the humorous postcard was permissible.

5.2.3 **Benelux Convention on Intellectual Property (BVIE)**

In Benelux jurisprudence before 2004, under the Article 2.20.1 Benelux Convention on Intellectual Property and its predecessor Article 13A.1 Benelux Trademark Act the criterion of ‘use in the course of trade’ (‘in het economisch verkeer’) has traditionally been interpreted broadly.\(^\text{37}\) Trademark use in commercial publications like newspapers and films has been held to be covers, and even use on doctor’s prescriptions has been held to constitute use in the course of trade. In this section, I shall confine myself to providing an overview of the interpretation of the criterion of ‘use in the course of trade’ under Benelux jurisprudence. The particular history and problems raised by Article 2.20.1.d BVIE will be discussed below in section 5.4.4.

The standard interpretation of the criterion of ‘use in the course of trade’ stems from the Benelux Court of Justice’s 1984 *Tanderil* decision, which dealt with trademark use on a doctor’s prescription.\(^\text{38}\) The Court reasoned that doctors are being paid for issuing prescriptions and that this fact is sufficient for trademark use to have taken place in trade. It further generally held that use takes place in the course of trade if it is made,

> “in a manner – other than for a purely scientific purpose – in the course of a business, profession or any other – non-private – activity that aims at generating an economic advantage.”\(^\text{39}\)

This definition is similarly extensive as those provided by the ECJ and the BGH. Legal doctrine indicates that the criterion should be interpreted as setting a relatively low

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\(^\text{37}\) An amendment in 2004 deleted the criterion from one of the prohibition of Article 2.20.1. BVIE, i.e. Article 2.20.1.d. The criterion of ‘use in the course of trade’ is thus at present in force only in relation to the prohibitions contained in Article 2.20.1 a to c BVIE, the implementing provisions of Article 5.1 and 2 TMDir, but not in relation to Article 2.20.1.d BVIE, the implementation of Article 5.5 TMDir.

\(^\text{38}\) BenCJ 9 June 1984 (‘Tanderil’). The doctor had issued a prescription stating that a similar but cheaper medicine ‘like Tanderil’ should be issued by the pharmacist.

\(^\text{39}\) BenCJ 9 June 1984 (‘Tanderil’), (transl. WS), original, “…dat het in dit verband van belang is eraan te herinneren dat met name de in artikel 13A, eerste lid, onder 2, aan de merkhouder toegekende bevoegdheid zeer ruim is geformuleerd, immers bescherming verleent tegen ‘elk ander gebruik’, en - gelijk blijkt uit het Gemeenschappelijk Commentaar - ertoe strekt om de markhouder door een uitbreiding van de bescherming die de voorheen bestaande wetgevingen hem toekenden, beter dan vroeger in staat te stellen zich op grond van zijn uitsluitend recht op het merk te verzetten tegen ‘feiten die een werkelijke en ongerechtvaardigde inbreuk op het merkrecht vormen”; dat genoemde bepaling deze bescherming uitsluitend daardoor beperkt dat het gebruik waardoor de merkhouder schade kan worden toegebracht, ‘zonder geldige reden’ moet plaatsvinden “in het economisch verkeer”; dat hier geen uitputtende beschrijving behoeft te worden gegeven van het begrip “in het economisch verkeer” indien zulks - anders dan met een uitsluitend wetenschappelijk doel - plaatsvindt in het kader van een bedrijf, van een beroep of van enige andere - niet in de particuliere sfeer verrichtte - activiteit waarmede economisch voordeel wordt beoogd;”
threshold for the application of trademark rights, which may, in fact, lie lower than that indicated by the ECJ.40

Only purely non-commercial use has been considered by Benelux courts not to fall under the criterion of in the course of trade. For instance, criticism by an association of driving instructors ('Vereniging van gedupeerde rijschoolhouders') against a particular company was held to have taken place outside of trade. The court held that the association had no profit generating aim and did not develop any other commercial activities.41 Likewise, in the Stemwijzer.nl v. Referendumstemwijzer.nl case the Rechtbank Den Haag held that a political organisation that did not aim at generating profits was operating outside of trade for the purposes of Article 2.20.1.a BVIE, then Article 13A.1.a Benelux Trademark Act. However, this last case occurred after the amendment of 2004 and the relevant website was still held liable for trademark right infringement by its purely non-commercial campaign under Article 2.20.1.d BVIE.42

Most forms of mixed expression have, however, been held to fall under the criterion of 'use in the course of trade'. In fact, Dutch jurisprudence shows the full extent of the problems that can be caused by such a far-reaching scope of trademark rights, as it does absolutely not use the criterion to exclude non-commercial expression contained in or on commercial media from the scope of trademark rights. Consequently, trademark use in news and other publications or films has been frequently been held to fall under the scope of trademark rights, which resulted in prohibitions of publications and the stifling of criticism by e.g. comedians.43

In the 1975 Vrij Nederland v. Shell case, the Rechtbank Amsterdam found that the publisher of an article in a weekly newspaper, dealing with a fictional accident in a Shell refinery, constituted use in the course of trade. For the Court, the commercial aim of the publisher was sufficient, as it reasoned that the news article had served to increase the consumer attraction and sales of the newspaper.44 The publication was finally not prohibited because the court considered it not to be an actionable form of use. It used a

41 Pres. Rb ‘s-Hertogenbosch 6 January 1994 Kantelberg v. Vereniging van Gedupeerde Rijschoolhouders. Also the registration of a domain name falls outside the course of trade, if the user is developing only private activities on the web site and does not aim at generating an economic advantage. Payment of fees for the registration of a domain does not qualify use of trademarks on in the domain name or on the website automatically as ‘use in the course of trade’. Pres. Rb. Amsterdam 24 February 2000 Procter & Gamble AG v. Stichting Magenta (‘ariel.nl’).
42 The independent and officially endorsed website www.stemwijzer.nl offered a questionnaire for undecided voters to determine their political preference. A particular political grouping had launched the website www.referendumstemwijzer.nl on which it offered an alternative, but politically coloured, test. Stemwijzer.nl sued for trademark infringement. As mentioned above, since 2004 the requirement of use in the course of trade had been dropped from one of the trademark rights, Article 2.20.1.d BVIE. Consequently, the court found in favour of the plaintiff, despite this being a purely political matter. Rb. ‘s-Gravenhage 27 April 2005 Stemwijzer v. Referendumstemwijzer.
44 Rb. Amsterdam 8 January 1975 Shell v. Vrij Nederland, “Immers ook de leiding van een opinieweekblad als Vrij Nederland zal er voor moeten zorgdragen voldoende lezers te houden om het blad economisch bestaanbaar te doen zijn. Bij de vaak niet commerciële doelstellingen, die directie en redactie van een dergelijk blad voor ogen staan, speilen economische motieven onvermijdelijk hun rol omdat de artikelen, waarmee de redactie een opinie bij de lezers wil vormen, ook “verkoopbaar” moeten zijn.”
requirement of a competitive nexus, which actually was not part of Benelux law at the
time and is not part of European and Benelux trademark law today.\footnote{Ibid., “Het op deze wijze gebruik maken van het woord- en beeldmerk Shell valt echter niet onder de werking
van genoemde Beneluxwet. Immers, wil van daarmede strijdig gebruik sprake zijn dan dient het bestreden
gebruik plaats te vinden op het terrein waar de merkhouder zijn - commerciële - activiteiten ontplooit, want
de Beneluxwet legt verband tussen gebruik van een merk voor de waren, waarvoor het is ingeschreven (en
voor soortgelijke waren) en elk ander gebruik in het economisch verkeer, waarbij dat ander gebruik niet los
gemaakt kan worden van de inhoud van de inschrijving. In het aangevochten weekbladartikel ontbreekt
ieder zodanig verband.”}

In the \textit{Philips v. Haagse Post} case the President of the Rechtbank Amsterdam ruled
that the use of the Philips logo - altered by two swastikas in place of the two stars - on the
cover page of the newspaper Haagse Post constituted use in the course of trade. The
article was a critical commentary on practices of Philips personnel in the period between
1920 and 1940. The President of the District Court reasoned that the use of the altered
Philips logo on the front-page increased the commercial appeal of the article, and that this
publication constituted a regular commercial activity of the newspaper. The trademark
use in the news publication was subsequently prohibited and the newspaper was ordered
to place a rectification.\footnote{Pres. Rb. Amsterdam 18 December 1981 \textit{Philips v. Haagse Post}.}

The use of trademarks in an erotic manner in a movie and erotic print publications has
met a similar fate. In the \textit{Alicia} case, a Coca-Cola bottle had been used in an explicit
manner in one scene of an ‘art house’ motion picture containing. The Hof Amsterdam
held that this use constituted use in the course of trade. It ruled that the film was
generating remuneration and thus that the trademark use fell into the course of trade.\footnote{Hof Amsterdam 18 December 1975 \textit{Scorpio Films v. Coca Cola} (‘Alicia’).}
Similarly, the President of the Rechtbank van Koophandel in Brussels found that the use
of trademarks in a comic strip depicting \textit{inter alia} sexual escapades clearly qualified as

In fact, after the \textit{Tanderil} ruling\footnote{Note that in a case that was rendered before the Tanderil decision a court found that use of trademark in the
magazine playboy could not be considered use in the course of trade. Pres. Rechtbank van Koophandel te
Brussel 29 April 1975 \textit{Marsverkoop Maatschappij v. Playboy}, “Bref Playboy sera a ajouter pour
l’interpretation de l’article 13 A 2 aux ouvrages scientifiques et aux dictionnaires dont l’enumeration n’est
pas limitative puisqu’auSSI bien l’emploi de la marque ne s’est pas produit dans la vie des affaires.”} only in a single case about mixed (political)
expression a Benelux court has tried interpret the use in the course of trade criterion in a
manner to restrict the scope of trademark rights. In the \textit{Felix v. Loesje} case, an association
publishing and selling humorous slogans published a satiric slogan about the political
leader of the Dutch socialists, Felix Rottenberg, thereby using a trademark of Felix-
Bonzo, a pet-food producer.\footnote{Pres. Rb. Arnhem 24 December 1992 (‘Felix/Loesje’), using the slogan “Felix. Ooh, dat smaakt!”} The President of the Rechtbank Arnhem found this
political parody to fall outside the course of trade, but reached its conclusion by a
somewhat contorted reasoning.\footnote{Visser 1993a, p. 64.} It held that the company producing the slogan and the
company distributing it had to be regarded as two separate entities. According to the
court, only the distributor was operating in trade. The entity producing the slogan, which
was the entity that had been sued, had not operated in trade. By splitting the two entities,
the court created an artificial distinction between commercial medium and the non-
commercial expression, allowing it to exclude the latter from the scope of trademark rights.

The very broad definition of the criterion of use in the course of trade under Benelux law has been critically received in literature and doctrine.\(^{52}\) Van Manen argues that the criterion should be interpreted differently, i.e. it should be used to limiting the scope of trademark rights so hat it will not apply to non-commercial expression contained in newspapers or films. Gielen and Wichers-Hoeth, in their 1992 commentary, are of a similar opinion\(^{53}\) and Visser argues that the court in the Felix v. Loesje case had practically been forced into its contorted reasoning to protect the political expression, because of the far-reaching interpretation given to the ‘use in the course of trade’ criterion in the Tanderil decision.\(^{54}\) Recent doctrine likewise indicates that trademark use in a public debate should, in most cases, fall outside the course of trade, even if it is contained in a commercial publication.\(^{55}\) I tend to agree with this view, though I believe that only a change of interpretation by a high legal authority or by the legislator will be sufficient to change current practice.

5.2.4 Interim Conclusion

In his 1984 opinion in the Tanderil case, Advocate General Berger argued that the criterion of ‘use in the course of trade’,

“assigns trademark law its place in society: trade and especially the competition in the course of trade.”\(^{56}\)

Considering the discussion on the rationales of trademark rights in section 2.3 above, I entirely agree with this statement. However, as this section has shown, the current interpretation of the criterion does not confine trademark rights to this ‘place in society’, as it is interpreted as use that is not private but rather use in the course of a commercial activity and with the aim of gaining an economic advantage. Purely non-commercial use, use in science and, in the case of Germany, in lexical publications and political expression does not fall under the criterion. From the perspective of freedom of expression, the greatest problem with regard to the current interpretation is that trademark use that is of public interest and is contained in or on a commercial medium will fall under the criterion. Such use, which includes use in films, books, art, or comedy, belongs to the core of expression that must be strongly protected under Article 10 ECHR. Courts currently, rather than using the criterion of ‘use in the course of trade’ as clear a facilitator for a balance of interest between trademark rights and freedom of non-commercial and mixed expression, interpreted the criterion expansively to serve the interests of trademark rights holders.

Having examined the development of the interpretation of the criterion of ‘use in the course of trade’, I deem it unlikely that courts will use the criterion to facilitate the balance that would be necessary from the viewpoint of freedom of expression. Such a

\(^{52}\) Van Manen 1985, p. 32; Van Manen 1986, p. 32; see further Verkade 1990; Visser 1993a; Ebbink 1990; Vos & Van den Berg 2003.


\(^{54}\) Visser 1993a, p. 64.


\(^{56}\) AG Berger 9 June 1984 Nijs v Ciba-Geigy (‘Tanderil’).
resolution with a clear-cut limitation of the scope of trademark rights under the criterion of ‘use in the course of trade’ would have carried the benefit of forestalling most of the chilling effects that may be created once trademark rights are found to be applicable to cases of non-commercial expression. In the present situation, a proportionate solution must be found in an adequate balancing process under other criteria of Article 5 or the limitations of Article 6 TMDir. Ultimately, it may be a preferable solution to add a non-commercial use exception to e.g. Article 6 TMDir, specifically aiming at protecting third party trademark use in non-commercial or mixed expression that deserves heightened level protection under Article 10 ECHR. I will return to this point in section 5.5.3.1.

5.3 \textbf{IDENTITY-PROTECTION AND PROTECTION AGAINST CONFUSION}

Identity protection under Article 5.1.a TMDir and the protection against confusion under Article 5.1.b TMDir affect mainly the freedom of commercial expression of third party traders that compete with the trademark right holder by offering identical or similar goods or services and use trademarks in comparative advertising, referentially or descriptively. In some cases, Article 5.1 TMDir, due to its expanding scope may also affect the freedom of non-commercial expression of third parties, be it that of individual third parties that want to express themselves by using identical or similar goods, or through the monopolisation of expression about certain culturally, socially, and politically relevant signs under the doctrine of post-sale confusion.

In the present section, I will explore the relationship between freedom of expression and Article 5.1 TMDir and, thereby, I will focus on the interpretation of constitutive criteria of that Article. In section 5.3.1, I will focus on the relationship between confusing use and freedom of commercial expression, as commercial use that misinforms consumers, may not be protectable under Article 10 ECHR, which would mean that the conflict between Article 5.1 TMDir and freedom of commercial expression is confined to those areas of Article 5.1 TMDir that are unrelated to the protection against clear-cut confusion. Moreover, I will explore the interpretation of the criterion of ‘use in relation to goods and services’ contained in Article 5.1.a TMDir. That criterion is also contained in Article 5.2 TMDir, where it is interpreted in a much wider sense; it will analyse the interpretation under Article 5.2 TMDir in section 5.4.1. In addition, I will examine two problematic areas under the likelihood of confusion analysis under Article 5.1.b TMDir.

In section 5.3.2, I will address the impact of Article 5.1 TMDir on freedom of non-commercial and mixed expression, including its impact on expressive diversity.

5.3.1 \textbf{FREEDOM OF COMMERCIAL EXPRESSION AND CONFUSION}

In sections 3.4.3 and 3.5.2, I argued that the aims of freedom of commercial expression resemble, to some extent, the aims of search cost theory of trademark rights. Both aim at ameliorating the information position of consumers, be it that the latter theory is an economic theory focussed on optimisation of the information position of consumers and the first grants a trader the right not to be impaired more than is justified
in principle and proportionate when he wants to inform consumers. This resemblance of search cost theory and freedom of commercial expression means that the findings of chapter 2 in relation to Article 5.1 TMDir can be partly used to answer the question whether the current interpretation of Article 5.1 TMDir may disproportionately impair to freedom of commercial expression of third party traders.

The analysis in section 2.3.2 showed that, a prohibition of confusion, which would clearly cause misinformation, is justified under search cost theory. Under freedom of commercial expression, such a prohibition is equally justified as freedom of commercial expression applies only when the expression of a trader is truthful and not misleading. This follows from the main aim of freedom of commercial expression, which is to allow traders to inform consumers, i.e. non-truthful or misleading expression will not inform consumers and therefore does not qualify for protection. Similar to misleading expression, trademark use that causes a likelihood of confusion will in most cases fall foul of protection because it misinforms consumers.

In section 2.4.2.2, I analysed the prohibitions of confusion under Article 5.1 TMDir in light of the rationales of trademark rights and specifically in light of search cost rationale. The analysis showed that the prohibition of confusion might stretch further than indicated under the search cost rationale for a number of reasons. First, the ECJ has indicated in a number of judgements that Article 5.1.a TMDir may protect also other functions of trademarks, which may mean that this prohibition could stretch much further than the prohibition of confusing use. Second, while direct confusion and indirect confusion increase consumer search costs and should be prohibited, some of the legal fictions applied by the ECJ in its assessment replace empirical proof and may, therefore, unduly extend the scope of protection. One of these fictions is that the more distinctive a trademark to sooner consumers will be confused. That fiction may sometimes be true, but in many cases, clearly consumers are less likely to be confused in the face of a highly distinctive trademark. And third, the prohibition of post-sale confusion seems to have too little empirical relation to actual consumer confusion to be justified under the search cost rationale.

In my opinion, in these outer areas of the scope of the prohibitions under Article 5.1 TMDir also an impairment of freedom of commercial expression may be caused, if e.g. referential use, descriptive use and comparative advertising are prohibited too readily. Yet, one can, however, not apply all the findings of section 2.4.2.2 to freedom of commercial expression as search cost rationale and freedom of commercial expression differ in the manners I described above (i.e. the first deals with optimisation of information and the latter only prohibits severe impairment of the freedom to inform consumers).

A prohibition may not be justifiable in principle and proportionate under Article 10 ECHR if the required level of misinformation in third party use is very low, as in the areas that are not covered by search cost rationale, if the use is furthermore informative, truthful, and non-misleading expression, and if a prohibition is severe.

57 See above section 3.4.3 and 3.5.2.
5.3.1.1 Use in Relation to Goods and Services under Article 5.1 TMDir

The criterion of ‘use in relation to goods and services’ of Article 5.1.a TMDir is interpreted by the ECJ as prohibiting mainly use that affects the essential function of trademarks, which is

“to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin.”

In its current interpretation, Article 5.1.a TMDir covers all referential use, use in comparative advertising, and most descriptive use.

Referential use will be actionable use under Article 5.1.a, since such use employs trademarks as indicating the origin of the goods of the trademark right holder. In the BMW v. Deenik case, which concerned a non-licensed BMW specialist operating in the Netherlands, that had advertised that he was selling used BMWs and that he was specialised in repairing such cars, the ECJ recognised that “the BMW mark has been used [by Deenik] to inform the public that the advertiser carries out the repair and maintenance of BMW cars.” It did deem the use actionable as it found that Deenik had used the trademark “to identify the source of the goods in respect of which the services [the repair services] are supplied, and thus to distinguish those goods from any others in respect of which the same services might have been provided.”

Similarly, in the Gilette v. LA-Laboratories case, LA-Laboratories, a producer of replacement razors heads, had used a Gilette trademark on the packaging of the replacement razors heads in order to indicate to consumers the destination of the goods. The ECJ qualified this referential use without further discussion as use falling under Article 5.1.a TMDir.

Equally, trademark use in comparative advertising will fall under Article 5.1 TMDir. According to the ECJ, it affects the essential function, because it refers simultaneously to both the trademark rights holder and the goods and services of the advertiser. In principle, use of a trademark in comparative advertising can however only be prohibited if it causes confusion. However, since the l’Oréal ruling the use of trademarks in comparative advertising, such as comparative product lists may be subject to prohibitions

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60 ECJ 12 November 2002 Arsenal Football Club, paras. 43 to 48; see further ECJ 23 May 1978 Hoffmann-La Roche, para. 7, ECJ 18 June 2002 Philips, para. 30.
61 ECJ 23 February 1999 BMW, para. 33.
62 Ibid., para. 39.
63 ECJ 12 June 2008 O2. The ECJ held that the use of a trademark in comparative advertising falls under Article 5.1 and 5.2 TMDir, since, “an advertisement in which the advertiser compares the goods and services which he markets with those of a competitor is aimed, evidently, at promoting the goods and services of that advertiser. With such an advertisement the advertiser seeks to distinguish his goods and services by comparing their characteristics with those of competing goods and services […] Therefore, the use by an advertiser, in a comparative advertisement, of a sign identical with, or similar to, the mark of a competitor for the purposes of identifying the goods and services offered by the latter can be regarded as use for the advertiser’s own goods and services for the purposes of Article 5(1) and (2) of Directive 89/104.” (para. 35).
64 ECJ 12 June 2008 O2, para. 50.
under Article 5.1.a TMDir even if it is not affecting the essential function of trademarks.\footnote{ECJ 18 June 2009 l’Oréal et al. v. Bellure et. al., para. 65.}

In this respect, use of a trademark in as an ad-word, i.e. to influence in an invisible manner in the sponsored results of a search engine, in my opinion, can be of great aid in generating comparisons in an invisible manner. According to the BGH, the application of Article 5.1.a TMDir to such use may be excluded, if the trademark is not displayed in the search results.\footnote{BGH 22 January 2009 („pcb“), „Wird bei einer Internetsuchmaschine eine Bezeichnung, die von den angesprochenen Verkehrskreisen als eine beschreibende Angabe über Merkmale und Eigenschaften von Waren verstanden wird (hier: „pcb“ als Abkürzung von „printed circuit board“), als sogenanntes Schlüsselwort (Keyword) angemeldet, ist eine kennzeichenmäßige Verwendung zu verneinen, wenn bei Eingabe einer als Marke geschützten Bezeichnung durch einen Internutzer (hier: „pcb-pool“) auf der dann erscheinenden Internetseite rechts neben der Trefferliste unter einer Rubrik mit der Überschrift „Anzeigen“ eine Werbeanzeige des Anmelders des Schlüsselworts eingeblendet wird, in der das geschützte Zeichen selbst nicht verwendet wird.“} The final word about the qualification of use of trademarks as ad-words is however not spoken, as such use is subject a variety of requests for preliminary rulings of the ECJ.\footnote{ECJ Case C-558/08 and several other cases referred to the ECJ. See Ohly 2009.} The joint decision about these cases had not been rendered before the finalisation of the present book.\footnote{ECJ 14 May 2002 Höltnerhoff v. Freiesleben, para. 17.}

Descriptive use does not fall under Article 5.1 TMDir in certain very limited circumstances. This was the case in Höltnerhoff v. Freiesleben, which was about descriptive use of a trademark by a third party in a sales conversation. Mr Höltnerhoff, a dealer in precious stones, had indicated to a potential buyer of that he was offering ‘Spirit Sun’ and ‘Context Cut’ stones. Both the signs ‘Spirit Sun’ and ‘Context Cut’ were registered trademarks by Mr. Freiesleben. Mr. Freiesleben brought an action against Mr. Höltnerhoff. The crucial point of the case was that both Mr Höltnerhoff and the potential buyer knew however that the stones did not originate from Mr. Freiesleben and that the words ‘Context Cut’ and ‘Spirit Sun’ had only been used to describe the characteristics of the stones.

The ECJ ruled that the used made of Mr. Freiesleben’s trademarks by Mr. Höltnerhoff had not even affected the right granted under Article 5.1.a TMDir, stating that,

“Article 5(1) of the directive is to be interpreted as meaning that the proprietor of a trade mark cannot rely on his exclusive right where a third party, in the course of commercial negotiations, reveals the origin of goods which he has produced himself and uses the sign in question solely to denote the particular characteristics of the goods he is offering for sale so that there can be no question of the trade mark used being perceived as a sign indicative of the undertaking of origin.”\footnote{ECJ 14 May 2002 Höltnerhoff v. Freiesleben, para. 17.}

The practical relevance of this ruling proved, however, to be small as later judgements, like Arsenal, Opel, and l’Oréal, have shown that the Court views the Höltnerhoff decision
as an exceptional case. In cases of descriptive use, the ECJ will rather subsume use
under Article 5.1.a and defer the assessment of the eventual descriptiveness to the
specific descriptiveness exception contained in Article 6.1.b TMDir.

In sum, it seems that most use in comparative advertising, referential use and even
descriptive use will fall under the scope of Article 5.1.a TMDir and that any protection of
such use must be found in Article 6.1 TMDir.

5.3.1.2 Likelihood of Confusion

In relation to Article 5.1.b TMDir, I want to discuss two areas that may be
problematic. First, a specific problem under Article 5.1.b TMDir concerns third party use
of descriptive trademarks and the treatment of descriptive parts of signs and, second, the
treatment of cases, in which some consumers may be confused whereas other consumers
may gain great information benefits by third party trademark use.

First, under Article 5.1.b TMDir there are three important factors in likelihood of
confusion assessment, which are interdependent, which means that lack of one factor can
be compensated by the strength of another factor. The three factors are the distinctiveness
of a trademark, the similarity between goods and services and the similarity between the
sign used and the trademark. In section 2.4.2.2, I indicated that the distinctiveness of a
trademark takes an important role in the assessment. According to the ECJ, “marks with a
highly distinctive character, either per se or because of the recognition they possess on
the market, enjoy broader protection than marks with a less distinctive character,” which
means that “the more distinctive the earlier mark, the greater will be the likelihood
of confusion.”

While above I stressed the point that this fiction is not always true as in some
circumstances the distinctiveness of a trademark will lead to a diminished likelihood of
confusion, I want to address a different problem here. According to the ECJ,
distinctiveness, similarity between goods and services, and similarity between the signs
may compensate each other, as,

“a lesser degree of similarity between […] goods or services may be offset by a
greater degree of similarity between the marks, and vice versa.”

While the ECJ instructs courts to take account of, “[t]he fact that a [trademark] does
not contain an element descriptive of the goods or services for which it has been

Lloyd Schuhfabrik Meyer, para. 20.
72 ECJ 29 September 1998 Canon, para. 17. The ECJ specifically points to the tenth recital of the preamble of
the Trademark Directive, which states that “[i]t is indispensable to give an interpretation of the concept of
similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of
which depends on numerous elements and, in particular, on the recognition of the trade mark on the market,
of the association which can be made with the used or registered sign, of the degree of similarity between
the trade mark and the sign and between the goods or services identified, constitutes the specific condition
for such protection; whereas the ways in which likelihood of confusion may be established, and in particular
the onus of proof, are a matter for national Procedural rules which are not prejudiced by the Directive.”
registered,”73 this compensation rule may lead courts to put too little emphasis on the descriptiveness of a sign. If the sign used is very similar and the goods and services are almost identical courts may disregard the fact that a trademark is not distinctive, but rather descriptive.

An example is the case concerning the word ‘Lief’ (transl. ‘Sweet!’), one of the most common Dutch exclamations used vis-à-vis babies, which had been registered for baby clothing. A third party used the sign ‘Lief!’ on baby clothing and according to the Hof Den Haag that use was causing a likelihood of confusion.74

In my opinion, this prohibition is not justifiable under Article 10.2 ECHR, as ‘Lief!’ clearly is a descriptive term. It is not necessary in a democratic society, i.e. not justified in principle nor proportionate, to prohibit producers from selling baby clothing that indicates that a baby is sweet.

Clearly, the curial mistake in this case had been made when the sign ‘Lief’ was registered as a trademark as it should have been refused under Article 3.1.c TMDir. After registration, the trader had made substantial investments to promote the sign as a concept (though probably not as a trademark), which was important evidence for the court to hold that the trademark right was valid and that the right holder was allowed to prohibit other producers to use the same descriptive expression on baby clothing.

The likelihood for similar problems to arise is even greater in relation to composite signs, where parts of a sign are descriptive.75 I want to refer in this context to the “Kinder” chocolate examples I discussed in section 4.2.5.2 and the Goldhase case in section 4.2.2.2. In the Kinder II decision, the BGH held that despite the high distinctiveness of the composite sign “Kinder” the descriptive word Kinder must remain available for third parties to use. However, in a case concerning the golden Easter bunny, it decided that a third party selling a similar bunny, albeit without Lindt trademark, which was the main distinctive feature, did cause a likelihood of confusion.

I think that such cases show that the utmost care must be taken at the point of registration, since at a later stage it may be difficult to keep the descriptive content of a sign available.

The second matter I want to discuss are possible prohibitions of third party use in situations, in which, a few consumers are confused, whereas others receive significant information benefits. In a case of strict interpretation of the concept of indirect confusion, traders may be hindered to use trademarks in comparative advertisements such as “If you like X®, you’ll love Y”, referential use such as “Our product fits the logoX® printers” and similar descriptive uses. Such advertisements help many people to quickly associate

73 ECJ 22 June 1999 Lloyd Schuhfabrik Meyer, para. 23. The criteria were first mentioned in ECJ 4 May 1999 Windsurfing Chiemsee, para. 51.
74 Hof Den Haag 30 September 2008 ‘Lief!’.
75 ECJ 6 October 2005 (‘Life’/Thomson Life’), para. 37. “Article 5(1)(b) of First Directive 89/104 relating to trade marks is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”
qualities of product X® with product Y. Some people may however be led to believe that the company producing product X has put a new product on the market.\textsuperscript{76}

In such cases, a general prohibition to use the trademark X® in such comparative advertising may not be \textit{justifiable in principle and proportionate} as required under Article 10.2 ECHR, as it may be sufficient to require traders to use disclaimers or to structure the comparisons in a manner that avoids confusion.\textsuperscript{77}

Moreover, in situations on the Internet, where trademarks are used as ad-words or meta-tags in a manner to create comparisons between products on the result pages of search engines, some computer unsavvy consumers may be (indirectly) confused by such comparisons while for many other consumers such comparisons may be of the greatest use in searching for goods and services. In my opinion, in such situations, a third party trader should be allowed to inform consumers even if a certain level of confusion would arise, as such confusion may be often unavoidable.\textsuperscript{78}

In that context, a further cloud on the horizon may be the use of the initial interest confusion doctrine by some courts in Europe. ‘Initial interest confusion’ is a type of confusion that is accepted under U.S. trademark law. It occurs when a potential buyer is confused about the availability of a product or service before the purchase. At the point of purchase confusion may have subsided.\textsuperscript{79} A stereotypical example is the highway sign, which reads ‘Burger King next exit’ planted by another burger restaurant in order to lead customers off the highway to its doorsteps. At the point of sale, i.e. when the consumer has already arrived at the other burger restaurant and decides to eat a meal anyways, confusion no longer exists. The confusion before the point of sale has however had an impact on the purchasing decision. It helped to divert trade from Burger King to the third party.

This doctrine of initial interest confusion has not yet been accepted by the ECJ, but it has been applied by the BGH in its ‘Impulse’ decision vis-à-vis meta-tags.\textsuperscript{80} When considering the extended forms of confusion already being actionable under the TMDir and the absolute nature of protection granted under Article 5.1.a TMDir (of use that affect

\footnotesize{\textsuperscript{76} Tushnet 2007, p.749.  
\textsuperscript{77} Ibid., FN 71 “In cases in which the defendant’s use of a mark conveyed information to some consumers, the First Amendment argument for required disclaimers is strongest. In such cases, a simple injunction against use deprives the nonconfused market participants, who may well be the majority of consumers, of valuable information about the goods. Commercial speech doctrine requires the government to try a more moderate solution than total suppression. See Zauderer, 471 U.S. at 651 ( ‘[W]arning[s] or disclaimer[s] might be appropriately required. . . in order to dissipate the possibility of consumer confusion or deception.’).”
\textsuperscript{79} Initial interest confusion is a doctrine that has been developed in the jurisprudence of federal US courts. In the \textit{Velvet Elvis} case the fifth circuit found that “initial-interest confusion gives the junior user credibility during the early stages of a transaction and can possibly bar the senior user from consideration by the consumer once the confusion is dissipated […] Once in the door, the confusion has succeeded because some patrons may stay, despite realizing that the bar has no relationship with [Elvis Presley Enterprises].” U.S. District Court, S.D. Texas, Houston Division 30 December 1996, Elvis Presley Enterprises Inc. v. Capece; Blockbuster Entertainment Group v. Layco Inc., 869 F. Supp. 505.
\textsuperscript{80} BGH 18 May 2006 (‘Impuls’), „Eine Verwechslungsgefahr kann sich bereits daraus ergeben, dass die Internetnutzer, die das Firmensiegelwort der Klägerin kennen und als Suchwort eingeben, um sich über deren Angebot zu informieren, als Treffer auch auf die Leistung der Beklagten hingewiesen werden. […] Weist aber ein Treffer auf eine Internetseite der Beklagten hin, auf der diese die gleichen Leistungen anbieten wie die Klägerin, besteht die Gefahr, dass der Internetnutzer dieses Angebot aufgrund der Kurzhinweise mit dem Angebot der Klägerin verwechselt und sich näher mit ihm befasst. Dies reicht für die Annahme einer Verwechslungsgefahr aus, ohne dass es darauf ankommt, ob ein Irrtum bei einer näheren Befassung mit der Internetseite der Beklagten ausgeräumt würde.“ Furthermore Rb. v. Koophandel Brussel 6 February 2006 (Skynet/Skyblog). Geilen et al. 2007, p. 267.}
all other functions of trademarks) it is not unlikely that the ECJ would declare such use on the Internet equally to cause a form of actionable confusion.

In sum, in all of the cases mentioned in this paragraph I think that from the perspective of freedom of expression, it may be necessary to make more room for the consideration of the interests of third party traders to inform consumers and the corresponding interests of consumers to be informed, thereby considering that not all confusion can or should be forestalled.

5.3.2 FREEDOM OF NON-COMMERCIAL AND MIXED EXPRESSION

5.3.2.1 Freedom of Non-Commercial and Mixed Expression of Third Parties

The freedom of non-commercial expression of third parties may be impaired by Article 5.1 TMDir, because that freedom protects minority views, oppositional expression and expression that by some may be considered wrong, meaning that it applies even if a degree of confusion is present.

Take for instance the alteration of an ADIDAS trademark on a T-shirt bearing the slogan “ADIHASH – gives you speed,” which was held to constitute use that affects the source identifying function of the trademark. The OLG Hamburg held that, whereas the buyers of the T-shirt might not be confused about the source indicating function of the trademark, other parts of the public may get confused at a later stage, when the T-shirt is worn by the buyer,\(^81\) it applied thus the doctrine of post-sale confusion to this use.

In my opinion, in this particular case, the public interest element of the expression may have been very weak and the commercial element very strong. It was thus correct to focus on the element of confusion. However, one may imagine also other cases, in which a third party uses trademarks in or on similar or identical goods or services in order to bring across a point that is of public interest. Greenpeace, for instance, published and distributed an entire “fake” edition of the Herald Tribune in its campaign for political action on climate change. That newspaper may, on a first view, easily have been confused with the original Herald Tribune.

If a parody or alteration is clearly recognisable, a court may protect the third party use in line with Article 10 ECHR by finding that there is no likelihood of confusion, or that the essential function has not been impaired. However, if the extended forms of a likelihood of confusion such as the doctrine of initial interest confusion were to be applied, it could be used to prohibit use on expressive goods or in expressive services. For instance, several Courts in the United States have applied this doctrine of initial interest confusion and have thereby prohibited non-commercial expression.\(^82\) One court, for instance, found that the use of the domain name www.peta.org to host a ludicrous website under the title “People eating tasty animals” violated the trademark rights of the animal rights organisation “PETA” (People for the Ethical Treatment of Animals), as

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\(^81\) OLG Hamburg 5 September 1991 (‘ADIHASH – gives you speed’).
people who entered the domain name www.peta.org may have been diverted in their search for the website of the animal rights organisation.

Moreover, if the use falls under Article 5.1.a TMDir, e.g. a critical message using the Adidas logo on a t-shirt, and a court protects the “other functions” of the Adidas trademark, i.e. its advertising and goodwill function, then a prohibition may be issued.

In such situations, there is no (interpretative) limitation of trademark rights that can be invoked by a third party. Article 5.1.a TMDir is ‘absolute’ i.e. it does not contain any definition of the actionable harm and, as we shall see below, the limitations of Article 6.1 TMDir do not apply where there is a likelihood of confusion. The only choice for a court to protect such use is to resort to external balancing.

In sum, if a third party expresses criticism, comment or a parody by means of a trademark in relation to identical goods or services, courts can, under Article 5.1.a TMDir, issue a prohibition, since that Article protects also the other functions of trademarks. If a third party does the same in relation to similar goods or services, a broad understanding of a likelihood of confusion may lead to a prohibition. In both cases, the freedom of expression of a third party may be severely impaired since under Article 5.1 TMDir there is little room for balancing expressive interests and, as we shall see below, neither does Article 6.1 TMDir provide for the type of limitation that would allow balancing the expressive interest at stake.

5.3.2.2 **Interpretative Protection of Expressive Diversity**

As I laid out in sections 3.3.1, states are under a positive obligation to guarantee the conditions of expressive diversity, meaning that they must not structure trademark law in a manner that overly impairs expressive diversity. This may be the case if trademark rights are exercised in signs that carry social, political or cultural connotations in expressive goods and services. The use of such signs or name on a T-shirt may further the interests in expressive diversity of people who wear the T-shirt, in particular since people are not in the habit of making e.g. their own clothes or scarves to indicate their allegiance with or opposition to e.g. sports teams or political parties, but they nevertheless feel an urge to express themselves through their clothing and other expressive goods that they can show in public. Judge Kozinski described this phenomenon quite accurately,

“When you don a Mets shirt, your primary statement is not that you're the type of person willing to pay $30 for a sweatshirt; what you're communicating is your team loyalty, and that loyalty is not something the team owns. Having used the means and methods of advertising to inspire admiration for the home team, the Mets, I would argue, have given you a right to express that admiration in your own way, without having to pay a tribute every time you do so. This means you would have a strong claim to stencil your own Mets shirt or to make a banner praising the Mets--or burying them--to hang from your window on Central Park West. It's only a small step from there to say you ought to be able to pay someone to stencil the shirt or

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83 Expressive goods are goods that are used to carry messages, such as T-shirts, key-rings, or coffee mugs. Expressive services are services related to public discourse such media services, cultural services, or the organisation of major events like football championships. See above section 4.1.

84 See above section 3.4.2 and 4.1.
banner professionally. The other interests I've discussed would certainly also come into play, but the public's right to use the team's name, logo, and other images to express itself must be given a wide berth. With loyalty and admiration, of course, come the reverse sentiments. Having thrust itself into the public eye, the baseball team loses not only full control of the means of communication but also its content. Thus, if the home team does something the public disapproves of, there's a very strong interest in allowing such protest to be expressed through those very images—perhaps a Mets logo exploded by a firecracker.85

Trademark rights over signs of high social, cultural, or political importance in relation to expressive goods like fan-wear may thus affect not only the freedom of commercial expression of traders, but also the interest in expressive diversity of citizens as these rights may grant a single party a right to control the representation of the sign in the public sphere.

The ECJ dealt with the use of trademarks on expressive goods in the Arsenal v. Reed case, but failed entirely to recognise the expressive interests at stake. The case dealt with the sale of scarves and other merchandise bearing the logos of the Arsenal Football Club, by non-licensed supplier Matthew Reed. Reed had tried to obtain official merchandise, but could not obtain sufficient quantities from the official supplier. Consequently, Reed sold paraphernalia bearing trademarks of Arsenal, which were not produced by a licensed supplier. In his store, Reed had indicated that his products were not officially licensed merchandise.

The national court in the United Kingdom had been of the opinion that the trademarks had been used by Reed solely as a badge of support, loyalty or affiliation and not as an indication of trade origin,86 thereby indicating that the Arsenal trademarks were in fact only fulfilling the function for fans to express their support to the club and that they had not in any way been confused about the origin of the products. The national court did thus clearly weigh the expressive interests of the wearers, be it without referring to their freedom of expression.

In its judgement, the ECJ, by using the theory of post-sale confusion, found that Reed's use of the Arsenal trademark had indeed affected the essential function of the trademark, because there was,

"a clear possibility [...] that some consumers, in particular if they come across the goods after they have been sold by Mr Reed and taken away from the stall where the notice appears, may interpret the sign as designating Arsenal FC as the undertaking of origin of the goods."87

In the court's opinion, the guarantee of origin function of the Arsenal trademarks may have been affected88.

In the Arsenal case, Mr Reed itself probably did not have a strong enough claim to freedom of expression that would have set aside the trademark right of Arsenal. He sold identical gods and services bearing the Arsenal logo, and he did not express an opinion or

85 Kozinski 1993, p. 976 (citations omitted).
86 High Court, Chancery Division 6 April 2001 Arsenal Football Club plc v. Matthew Reed.
87 Ibid., para. 57.
88 Ibid., para. 58 to 61.
value judgement. Still, this case is illustrative of the more general concern of
protecting expressive diversity. In order to take account of the positive obligations under
Article 10 ECHR, it would, in my opinion, have been important that, at a very minimum,
the ECJ had weighed the interests in expressive diversity against the interests of the
trademark right holder and against the application of the doctrine of post-sale confusion.
However, unlike the national courts in the United Kingdom, the ECJ failed to take into
account any of these interests. This lack of carrying out a balancing process, where it is
implicated, may not be in line with Article 10 ECHR.

The ECJ nuanced its findings regarding the application of the doctrine of post sale
confusion of in later cases, but neither the considerations of the *Picasso v. Daimler
Chrysler AG* nor *Opel v. Autec* cases, substantially add to a protection of expressive
interests.

In the *Picasso* case,\(^89\) the ECJ found that in certain markets, such as the automobile
market, consumers would examine trademarks more carefully than in the Arsenal
situation. Consequently, post sale confusion is less likely to occur in these cases and
consumers would be unlikely to confuse the famous name Picasso with the name Picaro
for cars.\(^90\) The CFI had held that

> “the word sign PICASSO is well known as corresponding to the name of the
> famous painter Pablo Picasso is not capable of heightening the likelihood of
> confusion between the two marks for the goods concerned.”\(^91\)

The ECJ confirmed the CFI’s assessment that the distinctiveness of the trademark
Picasso did not extend to the domain of motor vehicles, as,

> “the sign PICASSO as a mark for motor vehicles may, in the perception of the
> average consumer, override the name of the painter so that that consumer,
> confronted with the sign PICASSO in the context of the goods concerned, will
> henceforth disregard the meaning of the sign as the name of the painter and
> perceive it principally as a mark, among other marks, of motor vehicles.”\(^92\)

Similarly, in the *Asterix/Starix* case the CFI held that,

> “the average consumer will more readily associate the word ‘asterix’ with the
> character in the cartoon series widely known throughout the European Union. This
> specific representation of a popular character makes it extremely unlikely that there

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\(^89\) ECJ 12 January 2006 *Picasso v. Daimler Chrysler AG.*

\(^90\) CFI 22 October 2003 *Les Éditions Albert René v. OHIM,* para. 61, “A risk of confusion presupposes that the
> signs as well as the goods and services designated are identical or similar, and the reputation of a mark is
> one factor which must be taken into account when determining whether the similarity between the signs or
> between the goods and services is sufficient to give rise to a risk of confusion […] Since, however, in the
> present case, the signs in dispute cannot in any way be regarded as identical or similar from the visual,
> phonetic or conceptual points of view, the fact that the earlier mark is widely known or enjoys an extensive
> reputation in the European Union cannot alter the overall assessment of the risk of confusion.”

\(^91\) CFI 22 June 2004 *Picasso v. Daimler Chrysler AG,* para. 61.

\(^92\) ECJ 12 January 2006 *Picasso v. Daimler Chrysler AG,* para. 11. Of influence was the finding that consumers
> will pay more attention when making a purchase in the market for automobiles.
could be any confusion in the public mind between words which are more or less similar.\textsuperscript{93}

This was confirmed in the later Obelix/Mobilix case, where the CFI stated that,

“conceptual differences can in certain circumstances counteract the visual and aural similarities between the signs concerned. For there to be such a counteraction, at least one of the signs at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately.”\textsuperscript{94}

In my opinion, these rulings concerning trademarks consisting of famous names and trademarks are of great importance, as they show that courts could cabin the extensive trademark protection for such signs by considering that signs of high social or cultural value may not be strong signs for goods and services.

However, as the ECJ specifically mentioned in the Picasso ruling, its findings concerned the automobile market, where consumers are held to display a higher level of attention. Therefore, I deem it unlikely that the same reasoning would be applied to the typical (Arsenal-style) case involving expressive goods or merchandise, where apparently signs of high social importance may well serve as functioning trademark for merchandise.

In the Opel case,\textsuperscript{95} the ECJ made some room for use of a trademark as a decoration or ornament, which could, hypothetically, allow for expressive use. It found that use of an automobile trademark, the Opel Blitz, on a toy car does not fall under Article 5.1 TMDir if the national court, as a matter of fact, established that,

“the relevant public does not perceive the sign identical to the Opel logo appearing on the scale models marketed by Autec as an indication that those products come from Adam Opel or an undertaking economically linked to it.”\textsuperscript{96}

It is, to my mind, the correct position to hold that there is no relevant harm under Article 5.1.a TMDir, if consumers are not confused. Such a position would also protect expressive diversity as it would make room for use of a sign of high political, social, or cultural importance on expressive goods, unless a (clear) likelihood of confusion is present. However, the Opel decision can probably not be applied to expressive goods or services, as in the Arsenal case, the ECJ rejected exactly such a finding. The national court deemed the use not to confused British consumers, but the court nevertheless held that under the post sale confusion, the use should be actionable.

\textsuperscript{93} CFI 22 October 2003 \textit{Les Éditions Albert René v. OHIM}, para. 58. An appeal against this judgement was dismissed on all points. ECJ 18 December 2008 \textit{Les Éditions Albert René v. OHIM}.

\textsuperscript{94} CFI 27 October 2005, \textit{Les Éditions Albert René v. OHIM}, para. Gielen concludes that trademarks consisting of the names of famous names or characters, might have a lower scope of protection. They are not considered distinctive \textit{per se} for certain goods Gielen et al. 2007, p. 269.

\textsuperscript{95} ECJ 25 January 2007 \textit{Adam Opel}. The case revolved around use of the trademark of Opel trademark on a toy replica of an Opel racing car. Opel had registered their trademark for motor vehicles as well as for toys, and the manufacturer of the toy cars had not obtained a license of Opel. The ECJ ruled that such use would normally fall under Article 5.1.a TMDir.

\textsuperscript{96} \textit{Ibid.}, para. 24.
In sum, it seems that under the current interpretation of Article 5.1 TMDir there is little room to protect to interests of expressive diversity of citizens vis-à-vis trademark rights. States are under a positive obligation to guarantee the conditions of protect expressive diversity, which would mean that these interest should at least be taken into consideration.

5.3.3 **INTERIM CONCLUSION**

In this section, I analysed the impact of Article 5.1 TMDir on, both, freedom of commercial expression and freedom of non-commercial and mixed expression.

I argued that a prohibition of confusion use is in line with freedom of commercial expression as that freedom is granted in order to inform consumers and confusing use that clearly misinforms consumers, does not serve that aim. However, as Article 5.1 TMDir stretches further than prohibiting purely confusing use I analysed elements of the scope of that Article. Article 5.1.a TMDir covers referential use, use in comparative advertising and most forms of descriptive use, which means that any balancing needs to take place under the limitations to that Article. In the assessment of the likelihood of confusion analysis I argued that courts need to take care not to protect weak and descriptive signs such as “Lief!” for baby clothing or “Kinder” for chocolate (and that should not have been refused registration). Moreover, when third party use in confuses some consumers and is of great information benefit to others, I argued that courts need to take the interest of a third party trader to inform consumers into account.

In relation to freedom of non-commercial and mixed expression, I argued that courts may need to allow uses even though they are (slightly) confusing. At present, trademark law does however not make room for balancing the expressive interest of third parties with the interests of right holders under Article 5.1 TMDir. Likewise, in trademark law as applied in practice, there is no room to consider the interests in expressive diversity of citizens that are implicated when signs of high social, cultural or political value are use in relation to expressive goods or services. Yet, in my opinion, such interests should at least be recognised and balanced with trademark rights.

5.4 **THE PROTECTION OF DISTINCTIVE CHARACTER AND REPUTE**

In the area of protection of distinctive character and reputation, the conflict with freedom of expression is the strongest as the prohibitions of taking unfair advantage, blurring, and tarnishment can severely restrict freedom of commercial expression and freedom of non-commercial expression.

Right holders invest in advertising in order to occupy with their trademarks a certain space in the mind of people. They make “every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol.”97 In this process, the

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97 U.S. Supreme Court 4 May 1942 Mishawaka Rubber.
A trademark can develop an independent value from that as indicator of origin of products. It functions as carrier of goodwill and it advertises the product or service. Right holders therefore have a strong interest to protect the value that is inherent in a trademark. Article 5.2 TMDir partly honours this interest by protecting the distinctive character and repute of trademarks ‘with a reputation,’98 by granting protection against the taking of unfair advantage or free riding, and against two forms of harm, i.e. blurring and tarnishment.

A ‘reputation’ under this provision, means that “a trademark must be known by a significant part of the public concerned by the goods and services it covers,”99 which implies that such a reputation can also exist in a niche market. The existence of a reputation is linked to mainly quantitative factors, and consequently ‘reputation’ is reduced to the simple question of how many people recognise a trademark. This, I argued, may not be a sufficiently high threshold to justify protection, as, under the rationales for trademark rights, the right to protect the distinctive character and repute of a trademark should, in my opinion, only be justified if it protected a reputation that has been clearly created by the efforts of the right holder.100

Moreover, actionable use under Article 5.2 TMDir is interpreted much wider than under Article 5.1 TMDir, i.e. it is sufficient that the relevant public establishes a link between the trademark and the sign used by the third party.101 Consequently, actionable use of trademarks with a reputation is any use in relation to goods and services, that creates an association between the trademark and the identical or similar sign.102 Finally, the definitions of harm are imprecise and the required level of proof is not always sufficiently high, as proof of actual harm or advantage is only required in some circumstances.

From the perspective of the freedom of commercial expression, Article 5.2 TMDir is problematic because of the wide interpretation of the criteria of taking advantage, blurring and tarnishment,103 which may impair efficient comparative advertising, referential use, or descriptive. Often, the most efficient information may be granted to consumers when the logos of other traders can be used in comparisons, on spare parts in order to identify their destination, or by non-licensed car dealers to advertise their goods and services. It are, however, exactly these logos that carry the highest distinctive character or repute and that will thus often be protected strongly under Article 5.2 TMDir. If the prohibitions contained in Article 5.2 TMDir are interpreted too broadly, the freedom of commercial expression third parties is at serious risk since these third parties can be hindered in informing consumers about the products they offer by comparing them with trademark with a reputation or by referring to such trademarks in order to indicate qualities of their goods or services or the destination of their goods.

98 Article 5.5 TMDir provides the option to Member States to provide even further-reaching protection to all trademarks, even outside of trade and not in relation to goods and services. Because of its exceptional character and because it has only been implemented in the Benelux, Article 5.5 TMDir will be discussed separately in section 5.5.
99 ECJ 14 September 1999 General Motors v. Yplon (‘Chevy’), para. 31.
100 See above section 2.4.3.1.
101 ECJ 23 October 2003 adidas v. Fitnessworld, para. 27.
102 AG Sharpston 26 June 2008 Intel, para. 13, “The protection thus afforded concerns less the link established between a product and its source than the use of the trade mark as a communication tool, carrying a broader marketing message.”
103 See above section 2.4.3.
Freedom of non-commercial or mixed expression stands in even stronger conflict with the protection of distinctive character and repute of trademarks with a reputation. As I indicated in section 3.5.1.2, many trademarks with a reputation like Coca Cola, Philips, Shell, or Louis Vuitton have by virtue of their distinctive character and repute surpassed the status of pure identifiers for goods, i.e. they have become public symbols that carry societal, cultural, or political connotations. The powerful meaning that trademarks have in trade and their pervasive use in advertising is exactly why they play an important role in the process of social, cultural, and political meaning making. Under Article 10.2 ECHR, it is important that such trademarks can be used in public discourse and many forms of expression that entail the use of such trademarks must be protected strongly even if it seeks attention or if it is exaggerated. Yet, under the broad definitions of taking unfair advantage, blurring, and tarnishment exactly such use that employs the level of attention inherent in trademarks or that uses them in criticism in an exaggerated manner can be prohibited.

In this section, I will therefore analyse the interpretation of the constitutive criteria of Article 5.2 TMDir in light of Article 10 ECHR. I will first revisit the criterion of use in relation to goods and services and I will examine how this criterion used to limit the prohibitions to primarily commercial use. Thereafter, I will analyse the definitions of harm under the prohibitions of taking unfair advantage, blurring, and tarnishment exactly such use that employs the level of attention inherent in trademarks or that uses them in criticism in an exaggerated manner can be prohibited.

### 5.4.1 Use in Relation to Similar and Dissimilar Goods and Services

The criterion of 'use in relation to goods and services' under Article 5.2 TMDir is interpreted in a much wider sense than the same criterion contained in Article 5.1 TMDir (i.e. use of a third part of the sign or a similar sign for his own goods or services in a manner that affects the essential function of that trademark). Since the ECJ’s 2003 ruling in *Adidas v. Fitnessworld*, the criterion of ‘use’ under Article 5.2 TMDir covers any use that creates a link or association in the mind of the relevant consumers between the trademark and the sign used by the third party, which seems to capture every use that engages the web of meanings connected to a trademark. Consequently, the current interpretation of ‘use’ under Article 5.2 TMDir applies to use on merchandise, referential use most descriptive use and comparative advertising; it does however also apply to many forms of trademark use in non-commercial or mixed expression, in e.g. parodies, satire, criticism or art.

Before the ECJ’s 2003 decision in *Adidas v. Fitnessworld*, German jurisprudence required the existence of source identifying use by the third party. This criterion was

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104 See above section 3.5.1.2.
105 ECJ 23 October 2003 *Adidas v. Fitnessworld*.
106 *ibid.*, para. 27.
107 *ibid*.
108 Dutch law did not limit the protection against free riding, blurring, and tarnishment to source identifying use since it contains an implementation of Article 5.5. TMDir, which makes ‘all other use’ actionable.
interpreted as meaning any use that a consumer may see as use to designate the goods or services of the trader. Therefore, this the criterion was much more in line with the rationales of trademark rights, as it excluded from the scope of trademark rights a number of uses in non-commercial and mixed expression that should be strongly protected under Article 10 ECHR.

As an illustration for what would happen, if Article 5.2 TMDir were restricted to source identifying use, I want to examine the relevant German jurisprudence prior to the Adidas case. I do admit that the practical chances to restrict actionable use under Article 5.2 TMDir are slim, as the extension of actionable use reflects the fact that trademarks, e.g. on the Internet, are used increasingly in manners that do not fit the old categories of use. However, this overview of jurisprudence shows how the criterion of ‘use in relation to goods and services’ did play a useful role in properly judging mixed expression and the analysis shows which chances for balancing have been lost and must now be compensated by balancing under other criteria.

5.4.1.1 Use under the Warenzeichengesetz

Under the Warenzeichengesetz, the predecessor to the Markengesetz, German courts limited the scope of trademark rights to cases in which the third party had used the trademark ‘as a trademark’. For such a source-identifying use, it was sufficient that a not unsubstantial part of the public in an ephemeral manner could assume that the trademark indicated the source of the products. The Warenzeichengesetz only protected marks against confusing third party use. Harm to the reputation of trademarks was actionable outside of trademark law through regular tort law provisions of civil law.

In cases relating to mixed expression, this led to the following application of trademark law. The use of a parodist slogan making fun of the Marlboro trademark on a calendar of a non-smoking campaign group was held not to fall under trademark law, because trademark law did only protect “trademarks in their function as indicators of origin against confusion.” In my opinion, this is an entirely correct qualification of this mixed expression as the trademarks were not used for a commercial purpose but solely to bring across the message that smoking is unhealthy and that the way cigarettes are advertised is misleading the public.

Another case of mixed expression concerned the sale of stickers with the slogan “BMW – Bumms Mal Wieder” (transl. “have sex again”) in the style of the BMW logo, which was held not to fall under the Warenzeichengesetz. In contrast, the use of an alteration of a slogan of MARS – “Mars makes you mobile for work, sex and play” (transl. “Mars makes you mobile for work, sex and play”) on condoms sold as fun articles, was...
held to constitute use as a trademark. In the MARS case, the BGH found that the use of the trademark could have been understood by consumers as part of an advertising campaign of MARS, because the condoms had been packed into matchboxes, which are commonly used as gifts by companies.\textsuperscript{114} In my opinion, this case correctly falls under the scope of trademark rights as the trademarks have been used in a mainly commercial manner and not to express a point of view that is of public interest and the trademark had been used in a manner that could be understood as use “as a trademark” for the condoms.

5.4.1.2 Use under the Markengesetz

Under the 1995 Markengesetz, the law implementing the TMDir, the requirement of a source-identifying use was continued. The Kammgericht Berlin found for instance that the use of the slogan “Toll – Alles wird Teurer” (\textit{transl.} “Great! Everything is getting more expensive”) on postcards as a parody of a slogan of Deutsche Telekom did not constitute use ‘as a trademark’.\textsuperscript{115} In this first parody case under the Markengesetz, the Court found that the new law had indeed a broadened scope, which did protect the quality, guarantee and advertising function of trademarks, next to their source identifying function. In limiting the scope only to source-identifying use, the Court however relied on Paragraph 10 of the Preamble of the Directive, which stresses that the protection of trademarks serves “to guarantee the trade mark as an indication of origin”. It further interpreted the wording ‘use … of a sign’ in § 14.2.3 MarkenG, the implementing provision of Article 5.2 TMDir, as meaning a sign indicating the origin of goods or services \textit{a contrario} to Article 5.5 TMDir, which covers “use […] other than for the purposes of distinguishing goods or services.”

In the ‘Fit for fun’ and ‘Bild dir keine Meinung’ cases, the OLG Hamburg concluded that a clearly recognisable parody on postcards did not fall under the scope of trademark law. The defendant had published and sold postcards mocking the title of a the weekly health magazine ‘fit for fun’ by using the slogan ‘fick for fun’ (\textit{transl.} ‘fuck for fun’) and the title BILD of Bildzeitung, the largest German boulevard newspaper, with the slogan ‘Bild dir keine Meinung’ (\textit{transl.} “Form no opinion”). In both cases, the OLG Hamburg found that the clear recognisability of the joke excluded any possibility that the public may view the sign to be used as a trademark.\textsuperscript{116} In a similar vein, the OLG Köln held that the use of drawing of a little person urinating onto the logo of a hunters association in the course of a campaign against hunting could not be considered use as a trademark.\textsuperscript{117}

In contrast, the use of a trademark was held to fall under the Markengesetz in the ‘Deutsche Pest’, \texttt{www.scheiss-t-online.de}, and Lila Postkarte cases. In the first case, a trader had bought an old minivan of German postal company Deutsche Post and changed

\textsuperscript{114} BGH 10 February 1994 (Markenverunglimpfung I). „Wer eine fremde Marke auf von ihm vertriebenen Scherzartikeln, die wie Werbepräsente gestaltet sind, in einer Weise (markenmäßig) anbringt, die im Verkehr den Eindruck erwecken kann, es handele sich um eine - sei es auch ungewöhnliche - Werbung des Markeninhabers für seine Erzeugnisse, verletzt das diesem nach § 15 WZG zustehende Ankündigungs- bzw. Werberecht. Eine Erschöpfung dieses Rechts tritt gegenüber einer solchen nicht funktionsgerechten, sondern mißbräuchlichen Verwendung der Marke durch einen Dritten nicht ein.”

\textsuperscript{115} Kammgericht Berlin 20 August 1996 (‘Toll – alles wird teurer’).

\textsuperscript{116} OLG Hamburg 1 April 1999 (‘fit for fun’); OLG Hamburg 4 June 1998 (‘Bild dir keine Meinung’).

\textsuperscript{117} OLG Köln 10 March 2000 (Kampagne gegen die Jagd). Furthermore no source identifying use was made in the names of the critical websites: OLG Hamburg, 18 December 2003 (‘awd-aussteiger.de’); LG Hamburg 10 June 2002 (www.stoppesso.de).
the advertising script on the van into Deutsche Pest (transl. ‘German plague’). The LG Hamburg, without much discussion, found that the trader had used the trademark in the course of his business in a source identifying manner.\footnote{LG Hamburg 27 October 1999 (‘Deutsche Pest’).} I think that this finding is not entirely understandable, as it is hard to imagine that consumers would have thought the wording “Deutsch Pest” to indicate in any of the services of the trader.

In the www.scheiss-t-online.de case, the LG Düsseldorf did not enter into any assessment of the question of trademark use, but rather simply assumed that a complaint site was using the trademark t-online in its URL address as a trademark.\footnote{LG Düsseldorf 30 January 2002 (‘scheiss-t-online.de’).} As I have indicated above in section 5.2.2, this case should have already fallen foul of the requirement of ‘use in the course of trade’ as the disgruntled consumers did not offer any goods or services on their website at all and, hence, did not use the trademark to indicate their own goods and services.

After the ECJ’s 2003 Adidas decision, which changed the requirement of ‘use in relation to goods and services’ from source identifying use to use that merely creates a link or association between the trademark and the sign used by the third party, the requirement of source identifying use was dropped for good in Germany. In the Lila Postkarte (purple postcard) case,\footnote{BGH 3 February 2005 (Lila Postkarte).} the German Bundesgerichtshof had little trouble to conclude that use of the colour purple and the sign Milka on a postcard clearly recognisable as a parody, was in fact actionable use under Article 5.2 TMDir. According to the Bundesgerichtshof, persons reading the postcard would clearly establish a mental link between the signs on the postcard and the registered trademarks of Milka. In that case, it was not relevant whether the defendant had used the sign in a manner that would cause consumers to think the postcard originated from Milka. In the words of the BGH “[e]ven if the parties in commerce recognise the colour purple and the sign ‘Milka’ as pure decoration (Produktasusstattung), they will make a mental connection between the design and the trademarks of the plaintiff because of the identical word-mark of the plaintiff and the very similar base-colour of the postcard […] The connection between the design and the trademarks of the plaintiff is in fact the essence of the joke of the postcard.”\footnote{Ibid., transl. W. Sakulin, original, “Im Streitfall kann offenbleiben, ob die angesprochenen Verkehrskreise - wie vom Berufungsgericht angenommen und von der Revision als erfahrungswidrig gerügt wird - annehmen, die in Rede stehende Postkarte stamme aus dem Unternehmen der Klägerin. Selbst wenn der Verkehr die Bezeichnung "Milka" und die violette Farbe der Postkarte als reine Produktausstattung aufäßt, wird er aufgrund der identischen Wortmarke der Klägerin und der mit ihrer Farbmarke sehr ähnlichen Grundfarbe der Postkarte der Beklagten diese Gestaltungen mit den Marken der Klägerin gedanklich verknüpfen […] Die Verbindung zwischen der Gestaltung der Postkarte und den Marken der Klägerin macht gerade den Scherz der Postkarte aus.”}

(As already indicated above, the use was finally allowed as it was protected under Article 5.3 GG, i.e. the freedom of art).

In my opinion, these cases that were rendered before the Adidas decision and that involve expressive use of trademarks in mixed expression, show that the criterion of use in relation to goods and services can serve very well as a limitation of trademark rights to the commercial sphere. It can serve to distinguish between cases that use trademarks to bring across a point of public interest (e.g. the ‘Bild dir keine Meinung’ and ‘fit for fun’
examples) from those cases that use trademarks in a more commercial manner as a trademark for the third party’s own gods or services, e.g. the Mars example. As such, this criterion helped to keep trademark rights within the sphere of trade.

Rohnke criticised the old decisions because they protect, in particular, those trademark uses that mock a trademark in the most explicit manner and that may thus harm its reputation. Only the not so clear and probably less harmful parodies are covered by German trademark law.122 In my opinion, it are however often exactly those explicit and exaggerated cases that bring across messages that are of public interest. The ‘Fick for fun’, ‘Bild dir keine Meinung’, scheiss–t-online examples, or the man urinating on the logo of the hunting federation all are expressions of opinions that, have rightly been protected strongly and it may not be necessary to make such uses subject to the prohibitions of trademark law. From the perspective of freedom of expression, it may be thus worthwhile to reconsider the interpretations of the criterion of ‘use in relation to goods and services’ and to limit it to use as a trademark. Under the current interpretation, however, the eradication of this requirement must be counterbalanced under other criteria of Article 5.2 TMDir.

5.4.2 **Taking Advantage of the Distinctive Character or Repute (Free-Riding)**

The prohibition of ‘taking advantage of the distinctive character or repute’ of a trademark with a reputation,

“covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.”123

As the analysis in section 2.4.3.3 showed, the prohibition on free-riding does not clearly define what must not be taken advantage of and what the threshold requirement of unfairness exactly means. Due to this lack of precise definition, the criterion of taking advantage could be satisfied by nothing more than the use level of attention of a trademark and the criterion of unfairness does not properly function as a threshold. Therefore, I concluded that this prohibition reaches further than what could be justified by the rationales of trademark rights.

The consequence of the far-reaching protection against free-riding is that most forms of comparative advertising, referential use and possibly even in descriptive use of a trademark may be actionable. In addition, also non-commercial or mixed expression that uses trademarks with a reputation, e.g. in parody, satire or comment, will fall under this prohibition.124 Thereby, the prohibition on free-riding may disproportionately impair the freedom of expression of third parties.

In this section, I will first assess the interpretation of the criterion of taking advantage and unfairness in relation to referential use, comparative advertising, and descriptive use,

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124 E.g. BGH 3 February 2005 (Lila Postkarte).
i.e. the freedom of commercial expression. Thereafter, I will examine whether, seen from the perspective of freedom of non-commercial expression, it is at all justifiable that the ‘taking advantage’ is actionable.

5.4.2.1 Freedom of Commercial Expression

I argued in section 2.4.3.3, that the very justification of the right to prohibit third parties to use a trademark rests upon the fact that the trademark at stake has a reputation and that third parties take unfair advantage of the particular distinctive character or repute of that trademark. If the particular ‘distinctive character’ or ‘repute’ cannot be defined properly the process of taking advantage cannot be defined properly either. In that section, I also indicated that an appropriate way of determining the criterion of taking advantage is to focus on the question whether a transfer of image has taken place, which belongs to the prohibition of taking advantage of the repute of a trademark. I also argued that the prohibition of taking advantage of the distinctive character, which is interpreted as taking advantage of the level of attention assembled by a trademark, must not be prohibited as it is something that is inherent in competition.

According to the German requirement of ‘Image transfer’, taking advantage is only actionable if consumers are likely to attribute elements of the image or personality of the particular trademark to the sign or underlying goods used by the third party. This requirement of image transfer is already part of European law as the ECJ mentioned the criterion of image transfer in its l’Oréal decision, however without explicitly limiting free-riding to such cases, and trademark use in comparative advertising is allowed also unless an unfair image transfer can be proven.

In my opinion, there are significant benefits of the use of the requirement of image transfer as opposed to the requirement of mere exploitation of the level of attention, for informative uses, that are protected by the freedom of commercial expression.

The ‘Duplo’ case of the OLG Hamburg provides an excellent example of an assessment involving considerations relating to image transfer. In this case, the producer of chocolate waffles sold under the trademark ‘Duplo’ brought a lawsuit against a producer of razor heads using the trademark ‘Duplo’. In its assessment, the Court considered that a precondition for an infringement by taking unfair advantage is that an image-transfer between the products had taken place. In the words of the OLG,

“this means that consumers must have reason to believe that the products of the two parties can be measured by the same standards and that they consequently believe

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121 ‘Image transfer’ is a requirement under German law in relation to the prohibition of taking advantage of the repute. Fezer 2001, p. 830.
122 Ströbele and Hacker mention image transfer only in relation to taking advantage of the repute. In the case where a third party user takes advantage of the distinctiveness the pure exploitation of the level of attention (‘Aufmerksamkeitsausbeutung’) does suffice. Ströbele & Hacker 2006, p. 727 and 729.
123 ECJ 18 June 2009 l’Oréal et al. v. Bellure et. al., para. 41, “cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.” (underline added).
124 See below section 5.5.2.2.
that what is valid for the one product will apply without question to the other product.”

The elements of the repute must thus be transferable and an actual transfer must have taken place. With regard to the Duplo trademark the court concluded that the qualities ascribed to the chocolate waffle – charm, modern style, attractiveness or juvenile appeal – are pure ‘associations of ideas’ (“Ideenverbindungen”), which, taken by themselves, are rather meaningless and cannot be transferred to the razor heads. Although the Court admitted that the razor heads may be described by similar qualities to those used in connection to the chocolate waffle, it concluded that it is impossible to attribute these qualities of the chocolate waffles to the razor heads. The qualities of the chocolate waffles and those of the razor heads belong to entirely different contexts. In the opinion of the Court,

“reasonably, no one will think that a razor is of a high quality because it carries the same trademark than a chocolate waffle.”

The important point, in my view, is that the elements need to be transferable, meaning that there must be a real or associative proximity between the goods and services at stake. In German jurisprudence image transfer has been found present between Whiskey and luxury cars, Whiskey and male cosmetics, smoking articles and clothing articles or bags, but not it was found to lack in the case of cigarettes and travel services, or pet-food and information services for education.

In relation to freedom of commercial expression, there are two significant benefits of the use of the requirement of image transfer. First, descriptive use will not fall under the scope of the prohibition of free-riding, if the third party uses merely the descriptive meaning of a sign. As the OLG Hamburg stated in the Duplo decision,

“a sign does not take advantage of the distinctiveness of a senior mark, […] if the choice for the trademark can easily be explained by its descriptive content and no connection is made to the senior mark.”

According to the Court, the sign ‘duplo’ is of Latin origin and is part of the core of numerous words in German language. It will therefore be understood in its ordinary meaning which is ‘double’.

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129 OLG Hamburg 18 September 2003 (Duplo), (transl. W. Sakulin), original, “Das heißt, der Verkehr muß Anhaltspunkte dafür haben, daß die Produkte der Parteien mit gleichem Maße gemessen werden können und deshalb das, was für das eine gilt, ohne weiteres auch für das andere angenommen darf.”

130 Ibid., “Bestimmte Qualitäten, die die Klägerin ihrer Nougatwaffel zuschreibt, mögen vielleicht als Bewertung gerechtfertigt sein, und Rasierklingen mögen sich mit den gleichen Qualitäten beschreiben lassen. Es ist aber für jedermann erkennbar, daß diese Bewertungen nicht nach den gleichen Maßstäben gewonnen sein können, nach denen man solche Eigenschaften bei Naßrasierern und Rasierklingen bejaht.”

131 Ibid.


133 Ibid. See also AG Sharpston 26 June 2008 Intel, para. 62, mentioning a hypothetical example of Coca Cola jewellery.

134 OLG Hamburg 18 September 2003 (Duplo), „Ein Zeichen nutzt auch nicht die Unterscheidungskraft einer älteren Marke aus, wenn der mit ihr erzielte ‘Kommunikationsvorsprung’ sich nicht erzielen läßt, weil sich die Wahl der Marke zwanglos mit ihrem beschreibenden Anklang erklärt läßt und gar kein Bezug zur Angriffsmarke hergestellt wird.”
In similar vain, the BGH found in the *Camel Tours* case, which was decided under unfair competition law, that consumers would not think of the “Camel” trademark for cigarettes in relation third party use of the sign “Camel Tours” for travel services. They rather would think of a tour with a camel in the orient. Hence, the repute of the Camel trademark had not been exploited.\(^{135}\)

A second benefit of the application of a requirement of image transfer is that use in meta-tags or ad-words, which remains wholly invisible to consumers may also fall outside of the prohibition. Such use may be of great help in creating comparisons in the result pages of search engines, which can produce great information benefits for consumers. The OLG Köln, in a case concerning invisible use of ad-words, for instance concluded that the lack of source identifying use of the ad-word excluded that possibility of image-transfer.\(^{136}\)

However, the limitation of the prohibition on free-riding to cases of image transfer will not provide a sufficient safeguard of the use of trademarks in comparative advertising, referential use or descriptive use of the type of “Our product uses the X® standard”, as such use typically involves comparable and complementary goods or services and parts of the image may thus be easily transferred.

In order to appropriately balance the freedom of commercial expression against the trademark rights in such cases, the criteria of unfairness and due cause and the limitations of Article 6 TMDir must be fully applied. I will return to this balancing in section 5.5.2.2.

5.4.2.2 Freedom of Non-Commercial and Mixed Expression

From the perspective of freedom of non-commercial expression, the biggest problem with the current interpretation of free-riding is that in particular the prohibition of taking advantage of the distinctiveness, covers forms of advantage which are inherent in regular public discourse. Following the position that the mere exploitation of the level of attention attached to a trademark is actionable, satires, parodies, and even criticism that benefits in a positive or negative manner from the level of attention given to a trademark would be covered. According to German doctrine, for instance, trademark parodies take advantage of the distinctiveness of a trademark due to a ‘contrasting effect’,\(^{137}\) as was the case when an artist used the trademarks of chocolate manufacturer Milka on a humorous postcard.\(^{138}\) In the words of the BGH, “the humorous character that the defendant wants to create with its postcard can only be achieved because the relevant consumers recognise the reference to the trademarks of the plaintiff […] In doing this the defendant is exploiting the

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\(^{135}\) BGH 2 April 1987 (Camel Tours).


\(^{137}\) Ströbele & Hacker 2006, § 14 no. 173, citing BGH 10 February 1994 (Markenverunglimpfung I); BGH 19 October 1994 (Markenverunglimpfung II).

\(^{138}\) BGH 3 February 2005 (Lila Postkarte).
particular level of attention, which can be produced by the association of a sign with the well-known trademark.\textsuperscript{139}

From the perspective of freedom of expression, this is a slightly perplexing type of prohibition, as it runs counter to one of the most basic principles of Article 10.2 ECHR, i.e. that the higher the public interest in expression, the less impairments of freedom of expression are tolerable. Using the ‘level of attention’ of trademarks is inevitable, when the political, cultural, or societal meanings of such signs is addressed. In fact, in art, criticism, parody, or satire, and any sort of expression that is of public interest, it are exactly the predominant ideas and symbols which justify a large freedom of expression. As the German Bundesverfassungsgericht rightly put it in 1968,

“It is the very purpose of every expression that adds to the forming of opinions to seek attention. Also strong forms of expression must be tolerated because today’s society is oversaturated with impressions.”\textsuperscript{140}

In the same vain, the public symbols theory that I advanced above pleads for a strong freedom of expression if expression using public symbols is of public interest.\textsuperscript{141}

In my opinion, the application of a prohibition of taking advantage of the level of attention inherent in a trademark goes much further than necessary in a democratic society to consider the use of trademarks in parodies, criticism, or art as actionable free-riding under Article 5.2 TMDir.

In this context, the application of the requirement of image transfer could also be of assistance in setting a justifiable scope of the prohibition of free-riding with regard to freedom of non-commercial expression, be it that the possibility of further balancing must be kept open. I think that in most cases no transferrable elements of the repute will be transferred to a third party that uses a trademark in a parody or criticism since there exists a crucial difference between taking advantage in commercial manner and taking advantage of a level of attention in the non-commercial expression. There will be little proximity between the goods or services involved, the context of use may be wholly different, in artistic use and parody, the elements of the image are rather transformed than exploited, and even in criticism, no elements of the image are transferred. When Greenpeace, for instance, campaigns against the environmental policies of Esso by using the sign E$$O on campaign material, it does not try to transfer the image of Esso to itself; it rather tries to influence the public’s opinion about the environmental impact of the products of Esso.\textsuperscript{142}

The requirement of image transfer would also help to correctly judge the element of free-riding in commercial parodies, like ‘Adihash’ on a T-shirt,\textsuperscript{143} or the slogan ‘Mars
macht mobil bei Arbeit, Sport und Spiel’ (transl. ‘Mars makes you mobile for work, sports and play’) into ‘Mars macht mobil, bei Sex-Sport und Spiel’ (transl. ‘Mars makes you mobile for sex, sports and play’ used on condoms (be it that these case concern both free-riding and tarnishment).144 If the goods are very close and the parody is not as such clearly addressing a non-commercial (social or political) issue, a transfer of image may be possible. That is most likely the case if the goods are identical and the element of parody only takes a minor role. However, as the BVerfG confirmed in its Benetton decisions,145 even in a completely commercial advertising, a message that is of public interest can be expressed and such expression would deserve strong protection. Therefore, I think that in such cases of commercial parodies, the freedom of expression of the third party needs to be carefully weighed against the interests of the trademark right holder under the criteria of unfairness or due cause.146

Where commercial parodies do not clearly exploit an image, but still clearly cause a degree of harm the prohibition of tarnishment offers sufficient protection to trademark right holders and it is not necessary in a democratic society to prohibit trademark use in excess of these prohibitions.

5.4.3 DETRIMENT TO THE DISTINCTIVE CHARACTER OR REPUTE (BLURRING AND TARNISHMENT)

According to the ECJ, detriment to the distinctive character or blurring is caused,

“when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.”147

It protects thus the ‘hold upon the public’s’ mind or unique position (German “Alleinstellung”)148 of trademarks against interferences, by locking down a single and fixed meaning of the sign. Any use in trade of the same or a similar sign that negatively affects the unique position in people’s minds may be actionable. Thereby, it may stretch further than a justification under Lockeian labour rationale could reach and it may significantly impair freedom of action of third parties including their freedom of expression.

Detriment to the repute or tarnishment refers to the harm that is caused,

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145 BVerfG 12 December 2000 (Benetton I); BVerfG 11 March 2003 (Benetton II); for a discussion of the cases see above section 3.5.3.

146 This balancing will be discussed below in section 5.5.

147 ECJ 27 November 2008 Intel, para. 29 and 76. AG Jacobs 10 July 2003 Adidas v. Fitnessworld, para. 37, “The essence of dilution in this classic sense is that the blurring of the distinctiveness of the mark means that it is no longer capable of arousing immediate association with the goods for which it is registered and used.”

“when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”149

The prohibition of tarnishment grants trademark right holders a right to prohibit third party uses of their trademark that would create negative, harmful and even unwanted associations. This right may equally stretch further than what can be justified by the rationales. Armed with this right, trademark right holders can interfere with the freedom of expression of third party traders who engage in referential use on e.g. spare parts or who use the trademark in comparative advertising. They can likewise interfere with the freedom of expression of third parties to use trademarks in art, criticism, satire or parodies.

Similar to the previous section I will first assess in how far the prohibitions of blurring and tarnishment impart freedom of commercial expression, i.e. referential use, descriptive use, and comparative advertising. Thereafter, I will assess whether and in how far it is justifiable to apply these prohibitions to non-commercial and mixed expression.

### 5.4.3.1 Freedom of Commercial Expression

In typical cases of blurring, freedom of commercial expression may not feature prominently, as the use of the Rolls Royce trademark on a BBQ is not providing information to consumers. However, the prohibition of blurring may interfere with the freedom of commercial expression of third party traders, if it is applied to descriptive signs or signs that have a generic meaning and may thus transmit information to consumers. In relation to descriptive signs, I think that similar considerations as mentioned in relation to free-riding should apply. If a descriptive sign like DUPLO, registered for chocolate waffles, is used for razor heads, it is unlikely that the distinctiveness of that first sign is harmed as the associations made by consumers will relate to the descriptive content of the sign and not to the trademark.150 Incidentally, this may mean that the requirement of a mental link had not been satisfied.

Where a sign has a generic meaning and the use of that sign may contribute to blurring it, courts will need to enter in a balancing process to determine whether the interest of the third party to inform consumers outweighs the interest of the trademark right holder not to be harmed. In this respect, as I indicated in section 2.4.3.4, it is important that the requirement of proof of harm is sufficiently high as it may be essential to use trademarks descriptively in commercial expression despite a small risk of diminishing the distinctiveness of a trademark, e.g. in a case where a doctor uses the name of the drug of a market leader in order to inform a pharmacist to issue an identical generic drug.151

The harm in tarnishment may be more evident than harm in free-riding or blurring and the prohibition of real denigration or discrediting use of a trademark through referential

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150 OLG Hamburg 18 September 2003 (Duplo).

use, descriptive use, or comparative advertising is in accordance with Article 10.2 ECHR. In many instances, it will be clear that a certain type of use negatively affects the repute of a trademark. Typical examples are the use of a similar sign to gin on detergent,\textsuperscript{152} the use of a cosmetic, peppermint or chocolate bar trademark on condoms,\textsuperscript{153} the use of luxury perfume trademarks in cheap looking advertising folders,\textsuperscript{154} or humorous, yet denigrating, use in comparative advertising.\textsuperscript{155}

Nevertheless, also in the case of tarnishment one must demand that the harm is proven properly.\textsuperscript{156} The simple allegation that a certain use will affect the power of attraction of trademark cannot be sufficient to interfere with the freedom of expression of third parties.

\textbf{5.4.3.2 Freedom of Non-Commercial and Mixed Expression}

In relation to the protection of the distinctive character, similar considerations apply as those discussed in the previous sub-section in relation to free-riding. The ‘hold upon the public’s mind’ of a trademark might be something that can be protected against harm in pure commercial communication. In public discourse however, right holders cannot reserve a space in peoples’ minds. It is one of the most basic principles of the protection under Article 10 ECHR, that 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 through the hold of a trademark on the public’s mind.

In my opinion, the prohibition of blurring may cause disproportionate impairments of the freedom of non-commercial or mixed expression, if it prohibits the use of descriptive meanings of signs such as “Allianz”. The trademark Allianz enjoys great distinctiveness in Germany for insurance services, but it also is the German equivalent of the term alliance and therefore it is not proportionate to prohibit e.g. a hip-hop band from using the term Allianz as their band name.\textsuperscript{157}

Problems may furthermore arise, where a word has gained a new social, cultural or political meaning. Third party use of trademarks in a generic sense e.g. use of words such as ‘disneyisation’ to indicate a certain building style, ‘cocacolaisation’ to indicate the Americanisation of culture, or the use of the ‘Mc’ prefix to indicate cheap and fast solutions, should be allowed. I think that, it is not justifiable under Article 10 ECHR to forbid third parties from using such newly developed meanings, e.g. in dictionaries or other publications even though such use may blur the trademark. In this context, one should also consider that, according to the rationales of trademark rights, such new meanings do not belong to the trademark right holder, but rather to the public at large.\textsuperscript{158} A prohibition may be justifiable, if a third party uses the trademark commercially “as a trademark”.

\textsuperscript{152} BenCJ 1 March 1975 (Claeryn/Klarein).
\textsuperscript{153} BGH 10 February 1994 (Markenverunglimpfung I); BGH 19 October 1994 (Markenverunglimpfung II); Rb. Leeuwarden 6 March 1996 (King pepermunt).
\textsuperscript{155} Hof Arnhem 20 March 2007 (UPC/KPN); See also cases decided under unfair competition law: Vzr. Rb. Arnhem 26 April 2007 (GSK/Pronova); Hof Arnhem 19 November 2002 (Specsavers/Fielmann); Rb. Amsterdam 13 January 2005 (McDonalds/Burger King).
\textsuperscript{156} See above section 2.4.3.5.
\textsuperscript{157} OLG München 25 November 1999 (‘Die Allianz’); see below section 5.5.3.2.
\textsuperscript{158} See above section 2.3.3.2.
The prohibition of tarnishment may run entirely counter to the idea of a dialogic public debate. It protects a trademark against negative and unwanted associations, i.e. in a monologic manner, but parodies, satire, comment, criticism and art are often aimed at creating transformative, negative and thus unwanted associations, and exactly in this respect, they often be strongly protected by Article 10 ECHR. Therefore, also in relation to the prohibition of tarnishment, I think that it may be necessary to define the concept of harm differently when it comes to public discourse. Since defining clear-cut concepts of repute is quite difficult, I will confine myself here to mention two examples that should not be considered to constitute relevant harm.

First, it is for instance quite incomprehensible that the District Court Amsterdam found in the Greenpeace v the Netherlands case, that the use of a trademarked government logo in an environmental campaign could harm the repute of that trademark.\textsuperscript{159} The repute of that trademark, could consist of nothing more than the representation of a government policy. The expression of an opposing viewpoint, using that mark without ridicule should not be considered to constitute relevant harm. It would be incompatible with the freedom of expression if factual and true expression that is merely critical of government policies could be seen to cause a sort of actionable harm.

Second, also the fact that criticism may put a layer of negative or unwanted associations over imaginary parts of the image or power of attractiveness of a trademark should not be considered actionable harm.

Where a party uses a trademark in a sort of communication that purely strives for commercial profit the nature of the repute is its commercial magnetism or attractiveness. This magnetism consists of an accumulation of partly verifiable, partly non-verifiable, and purely positive associations that make the trademark appealing or may give it a sort of personality. The image of the Coca Cola trademark, for instance, in addition to the customer satisfaction, consists of attributes such as youthfulness, playfulness, or sexiness, which are not verifiable, which create a powerful illusion in order to increase the sales of the product. Since this image consists, for a large part, of non-verifiable and imaginary positive associations, it may easily be affected by negative associations. One may deem it justified to protect this image against commercial parties who use the sign in relation to inferior goods,\textsuperscript{160} use luxury trademarks in a manner to create associations of cheapness.\textsuperscript{161} However, in public discourse it is not defensible to protect this kind of repute solely because it is cannot withstand incompatible associations. Such frailness cannot be held against to a third party user, especially when trademarks have gained a social, cultural or political role.

I think that, with the exception of the case where a third party attacks the image without any reason what so ever, it is not necessary nor proportionate under Article 10.2 ECHR to create a right that makes actionable the expression of views as soon as they are affecting the positive perception of a trademark or its (political) hold upon the public’s mind.

\textsuperscript{159} Rb. Amsterdam 22 December 2006 The Netherlands v. Greenpeace.
\textsuperscript{160} ECJ 17 March 2005 Gillette, paras. 47 and 48.
\textsuperscript{161} ECJ 4 November 1997 Dior v. Evora.
In addition to defining harm differently when government policies or imaginary qualities are involved, it may be necessary, under Article 10 ECHR, to require a sufficiently high probability of harm for the prohibition of tarnishment. In relation to non-commercial expression, only if the views expressed are exaggerated, drastic or otherwise clearly harm the repute of the sign, it should be necessary to enter into an ad hoc balancing process.

5.4.4 ARTICLE 5.5 TMDir AND THE BVIE

In section 2.4.3.6, I concluded that Article 5.5 TMDir does not fit the rationales for trademark protection in any manner. The rationale for the protection of the distinctive character and repute of trademarks lies in the fact that a mark has gained a reputation. As AG Jacobs stated,

"it is only where there is a sufficient degree of knowledge of the mark that the public, when confronted by the sign, may possibly make a connection between the two and that the mark may consequently be damaged."

Article 5.5 TMDir does however protect all trademarks, and not just trademarks with a reputation. From the perspective of freedom of expression, Article 5.5 TMDir is the provision with the clearest potential for conflict with freedom of expression. All constitutive criteria that could provide for a balancing with freedom of expression are eliminated from that provision. Article 5.5 TMDir extends trademark rights to all acts outside of trade, it covers ‘use other than for the purposes of distinguishing goods and services’, and it protects all trademarks and not just trademarks with a reputation.

In fact, Article 5.5 TMDir is an odd provision within European trademark law. It has been added to the Trademark Directive on the initiative of the Benelux countries. During the negotiations of the Trademark Directive other countries made clear that they did not want such a provision to become a mandatory part of the Directive. The optional Article 5.5 TMDir is the resulting compromise, which has subsequently only been implemented by the Benelux countries in its entirety. Previously a similar provision was part of the Benelux Trademark Act, Article 13 A2 Benelux Trademark Act, which contained the criterion of ‘use in the course of trade’. Curiously, Article 5.5 TMDir does not contain this criterion of ‘use in the course of trade’.

Initially, the Benelux Trademark Act, which implemented Article 5.5. TMDir, maintained the previously existing requirement that Article 2.20.1.d BVIE, then Article 13A.1.d Benelux Trademark Act, extended only to ‘use in the course of trade’. This criterion was dropped by an amendment in 2001 in favour of a verbatim implementation

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162 Ibid., para. 49.
163 It reads, “Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”
164 Tsoutsanis 2006, p. 75.
165 Ibid.
166 § 16 of the German Markengesetz obliges the publishers of lexical works to indicate that a term is a registered trademark. It is also based on Article 5.5 TMDir.
of Article 5.5 TMDir.\textsuperscript{167} The rationale for deleting the criterion of ‘use in the course of trade’, which provides such a vital perimeter for the scope of trademark rights, in the 2001 amendment is not entirely convincing.\textsuperscript{168} According to the Benelux legislators, the amendment was made necessary because the ECJ, in the in \textit{Puma v. Sabel} judgment, had pointed out a misinterpretation of the Directive by the Belenux legislators in respect of the prohibition of confusing.\textsuperscript{169} The Explanatory Memorandum indicates that the Benelux legislators therefore chose for a verbatim implementation of the prohibition of confusing use. The Memorandum further indicates that the same motivation has led the Benelux legislators to adopt a verbatim implementation of the optional Article 5.5 of the Trademark Directive in Article 13A.1.d and thus to drop the ‘use in the course of trade’ requirement.\textsuperscript{170}

In my opinion, this is a meagre justification for the abandonment of this vital criterion. The Benelux legislators extended trademark rights to the heart of public debate and artistic expression. When a legislator extends rights in such a manner, it is obliged under Article 10 ECHR, to provide a thorough justification, but such considerations are absent from the Explanatory Memorandum. Moreover, since the ECJ’s \textit{Robeco v. Robelco} decision, it is clear that the implementation of Article 5.5 TMDir is a matter of purely internal legislative choice.\textsuperscript{171} It is an optional provision that is not part of harmonised EU law and therefore remains, subject to only national or Benelux jurisdiction. Accordingly, the members of the Benelux Union had thus in no way been forced by the supra-national TMDir to strike the vital ‘use in the course of trade’ criterion from Article 13A.1.d BTA (Article 2.20.1.d BVIE). The 2001 amendment thus contained a voluntary abandonment of the ‘use in the course of trade’ criterion that reinforced and broadened the rights of trademark right holders at the expense of the freedom of expression of others.

Not surprisingly, jurisprudence under the implementing Article 2.20.1.d BVIE shows a tendency to produce decisions that are difficult to reconcile with Article 10 ECHR. The provision has been used to prohibit: a song about a fad involving furry mascots sold in support of the Dutch soccer team;\textsuperscript{172} the expression of non-commercial political activists like Milieudefensie protesting high level of pesticide on fruit in a particular super market chain;\textsuperscript{173} use by a disgruntled student of Hoogeschool InHolland complaining about the

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\item \textsuperscript{167} Explanatory Memorandum to the Protocol Amending of the Benelux Trademark Act, 2001, “Ook de overige onderdelen van lid 1 sluiten in de herziene redactie beter aan bij de tekst van artikel 5 van de Richtlijn. Relevant verschil in onderdeel d is dat niet langer de eis wordt gesteld dat het gebruik van het teken in het economisch verkeer plaatsvindt. Voorts hebben de onderdelen c en d een marginaal wijziging ondergaan. Het betreft de verwijdering van het woord ‘kan’ in de zinsneden ‘kan worden getrokken’ en ‘kan worden gedaan’, conform artikel 5, lid 5, van de richtlijn.”
\item \textsuperscript{168} The special position of Benelux trademark law and Article 2.20.1.d BVIE will be discussed in more detail in section 5.3.5 below. We shall turn here to the interpretation of the ‘use in the course of trade’ criterion in Benelux jurisprudence.
\item \textsuperscript{169} ECJ 11 November 1997 \textit{Puma v. Sabel}, paras. 22 to 26
\item \textsuperscript{170} Explanatory Memorandum to the Uniform Benelux Trademark Act, 2001, p. 10 “Ook de overige onderdelen van lid 1 sluiten in de herziene redactie beter aan bij de tekst van artikel 5 van de richtlijn. Relevant verschil in onderdeel d is dat niet langer de eis wordt gesteld dat het gebruik van het teken in het economisch verkeer plaatsvindt. Voorts hebben de onderdelen c en d een marginaal wijziging ondergaan. Het betreft de verwijdering van het woord “kan” in de zinsneden “kan worden getrokken” en “kan worden gedaan”, conform artikel 5, lid 5, van de richtlijn.”
\item \textsuperscript{171} ECJ, 21 December 2002, \textit{Robeco v. Robelco}. Tsoutsanis 2003.
\item \textsuperscript{172} Rb. Den Bos 21 July 2006 \textit{Interall BV v. Johan Vleminx}.
\item \textsuperscript{173} Rb. Amsterdam 6 January 2005 \textit{Milieudefensie v. Super De Boer}.
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bad quality of education;\textsuperscript{174} use in order to influence political opinion about voting for a particular election.\textsuperscript{175} It has also been invoke, but no prohibition was granted, against a campaign of a trade union.\textsuperscript{176} Although, in recent judgements, some courts started to weigh Article 2.20.1.d BVIE against Article 10 ECHR,\textsuperscript{177} the sort of right granted under Article 2.20.1.d BVIE extends the sphere of influence of trademark right holders so far into the heart of political expression, public interest expression and art, that is causes significant chilling effects.\textsuperscript{178}

I think that in light of this disproportionate impairment of freedom of expression, Benelux legislators should consider to amend Article 2.20.1.d BVIE or, possibly, to entirely abolish it. First, as just stated it is not in line with the foundations of trademark law to extend trademark rights to action outside the scope of trade, i.e. there is no rational basis to extend the heightened protection of trademarks to trademarks without a reputation.

Second, although such an amendment would be best implemented at the European level, directly in the TMDir, the implementation of Article 5.5 TMDir is fully at the discretion of the Benelux legislators.

Third, I do believe that the consequences of an eventual abolishment would be minimal. Most use of trademarks \textit{with a reputation} in trade would fall under Article 5.2 TMDir (Article 2.20.1.c BVIE). That Article, at least in some respects, is in accordance with the rationales for trademark rights, as it applies only to trademarks with a reputation. Moreover, Article 5.1.a TMDir (Article 2.20.1.a BVIE) may cover uses such as use as a trade name or use in comparative advertising or uses on the internet, which have been traditionally dealt with under Article 2.20.1.d BVIE.

And fourth, even though trademark right holders may complain of a violation of their right to peaceful enjoyment of their property under Article 1 of the 1\textsuperscript{st} Additional Protocol to the ECHR if the provision of Article 2.20.1.d BVIE is abolished, such an impairment is fully justified as it serves to safeguard the convention rights of others, i.e. Article 10 ECHR and possibly also the property rights of others that are equally protected under Article 1 of the 1\textsuperscript{st} Additional Protocol.

Absent the amendment of the BVIE, it is crucial that the limitations to Article 2.20.1.d BVIE (i.e. the criteria of unfairness and due cause) are interpreted very broadly in order to counterbalance the overbroad protection. This will, however, not easily take away the chilling effects caused by this provision.

5.4.5 \textbf{INTERIM CONCLUSION}

In this section, I have built on the analysis of section 2.4.3, and I have examined a number of criteria that are relevant in the definition of Article 5.2 TMDir, i.e. the criteria of ‘use in relation to similar and dissimilar goods and services’, and the criteria of taking advantage of the distinctive character or repute (or free-riding), ‘detriment to the distinctive character (or blurring) and detriment to the repute (or tarnishment).

\footnotesize{\textsuperscript{174} Rb. ‘s-Gravenhage 21 June 2005 \textit{InHolland v. Kaasjager.}}

\footnotesize{\textsuperscript{175} Rb. ‘s Gravenhage 27 April 2005 \textit{Stemwijzer v. Referendumstemwijzer.}}

\footnotesize{\textsuperscript{176} Rb Zwolle, 2 June 2008, \textit{CNV v. Aldi.}}

\footnotesize{\textsuperscript{177} E.g. Rb Amsterdam 22 December 2006 \textit{The Netherlands v. Greenpeace}; Court Hof ‘s Gravenhage 13 September 2007 \textit{Rede v. Netscape} (‘Netschaap’).

\textsuperscript{178} See Van Manen 1997; Vos & Van den Berg 2003.}
In relation to the criterion of ‘use in relation to goods and services’ I analysed the German jurisprudence before the Adidas case, which interpreted the criterion as requiring third party use as a source identification. While I argued that that the practical chances to restrict actionable use under Article 5.2 TMDir to such an interpretation are slim, the analysis of the jurisprudence showed that the criterion of ‘use in relation to goods and services’ did play a useful role in properly judging mixed expression, by limiting trademark rights to the commercial sphere. It served to distinguish between cases that use trademarks to bring across a point of public interest from those cases in which trademarks were used in a more commercial manner as a source identifier for the third party’s own gods or services. Thereby, this criterion helped to keep trademark rights within the sphere of trade.

In relation to the prohibition of taking unfair advantage, I have proposed a requirement of image-transfer may help to limit the scope of Article 5.2 TMDir in a manner that does not go further than necessary in a democratic society. This would mean that the category of ‘taking advantage of the distinctive character’, which is interpreted as ‘taking advantage of the level of attention’ or, in German, ‘Aufmerksamkeitsausbeutung’ should not be applied at all as such prohibitions are not necessary in a democratic society. They interfere unduly with the freedom of expression of third party traders to inform consumers, as they apply to many forms of referential use, comparative advertising and even to descriptive use and in such use, taking advantage of the level of attention is an inherent feature of any sort of competition. Where an image is transferred, as may be the case in comparative advertising, referential use and some descriptive use, I argued that careful balancing must take place under the criterion of unfairness.

Most importantly, however, the existence of a level of attention inherent in a trademark may exactly be the reason why strong freedom of expression may be granted to third party trademark use in non-commercial expression. It is one of the most basic principles of freedom of expression that the higher the public interest in expression is, the less impairments of freedom of expression are tolerable. Therefore, I concluded, 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, and, consequently, that use must be balanced against the interests of the trademark right holder under the criteria of unfairness and due cause.

The prohibition of blurring and tarnishment can both be justifiable limitations to the freedom of commercial expression, if the level of harm and proof thereof is sufficiently high. Care should be taken where signs are used descriptively to inform consumers or where the use, which causes tarnishment, would provide vital information to consumers.

In public discourse, the prohibition of blurring is more problematic, as right holders cannot reserve a space in peoples’ minds. It is one of the most basic principles of the protection under Article 10 ECHR, that 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 through the hold of a trademark on the public’s mind. Therefore, the prohibition of blurring should not be applied, where people use trademarks in an expressively generic sense, i.e. when they have gained a new expressive meaning, or it must be clearly counterbalanced.
Also the harm in tarnishment must be sufficiently high and it may have to be defined differently in relation to trademark use non-commercial and mixed expression. As a definition of repute and harm thereof is difficult, I mentioned specifically two areas, which in my opinion, should not be considered relevant harm. First, this are the imaginary parts of the image such as associations of youthfulness and playfulness of Coca-Cola; second, this is harm to the “repute” of trademarks protecting government policies, as such policies always need to be rigorously discussed.

Finally, in section 5.4.4, I discussed Article 5.5 TMDir, which has only been interpreted in its entirety in Article 2.20.1.d BVIE. The scope of that provision is extremely far-reaching as it covers all use of trademarks even outside of trade, i.e. in art, politics, news and other publications, comedy, all sorts of parody and the like. Not surprisingly, it provides significant chilling effects. Moreover, as I argued 2.4.3.6, the provision is not justified under any of the rationales for trademark law. In light of the disproportionate impairment of Article 10 ECHR cause by Article 2.20.1.d BVIE, I argued that Benelux legislators should consider to amend Article 2.20.1.d BVIE or to entirely abolish it.

5.5 BALANCING UNDER THE LIMITATIONS TO THE SCOPE

After having examined the possibilities for interpreting various constitutive criteria of Article 5 TMDir in line with Article 10 ECHR, I will now turn to the interpretation of the limitations to that Article. The relevant limitations that I want to discuss are Article 6.1.b and c TMDir allowing descriptive use and referential use as well as the Comparative Advertising Directive, which allows for trademark use in comparative advertising if all the conditions contained in Article 4 of that Directive are met. That latter directive does not only provide an additional limitation, but it also can provide a model of how to interpret the other limitations of trademark law. Furthermore, the criteria of unfairness and due cause play an important role when balancing the prohibitions of Article 5.2 TMDir with freedom of expression.

As I set out in section 2.2.4, in following the BGH, I will assume that Article 6.1 TMDir plays no separate role vis-à-vis the criteria of unfairness and due cause. In this respect, I also want to remind the reader of the respective position of the criteria of unfairness and due cause. These criteria exist simultaneously in Article 5.2 TMDir and there are differing views as to the roles played by each of these criteria. AG Mengozzi proposed a restrictive interpretation, according to which the criterion of unfairness can only play a role in relation to taking unfair advantage. Due cause comes only into play if it is relied upon by a third party and proven. If due cause can be shown in relation to taking advantage, a court must then proceed to assess whether the third party use is unfair.

180 AG 10 February 2009 l’Oréal et al. v. Bellure et. al., para. 106.
181 Ibid., para. 109.
In contrast, in the German language version of the TMDir the criterion of unfairness plays a far greater role, as it applies to all the prohibitions mentioned in Article 5.2 TMDir. The criterion of due cause is viewed as covering specific rights of third parties such as freedom of expression.\textsuperscript{182}

Under Dutch law, unfairness is seen to play only a role vis-à-vis the prohibition of taking unfair advantage. The main criterion that covers the rights of third parties and thus their freedom of expression is that of due cause; it has also been suggested that freedom of expression could be balanced with trademark rights under the criterion of unfairness.\textsuperscript{183}

For the purposes of the analysis in this section, I will keep to the English language version of the directive, thereby relying on the criterion of due cause for balancing the prohibitions of blurring, tarnishment and free riding, and using the criterion of unfairness only in relation to free-riding. I do however keep in mind that there is a subtle but not unimportant difference between the criteria of unfairness and due cause. First, form a procedural perspective unfairness needs to be proven by the right holder whereas due cause must be demonstrated by the third party. Due cause is thus a more restrictive criterion. Second, due cause can be interpreted in an extremely limited manner such as to mean that only third party use that is absolutely necessary would be justified. Unfairness lies at the other end of the spectrum, requiring only that unfair conduct must be prohibited and all other use should be free.

In section 5.5.1, I set out by rejecting an often-applied approach, i.e. that third party use should be allowed, if the third party had no alternative means of expression at his or her disposal. In section 5.5.2, I will discuss how the interests of traders to inform consumers may be weighted against trademark rights under the criteria of Article 6 TMDir, unfairness, due cause and the under the CompAdvDir. In section 5.5.3, I will analyse the balancing of interests that are protected by the freedom of non-commercial expression with trademark rights. Special attention is given to the assessment of the commerciality of the trademark use, to the use of descriptive and newly evolved meanings, to use of symbolic or layered meaning of trademarks in meaning-making, and to the question of appropriate balancing of harmful non-commercial or mixed expression with harm that may be caused.

5.5.1 \textbf{REJECTION OF AN ‘ALTERNATIVE MEANS OF EXPRESSION’ OR NECESSITY TEST}

When two rights conflict and need to be weighed against each other it is often required that that restrictions placed by one right on the other is proportionate. This is the case under Article 10.2 ECHR as well as under the right to peaceful enjoyment of property that is protected under Article 1 1\textsuperscript{st} AP ECHR, which also protects trademark rights. The strictest form of a proportionality test is the requirement that the restriction must be the least invasive means to realise the interests of the opposing party. In trademark jurisprudence, this is required under Article 6.1.b TMDir, which allows for referential use only in case of necessity and some courts have interpreted the criterion of due cause as requiring that a third party may use a trademark only if there is an insurmountable necessity for such use, which is not the case if the third party had an alternative means to express him or herself.\textsuperscript{184}

\textsuperscript{182} Stöbele & Hacker 2006, § 14, no. 186.
\textsuperscript{183} T. Cohen Jehoram, Van Nispen & Huydecooper 2008, p. 357.
\textsuperscript{184} E.g. BenCJ 1 March 1975 ‘Claueryn/Klarein’.
The application of such an ‘alternative means’ or necessity test will always play a role in a balancing process. However, in my opinion, if it becomes the only decisive consideration, it would be evidence of an unjustified bias of the law and of courts to protect the interests of trademark right holders at the detriment of third parties. Moreover, it is important to realise that in the face of Article 10.2 ECHR, which requires that restrictions on freedom of expression necessary in a democratic society and are proportionate, such a requirement of necessity from the side of trademark law is flawed if no other consideration can overrule the requirement of necessity (e.g. that such use is important to consumers or that it is of great public interest). In such a case, the necessity or alternative means test would completely reverse the proportionality test contained in Article 10.2 ECHR.

5.5.1.1 The Necessity Test for Referential Use and Due Cause

Referential use of a trademark under Article 6.1.c TMDir is permitted “where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.” According to the ECJ,

“Use of the trade mark by a third party who is not its owner is necessary in order to indicate the intended purpose of a product marketed by that third party where such use in practice constitutes the only means of providing the public with comprehensible and complete information on that intended purpose in order to preserve the undistorted system of competition in the market for that product.”

Such a necessity must be deemed present e.g. “if an independent trader carries out the maintenance and repair of BMW cars or is in fact a specialist in that field, that fact cannot in practice be communicated to his customers without using the BMW mark.” In Dutch doctrine, it has been argued that this requirement of necessity must be interpreted strictly and that e.g. the use of logos in referential use, where it is not strictly necessary, should be prohibited.

In relation to the criterion of due cause under Article 5.2 TMDir, an alternative means test has been expressed by the Benelux Court of Justice in the Klarijn/Claerijn case, which dealt with the use of the sign ‘Klarijn’ for a detergent. The sign was phonetically very similar to the sign ‘Claerijn’ that had been registered and used as a trademark for gin. The national court found that the use of the sign ‘Klarijn’ on the detergent was harming the distinctive character and repute of the trademark, because consumers may associate the taste of soap with the liquor. This may affect the drawing power of the trademark for gin.

In its preliminary ruling, the BenCJ gave a very restrictive interpretation of due cause, holding that trademark use by a third party only qualifies as ‘due cause’ when

“such a necessity exists for the third party to use exactly that sign that it cannot reasonably expected of him to refrain from using the sign.”

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186 ECJ 23 February 1999 BMW, para.40.
188 See BenCJ 1 March 1975 ‘Claeryn/Klarein’.
189 BenCJ 1 March 1975 ‘Claeryn/Klarein’.
In short, third party use is only permissible if a third party user can establish an *insurmountable necessity* to use a similar sign. This strict test has been consistently applied by courts until recently, be it that Dutch doctrine indicates that only elements of the *Claerijn* decision are still valid and that the final interpretation of the criterion of due cause has to be made by the ECJ.190

5.5.1.2 **Article 10.2 ECHR**

Above I stated that an alternative means or necessity test can contravene Article 10.2 ECHR. The ECtHR has, however, in its jurisprudence under Article 10.2 ECHR, accepted an ‘alternative means tests’ in one case where rights in tangible property conflicted with freedom of expression. Therefore, I deem it necessary to elaborate on that particular situation and to explain why such a test must not become decisive in a conflict between trademark rights and freedom of expression.

The case before the ECtHR, *Appleby and others v. The United Kingdom*, concerned a stereotypical example of a conflict between freedom of expression and property rights.191 A proprietor of a shopping mall prohibited picketers to demonstrate inside a shopping mall. In that case, the ECtHR, in following the U.S. Supreme Court in an almost identical case, held that the prohibition to demonstrate within a mall was proportionate, because there were ample other opportunities to demonstrate outside of the mall.192 Such a prohibition can only be proportionate in the specific circumstances of the tangible property context. An analogy between the protection of tangible property and that of trademark rights would be flawed because trademark rights have a substantially different character than property rights, i.e. they are more limited than rights in tangible property. Rights in tangible protect the exclusive use of one particular identifiable good, whereas trademark rights do not protect trademarks per se, but only certain functions that are fulfilled by trademarks, i.e. the source identifying function, the quality function and the advertising function.193 In addition, the expansion of the criteria under Article 5 TMDir means that an increasingly flexible balancing process between trademark rights and the rights of others, such as freedom of expression must be provided under the limitations.194 Moreover, real property, like a shopping mall, is limited in its geographical location. When protesters are barred from such a physical forum, ample other forums may still remain for free expression. Trademarks in contrast are signs that can carry a specific meaning. Many logos carry unique characteristics, such as instant recognition, or multiple layers of meaning. Especially ‘trademarks with a reputation’ under Article 5.2 TMDir may often carry a unique meaning. It is precisely when a trademark has a high reputation or is uniqueness that being forced to refrain from using that mark may present no adequate alternative.

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191 ECtHR 6 May 2003 *Appleby and Others v. The United Kingdom*.
a. Freedom of Commercial Expression

From the perspective of freedom of commercial expression, a model for a better approach towards such third party use can be found in the CompAdvDir. The Preamble of that Directive clearly indicates that consumer interests must be given a decisive role in the balancing process between the interests of the advertiser and the interest of the trader whose goods or services are compared. It sets out that it may be,

“indispensable, in order to make comparative advertising effective, to identify the goods or services of a competitor, making reference to a trade mark or trade name of which the latter is the proprietor […] Such use of another's trade mark, trade name or other distinguishing marks does not breach this exclusive right in cases where it complies with the conditions laid down by this Directive, the intended target being solely to distinguish between them and thus to highlight differences objectively.”195

Moreover, the conditions of the comparative advertising directive must be interpreted “in the sense most favourable to [comparative advertising].”196 It specifically stated that,

“According to the second recital of the preamble to Directive 97/55, comparative advertising will help demonstrate objectively the merits of the various comparable products and thus stimulate competition between suppliers of goods and services to the consumer's advantage.”197

An alternative means test would leave no room for such consideration, as it does not fit the type of trademark protection that must leave room for the consideration of the interests of consumers. The flipside of this interest of consumers, is the right of a trader to inform consumers, which is protected under Article 10.2 ECHR. In my opinion, therefore, the approach taken by the ComAdvDir is much more in line with Article 10 ECHR and when referential use under Article 6.1.c TMDir is considered, due consideration should also be given to the right of a third party trader to inform consumers.

b. Freedom of Non-Commercial and Mixed Expression

In relation freedom of non-commercial expression, Article 10 ECHR must be given even stronger weight, as it protects not just the bare minimum of expression but also fierce, offensive and strong expression.198 That holds in particular true if expression on matters of public interest is at stake, if the symbol at stake is a 'public symbol', or if the expression can be qualified as art.199 Standard German jurisprudence accepts that expression may validly seek to be provocative or exaggerated. The rationale behind this consideration is that in today’s society are flooded with impressions ('Reizüberflutung'),

198 ECtHR 7 December 1976 Handyside v. The United Kingdom, para. 49;
199 ECtHR 8 July 1986 Lingens v. Austria; ECtHR 1 July 1997 Oberschlick v. Austria, para. 38. (calling a politician an idiot in public); ECtHR 20 May 1999 Bladet Tromsø and Stensaas, para. 59.
200 See above section 3.5.1.
therefore the creation of a high level of attention may be necessary to effectively communicate a message.\textsuperscript{200}

The use of alternative means test in relation to trademark use in non-commercial expression can lead to overly restrictive results,\textsuperscript{201} as one of the elementary parts of the expression lies often in the choice of the trademark itself. As Lee puts it,

“In cases where the medium is the message, any inquiry into alternatives rests on the false perception that messages can be surgically separated from their media. Alternative means of communication, such as words, often lack the communicative power of symbolic actions such as flag burning. Additionally, the theoretical availability of alternative media is of little value to those who lack the skill or resources to use those media.”\textsuperscript{202}

I therefore think that if courts want to secure any meaningful protection of freedom of expression, they must thus not satisfy themselves with assessing, whether alternative manners of expression are feasible.

\begin{figure}[h]
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\includegraphics[width=0.5\textwidth]{daily_mirror_page.jpg}
\caption{Title page of the Daily Mirror, January 6 2003}
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200 BVerfG 6 November 1968 (GEMA), p. 286, „Da es der Sinn jeder zur Meinungsbildung beitragenden öffentlichen Äußerung ist, Aufmerksamkeit zu erregen, sind angesichts der heutigen Reizüberflutung aller Art einprägsame, auch starke Formulierungen hinzunehmen.“
202 Lee 1991, p. 451; see also Dreyfuss 1990.
\end{flushright}
A good example of such effective communication is the satirical use of the trademarks of major oil companies on the front-page of the Daily Mirror shortly before the 2003 U.S. led invasion of Iraq. The use of these trademarks was certainly not necessary to bring across the message that George Bush sole aim with the invasion may have been to gain control over Iraqi oil reserves. The manner in which this front-page was designed does however leave a much stronger impression than a message that would have been conveyed without using the marks. It is not necessary in a democratic society to prohibit the use of trademarks in this situation.  

5.5.1.3 **Interim Conclusion**  

In sum, the restriction of third party use of trademarks to cases, in which a third party can show an insurmountable necessity, is far too restrictive, as it does not allow for an adequate balancing with Article 10 ECHR, but completely reverses the proportionality test under Article 10.2 ECHR. Under that Article the impairment of freedom of expression (i.e. the particular exercise of a trademark right) must either be based on a pressing social need and go no further than necessary (non-commercial expression), or it must be justifiable in principle and proportionate (commercial expression).  

In my opinion, the question whether the user has alternative means to inform consumers or to express himself should thus, while sometimes being a decisive consideration, never be the only decisive consideration, because it does not leave adequate room for the consideration of the interest of a third party user, the interests of consumers, or that of the general public.

5.5.2 **Balancing with Freedom of Commercial Expression**  

In the following paragraphs, I will to examine the interpretation of the limitations to trademark rights provided by Article 6.1 TMDir and the CompAdvDir and I will analyse whether this interpretation is in accordance with the freedom of commercial expression under Article 10.2 ECHR.

The limitations of Article 6.1.b and c TMDir, allowing descriptive use and referential use, and the CompAdvDir, allowing for trademark use in comparative advertising provide vital room for balancing trademark rights with the interests of third parties. A possibly problematic fact with regard to these limitations to Article 5.1 TMDir is that they are themselves subject to limitations. Article 6.1 TMDir will not apply if the descriptive use or referential use is not “in accordance with honest practices in industrial

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203 A Dutch court has, for instance, applied the alternative means test to prohibit use of logo’s in stead of word marks in Rb. Amsterdam 6 January 2005 *Milieudefensie v. Super De Boer*, “Niet noodzakelijk is echter dat Milieudefensie daarbij het logo van Super de Boer gebruikt, omdat ook zonder gebruik van het logo door het gebruik van de naam Super de Boer duidelijk is dat het dat bedrijf betreft. Het – onnodige – gebruik van het logo heeft ook bij uitstek het gevolg dat afbreuk wordt gedaan aan de reputatie van het merk. Dit leidt tot de conclusie dat in beginsel deze vordering toewijsbaar is voor zover het gebruik van het logo (= beeldmerk) van Super de Boer betreft.”

204 Article 6.1.b and c are stating, “The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade […] (b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production (c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts […] provided he uses them in accordance with honest practices in industrial or commercial matters.”
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or commercial matters.” This is interpreted as a “duty to act fairly in relation to the legitimate interests of the trade mark owner,” which is only fulfilled if the use,
(a) does not create the “impression that there is a commercial connection between the third party and the trade mark owner”;
(b) does not take an unfair advantage of the distinctive character or repute of the trademark,
(c) does not discredit or denigrate the mark, or
(d) does not present the third party products as an imitation.

Similarly, under the CompAdvDir third party trademark use is only allowed if it fulfills a number of criteria, the most relevant being,
(a) that the advertisement must not be confusing,
(b) that is must not discredit or denigrate a trademark, or
(c) that it must not take unfair advantage of the reputation of a trademark and
(d) that it must not present the goods as an imitation.

In relation to Article 5.1.a TMDir, this means that courts need to carry out a balancing process with respect to referential use, descriptive use, and use in comparative advertising whereby they need to consider all of these criteria. In relation to Article 5.1.b TMDir, the fact that none of the limitations apply if the third party use causes a likelihood of confusion including if it causes consumers to perceive that there is a commercial connection between the signs use and the trademark. This means that there is no effective limitation to the prohibition of confusing use, and, consequently, all the more attention should be paid to the problems I indicated above.

In relation to Article 5.2 and 5.5 TMDir, the criteria that limit the limitations have to be taken account of when the third party use is balanced under the criteria of due cause and unfairness.

In the following paragraphs, I will examine the balancing in cases of identity protection and confusion, balancing in relation to free-riding and, in particular, the interpretation of the criterion of unfairness, balancing of the prohibition of blurring and balancing with tarnishment.

5.5.2.1 Confusion

a. Descriptive Use

The limitation allowing for descriptive use must be understood in the context of Article 3.1.c TMDir, the ground for refusal of descriptiveness. In section 4.2.2, I explained that Article 3.1.c TMDir must be interpreted in line with the public interest to

206 ECJ 23 February 1999 BMW, para. 51 and 53.
207 ECJ 17 March 2005 Gillette, para. 49. This interpretation of the criterion of honest practices must be understood in light of the fact that that Article seeks, “to reconcile the fundamental interests of trade mark protection with those of free movement of goods and freedom to provide services in the common market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the Treaty seeks to establish and maintain.” ECJ 23 February 1999 BMW, para. 62.
208 Article 4 of Directive 2006/114/EC.
209 See section 5.3.1.1.
keep trademarks available for all other traders. The same need also exists after rights have been granted, as descriptive meanings of signs must be kept available to make sure that free competition is not hampered and the freedom of commercial expression is not overly impaired. To that effect, Article 6.1.b,

“seeks to ensure that all economic operators have the opportunity to use descriptive indications.”

According to the ECJ, this means that the use of descriptive indications must remain available to them, i.e. Article 6.1.b TMDir entails ‘a requirement of availability’. This requirement closely resembles the interest protected by freedom of commercial expression of third party traders, i.e. to use trademarks in order to inform consumers.

For third party use to fall under the limitation of Article 6.1.b TMDir, the use,

“must [...] relate to one of the characteristics of the goods marketed or the service provided by that third party,”

This similar to Article 3.1.c TMDir, where a sign is only held to be descriptive if it directly describes characteristics of goods and services. There, I concluded that in order to achieve an adequate balance with freedom of commercial expression, that provision should cover not just directly, but also indirectly descriptive use, by which I mean use that describes circumstances surrounding the goods such as their effect, or their customer circles. In my opinion, the same conclusion can be drawn with respect to Article 6.1.b TMDir. If a sign like “Lief” (transl. “sweet”) is registered for baby clothing or the sign “Kinder” is registered for chocolate, the requirement to keep such signs available to third parties even after registration persists as “Lief” is the most common exclamation with respect to a Baby and “Kinder” simply describes the customer circles of chocolate.

As indicated in section 5.3.1.2, the underlying problem is often that too many descriptive terms are in fact registered as trademarks. Such registrations can clearly create a negative impact upon freedom of commercial expression of third parties, if the limitations to trademark rights do not adequately keep that descriptive content accessible. In this respect, I agree with the concerns raised by AG Colomer in his opinion in the Marca II case, where he stated that,

“I also venture to propose that it is not even necessary to interpret Article 6 restrictively merely because it is a provision which limits rights, namely the ones conferred by Article 5 of the Directive. What is exceptional in that case is that it is

210 ECJ 10 April 2008 Adidas v. Marca II, paras. 45 and 46.
211 ECJ 10 April 2008 Adidas v. Marca II, para. 46, “Specifically, Article 6(1)(b) of the Directive seeks to ensure that all economic operators have the opportunity to use descriptive indications. As noted by the Advocate General in points 75 and 78 of his Opinion, that provision therefore gives expression to the requirement of availability.”
212 Ibid., para 47; ECJ 4 May 1999 Windsurfing Chiemsee, para. 28.
213 See above section 4.2.2.1.
214 See section 5.3.1.2.
215 On partly descriptive signs e.g. BGH 15 January 2004 (CD-Fix). See also Dinwoodie 2007 arguing for the adoption of linguistic concepts in trademark law. E.g. on p. 15 “the divide in linguistics between “use” and “mention” or “reference” might be really helpful as we begin to develop an understanding of the types of use that should be permitted; our current legal vocabulary is very unhelpful.”
216 See section 4.2.2.
possible to hold a mark which, under a strict application of the criteria, would be available for everyone. The fact that the mark has subsequently been monopolised, because it is part of a complex sign or in error, cannot be invoked to the detriment of other economic operators who seek freely to use such descriptive indications, or to the detriment of the other group of individuals affected by the provision, in other words consumers, who seek transparent, truthful information which is exactly what those indications generally provide.”.  

From the viewpoint of freedom of expression, it seems that it is not necessary in a democratic society that trademark rights are granted in weak or descriptive signs, as such signs may not function properly as trademarks and the rights granted in them may severely impair the freedom of third parties to inform consumers. Consequently, if trademark registrations over descriptive signs that are wrongly granted, it would be important that courts use the limitation of Article 6.1.b TMDir to counteract the negative effects of trademark rights in descriptive signs.

Interestingly, Article 6.1.b TMDir may provide a partial limitation to the prohibition of confusing use. According to the ECJ,

“[t]he mere fact that there exists a likelihood of aural confusion between a word mark registered in one Member State and an indication of geographical origin from another Member State is […] insufficient to conclude that the use of that indication in the course of trade is not in accordance with honest practices. In a Community of 15 Member States, with great linguistic diversity, the chance that there exists some phonetic similarity between a trade mark registered in one Member State and an indication of geographical origin from another Member State is already substantial and will be even greater after the impending enlargement.”

Moreover, the BGH held in its CD-Fix decision, that third party trademark use would be against honest practices in the absence of a Freihaltebedürfnis and where there is no need of a third party to use a sign. A contrario, this may mean that if there is a Freihaltebedürfnis (or a need for availability), i.e. if a sign is clearly descriptive, and there is a demonstrable need to use the sign, a limitation of Article 5.1.b TMDir may be possible. In my opinion, such an interpretation lays the right focus on the need to keep signs free, which is particular great if signs are clearly descriptive.

Finally, when considering the question, whether descriptive use is in line with honest practices, i.e. whether a commercial connection is implied by the use made of a trademark by a third party, it is important that courts do not assume such a connection to exists when only a minority of consumers assumes such a connection.

218 ECJ 7 January 2004 Gerolsteiner Brunnen, para. 25.
219 BGH 15 January 2004 (CD-Fix) „Von den Beklagten ist auch nicht dargelegt, daß sie auf eine Benutzung des Zeichens zur Beschreibung ihrer Waren angewiesen sind und keine andere (abgewandelte) Bezeichnung wählen können, die aus dem Schutzbereich des § 14 Abs. 2 Nr. 2 MarkenG herausführt. In einem solchen Fall ist die markenmäßige Verwendung des Kollisionszeichens im Verwechslungsbereich mit der Klägermarke regelmäßig unlauter.”
b. Referential Use and Comparative Advertising

As I argued in section 5.5.1.2, the requirement that referential use is only allowed if referential use is necessary, may be too restrictive when viewed from the perspective of freedom of commercial expression. Indeed, even if such use is not strictly necessary, e.g. the use of logos to indicate the resale of goods where the use of the word mark would indicate the same, consumers may derive great benefits from receiving the information in the form of logos, as in many contexts the use of logos is much clearer to consumers than the use of word marks. In this respect, one may think of logos used on the Internet to indicate the destination of goods or logos used as click buttons in product comparison lists. A restriction of such use, given that no clear confusion or clearly unfair advantage is taken, may not be in line with Article 10 ECHR.

It would be more in line with Article 10 ECHR if courts interpreted Article 6.1.c TMDir similar to the CompAdvDir, which lays a strong focus on the consideration of the interests of consumers, and it instructs courts to interpret comparative advertisements in the most favourable manner.

5.5.2.2 Taking Unfair Advantage (Free-Riding)

As stated above, trademark use in comparative advertising, referential use, and descriptive use is not lawful if it gives the public “a false impression of the relationship between the advertiser and the trade mark owner,” as such use may be deemed to constitute the taking of unfair advantage of or being detrimental to the distinctive character or repute of a trademark. In this paragraph, I will specifically examine the balancing under the CompAdvDir, as it provides, in my opinion, a model for the balancing process under the limitations of trademark law.

Comparative advertising must not take unfair advantage of the reputation of a trademark and according to the ECJ, use in comparative advertising is permissible even if it takes a certain advantage of a trademark, as,

“[a]n advertiser cannot be considered as taking unfair advantage of the reputation attached to distinguishing marks of his competitor if effective competition on the relevant market is conditional upon a reference to those marks.”

In fact, the ECJ seems to require that the taking of an unfair advantage is dependent on an image transfer between the signs of the competitor and the sign of the advertiser. In the opinion of the Court, comparative advertising,

“enables him to take unfair advantage of the reputation attached to those marks only if the effect of the reference to them is to create, in the mind of the persons at whom the advertising is directed, an association between the manufacturer whose

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220 See the following section.
221 See above section 5.5.1.2. ECJ 8 April 2003, Pippig v. Hartlauer, para. 83, “it is important to note that, according to the 15th recital in the preamble to Directive 97/55, use of another’s trade mark, trade name or other distinguishing marks does not breach that exclusive right in cases where it complies with the conditions laid down by the directive.” See also Kabel 2003b.
products are identified and the competing supplier, in that those persons associate the reputation of the manufacturer's products with the products of the competing supplier.”

As I argued above, the requirement of transfer of a specific part of the image is preferable from the perspective of freedom of commercial expression. However, this requirement is not sufficient to provide enough space for comparative advertising or referential use and descriptive use of the type of “Our product employs the X® standard”. In the case of the advertisement stating ‘if you like product X®, you will love product Y’ a transfer of product characteristics and consequently a transfer of reputation may take place. In fact, this transfer may even be desirable, as, for the consumer, it is precisely this transfer of qualitative elements from the one product to the other, which delivers the benefit in information. The same applies to the use of a trademark of original ink cartridges of a well-known producer of printers in relation to replacement cartridges of an unknown producer, when they are of roughly equal in quality. Such use is truthful and, not misleading, but consumers may be induced to transfer part of the reputation of the well-known trademark to that of the unknown producer’s products. Such a transfer is however inherent in the comparison, in referential use, or in descriptive use.

Where the comparison is truthful and not misleading, I think that a certain transfer of reputation should not be regarded as unfair. Rather, proof by the plaintiff of an additional criterion of unfairness remains essential, otherwise the freedom of expression of a third party trader to inform consumers may be impaired too severely. The ECJ took a similar position in the context of referential use, where it held that,

“the mere fact that the reseller derives an advantage from using the trade mark in that advertisements for the sale of goods covered by the mark, which are in other respects honest and fair, lend an aura of quality to his own business does not constitute a legitimate reason within the meaning of Article 7(2) of the directive.”

Similarly, AG Tizzano opined that,

“indication of the brand name of a competitor’s products is not contrary to Article 3a(1)(g) [of the Directive on Comparative advertising] where such indication is justified by the objective requirement to identify the competitor’s products and highlight the qualities of the products that are being advertised (if necessary by a direct comparison between them) and that its sole aim is not therefore to take advantage of the reputation of the trade mark, trade name or other distinguishing marks of a competitor.”

226 See aslo ECJ 17 March 2005 Gillette, para. 49.
227 Note also the discussion of the ethical and fairness based rationales in section 2.3.3, which showed that the criterion of unfairness means that a company deserves nothing more with its investments in trademarks and other investments than a fair shot at fair but possibly harsh competition. Taking advantage of a trademark or reducing a mark’s market share are regular forms of fair competition. They are not per se unfair. Third party use should thus only be prohibited above a certain threshold of unfairness.
228 ECJ 23 February 1999 BMW, para 53.
I entirely agree with these two statements, as also from the perspective of freedom of expression it would be better if the taking of advantage of the reputation of a trademark would only be considered unfair, if such advantage was the sole aim of the third party trader. Without such a substantiated threshold criterion of unfairness too many forms of comparative advertising, referential use of descriptive use may be prohibited. Moreover, consumers may be deprived of gain vital information that could be provided by third party use.

In this context, I deem the interpretation of unfairness give in the ECJ's l’Oréal case as too restrictive, since it does not substantiate the criterion of unfairness, but rather states that an unfair advantage is taken when a third party rides,

“on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark.”

This definition does not set a high enough threshold of unfairness and thus may lead to an interpretation that is conflicting with third party freedom of expression.

Rather, the approach taken by the CompAdvDir is preferable. Under that Directive,

“the benefit of comparative advertising to consumers must necessarily be taken into account when determining whether an advertiser is taking unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor.”

A comparison of the goods of an unknown producer with that of the market leader may thus not be regarded as unfair per se. In such cases, the transfer of a portion of reputation may occur, but the interest of the trademark right holder in the protection of the mark may be outweighed by the information benefits that occur to the consumers.

In my opinion, this interpretation, which makes room for balancing the interests of right holders, third party users, and consumers, seems fully in line with the aims of freedom of commercial expression, as this freedom is granted to a trader in order to inform consumers. The CompAdvDir has thus added vital breathing space to the TMDir in respect of comparative advertising. It would be fully in line with freedom of commercial expression to introduce similar considerations in the balancing process in relation to referential use and descriptive use under the TMDir.

### 5.5.2.3 Blurring and Generic Use

In section 5.4.3.1, I mentioned that a prohibition of clear blurring may be in line with freedom of commercial expression, but that care must be taken when signs are use in a descriptive or generic manner. Here, I want to address one specific conflict between generic use and the prohibition of blurring, i.e. the use of the name of a drug by a doctor in order to inform a pharmacist which type of drug to provide to a consumer.

230 See above section 2.3.2.3.
231 See above section 2.4.3.3.
232 ECJ 23 February 2006 Siemens v. Vipa, para. 24; see also Kabel 2006.
In the Dutch *Tanderil* case, a doctor was held liable for trademark right infringement exactly because he had issued a prescription that had instructed a pharmacist to issue a drug like Ciba Geigy’s Tanderil. The national court found that such use of the trademark ‘Tanderil’ by the doctor was blurring that mark. The doctor’s claim that his freedom of expression would be violated by honouring Ciba Geigy’s trademark claim was rejected both by the national courts and by the European Commission on Human Rights. The Hof Den Haag rejected the argument based on Article 10 ECHR, because, in its view, the Doctor had not substantiated what kind of information benefit the trademark use had provided to the consumers.234

The European Commission on Human Rights found the case not to be admissible. It examined whether the interference complained of was ‘proportionate to the legitimate aim pursued’ and whether the reasons adduced by the national authorities to justify it [were] ‘relevant and sufficient’, but found no violation of Article 10 ECHR. It deemed the restriction proportionate because the doctor could have used an alternative manner to achieve the aim of reducing medical costs. He could have phrased

“medical prescriptions in such a way that the rights of trade mark owners are respected, namely by the mere use of generic names in medical prescriptions.”

In my opinion, this restriction does not seem proportionate under Article 10.2 ECHR. First, as set out above the alternative means of expression test accepted by the ECommHR is flawed because it reverses the actual proportionality test under Article 10.2 ECHR. The proportionality test under Article 10.2 ECHR must assess whether the impairment of the expression did not go further than necessary to achieve the stated aim. The alternative means test used by the ECommHR, however, assesses whether the impairment of the trademark right had been as minimal as possible, i.e. the freedom is not impaired when there is any other way of to express oneself.235

Second, in balancing the interests at stake the court could have considered that the harm caused to the distinctive character of the trademark may have been small. In the case of prescription drugs the end users, who actually take the drugs, are no ‘consumers’ in the ordinary sense and they do not decide themselves, which drugs to purchase. Rather the economic decision is taken by the doctor and the pharmacist, both of which can clearly distinguish between the original and the generic drug. In their professional minds, the distinctive character of the trademark may thus not be affected.


236 See above section 5.5.1.
Third, and most importantly from the perspective of freedom of expression, the national Courts as well as the ECommHR neglected that the use made of the trademark by the doctor carried significant information benefits. Drug producers in most cases enjoy a patent protection term of 20 years, in which no other producer is allowed to sell a generic version of the same drug. After these 20 years, the trademarked name of the drug will often have burned itself into the mind of doctors and pharmacists. Use of the trademark on a doctor’s prescription can efficiently and without much risk of confusion inform a pharmacist of the kind of drug to issue. Issuing the generic drug can in turn help to save costs in a sector that is plagued by soaring costs.

Therefore, considering the diminished possibility for harm in the particular case and the information benefits that the particular trademark use can enable, it was not justifiable in principle and proportionate to prohibit the generic use of the trademark on the prescription.

In my opinion, this case is exemplary for the need to give proper weight to consumer (or recipient) interests in a manner similar to that proposed by the CompAdvDir, if third party use is descriptive or referential and only a small risk of blurring exists.

5.5.2.4 Tarnishment, Discrediting Use, and Denigration

As regards the prohibition of tarnishment, I argued above that the prohibition of real denigration or discrediting use of a trademark through referential use, descriptive use, or comparative advertising is in accordance with Article 10.2 ECHR. A prohibition because of tarnishment is warranted, for instance, if a comparison is made with goods of clearly inferior quality in a manner that creates the untrue impression of equal quality. Such a comparison may both cause harm to the repute of the trademark and it may mislead consumers as to the real qualities of the replacement. Consequently, a prohibition of this advertisement is justified under Article 10.2 ECHR, because misleading commercial expression falls foul of freedom of commercial expression.

However, I think that care should be taken not to prohibit truthful information or comparisons. Where third party use is truthful and non-misleading, but causes clear harm, a careful balancing process should be carried out.

To mention just one example, price comparison can automatically shed a slightly negative light on the competitor, because an advertiser will always try to make his products look more appealing and favourable than those of the competitor. As long as the statements made are truthful and not misleading, that effect of reducing the appeal of the other trader’s goods and services and its trademarks is however an unavoidable element of price comparisons. Since truthful price comparisons provide vital information to consumers, prohibitions may not be justifiable under Article 10.2 ECHR. One may require, as the CompAdvDir does, that a comparison must be objective and about comparable characteristics. This requirement must however not be overstretched, as it is not justifiable under Article 10.2 ECHR to demand from an advertiser to compare all

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237 See section 5.4.3.1; Hof Arnhem 20 March 2007 (UPC/KPN); Vzr. Rb. Arnhem 26 April 2007 (GSK/Pronova); Hof Arnhem 19 November 2002 (Specsavers/Fielmann); Rb. Amsterdam 13 January 2005 (McDonalds/Burger King).
238 ECJ 8 April 2003, Pippig v. Hartlauer, para. 84.
239 Article 4.b and c CompAdvDir.
characteristics of goods in a price comparison. According to the ECtHR, such a requirement impairs “the very essence of price comparison” and is thus not necessary in a democratic society. In my opinion, similar considerations should apply to referential use and descriptive use.

A further type of third party use that my need balancing is use, in particular in comparative advertising, which pokes fun at the competitor in a manner that may tarnish that competitor’s mark. Courts may consider that humour makes it less likely that harm is actually caused. However, if that trader is otherwise allowed to publish a comparative advertisement, but merely prohibited from making a humorous statement that causes harm to the trademark right holder, the freedom of commercial expression of the trader may, not be disproportionately impaired. In this respect, I think that freedom of expression only comes strongly into play, if the advertisement is also of public interest in a manner that heightened protection would apply.

5.5.2.5 Interim Conclusion to Freedom of Commercial Expression

In this section, I analysed the balancing of trademark rights with freedom of commercial expression under the limitations of Article 6.1 TMDir, the criteria of unfairness and due cause contained in Article 5.2 and 5.5. TMDir and the Comparative Advertising Directive. As I explained in the introduction to section 5.5, I took the position that the limitation of Article 6.1 TMDir as well as the CompAdvDir are subsumed under the criteria of unfairness and due cause.

Overall, I argued that, from the perspective of freedom of expression, a strong focus on the aims of the limitations would help greatly to influence balancing processes in a manner that no disproportionate impairments of freedom of commercial expression are caused. Under Article 6.1.b TMDir these aims are expressed by a criterion of availability and in relation to the CompAdvDir this is the protection and furtherance of consumer interests.

Difficulties to achieve these aims may arise since the limitations of Article 6.1 TMDir and the CompAdvDir both contain limitative criteria, which means that third party descriptive use, referential use or use in comparative advertising: (a) does not create the “impression that there is a commercial connection between the third party and the trade mark owner,” or that it is not causing confusion(CompAdvDir); (b) does not take an unfair advantage of the (distinctive character (TMDir)) or repute of the trademark, (c) does not discredit or denigrate the mark, and (d) does not present the third party products as an imitation.

First, I turned to the balancing of Article 5.1 TMDir with the limitation of descriptive use. From the perspective of freedom of expression, the limitation allowing for descriptive use provides an important limitation of trademark rights. I argued it may have to be use by courts to provide a counterbalance if a third party uses a trademark that should arguably have been refused for reasons of descriptiveness. Moreover, that

240 ECtHR 11 December 2003 Krone Verlag v. Austria.
241 Ibid., para. 33.
242 E.g. Hof Arnhem 20 March 2007 (UPC/KPN); Rb. Amsterdam 13 January 2005 (McDonalds/Burger King).
243 See above section 3.5.3, and in particular the discussion of the BGH’s Benetton decisions.
limitation should be interpreted more expansively as it should cover also the
description of circumstances surrounding goods or services, such as the customer circles
or the intended purpose or result of the goods or services.

It became clear that identity protection under Article 5.1.a TMDir must be balanced
against all the criteria mentioned above, whereas the limitations of Article 6.1 TMDir do
in fact not provide a limitation to the prohibition of confusing use, as according to
criterion (a) their application is excluded in such a case.

I argued that in both cases, courts should take the underlying aims of Article 6.1 TMDir and the CompAdvDir into account and that they should give proper weight to the
requirement of availability under Article 6.1.b TMDir as well as to the consumer interests
protected by the CompAdvDir. Weight should also be give to consumer interests in
relation to referential use. As I argued in section 5.5.1, the restriction of referential use to
cases where such use is necessary, may be too restrictive and may thus disproportionately
impair with Article 10 ECHR.

Also if third party use is confusing to some consumers, whereas others receive great
information benefits courts should weigh the consumer interests as a restriction in cases
of only minor confusion may not be proportionate under Article 10 ECHR.

In relation to balancing the prohibition of taking unfair advantage, I argued that the
CompAdvDir has added vital breathing space to the TMDir in respect of comparative
advertising and that it would be fully in line with freedom of commercial expression to
introduce similar considerations in the balancing process in relation to referential use and
descriptive use under the TMDir. Consequently, where a comparison, referential use, or
descriptive use is truthful and not misleading, a certain transfer of reputation cannot be
regarded as unfair. Rather, proof by the plaintiff of an additional criterion of unfairness
remains essential, otherwise the freedom of expression of a third party trader to inform
consumers may be impaired too severely. That unfairness needs to be of a more
substantiated nature than indicated by the ECJ in its l’Oréal decision.

In relation to the prohibition of blurring, I discussed one exemplary conflict with
generic use, i.e. the use of the name of a drug by a doctor in order to inform a pharmacist
which type of drug to provide to a consumer. I argued that even in such a case, courts
need to carefully weigh the harm caused with the freedom of the doctor to provide
information to a pharmacist. It would not be justifiable in principle and proportionate
to prohibit generic use because the doctor could have used other means to inform the
pharmacist.

As regards the prohibition of tarnishment, I argued that the prohibition of real
denigration or discrediting use of a trademark through referential use, descriptive use, or
comparative advertising is in accordance with Article 10.2 ECHR.244 Where third party
use is truthful and non-misleading, but causes clear harm, a careful balancing process
should be carried out and it is, in my opinion, not proportionate to prohibit e.g. a price

244 See section 5.4.3.1; Hof Arnhem 20 March 2007 (UPC/KPN); Vzr. Rb. Arnhem 26 April 2007
(GSK/Pronova); Hof Arnhem 19 November 2002 (Specsavers/Fielmann); Rb. Amsterdam 13 January 2005
(McDonalds/Burger King).
comparison solely because it may shed a negative light on a competitor and because it did not compare all characteristics of goods or services.

In relation to humorous, yet denigrating, use of trademarks in e.g. comparative advertising, I argued that the freedom of commercial expression of a third party would probably not be disproportionately impaired if he were prohibited from providing information to consumers in a humorous manner, but if he is otherwise allowed to publish the comparative advertisement. There would only be a disproportionate impairment if there is a public interest implicated in the expression and the expression needed thus to be protected strongly under Article 10.2 ECHR.

5.5.3 BALANCING WITH FREEDOM OF NON-COMMERCIAL AND MIXED EXPRESSION

In this section, I will analyse whether the balancing under the limitations of Article 6 TMDir and the criteria of due cause and unfairness ensure that no disproportionate impairment is caused to freedom of non-commercial and mixed expression of third parties.

I will first (section 5.5.3.1) turn to assessment of the commerciality in mixed expression. I will summarise the findings in respect of the assessment of commerciality and I will examine whether appropriate protection could be granted in a process of balancing under Article 6.1 TMDir and under the criteria of unfairness and due cause contained in Article 5.2 TMDir. Furthermore, I compare the situation under European trademark law with that under the U.S. Lanham Act, where a specific non-commercial use exception exists.

In section 5.5.3.2, I will explore the balancing in cases where a third party uses newly developed meanings of trademarks in non-commercial or mixed expression and, in particular, whether Article 6.1.b TMDir provides a limitation to trademark rights in such cases. Furthermore, I will explore whether there is room for the balancing of the interest of citizens in expressive diversity.

In section 5.5.3.3, I will explore cases, whereby trademarks are used and transformed in processes of social, cultural or political meaning making. Moreover, I will explore whether a parody exception would provide adequate room for balancing in such situations.

In section 5.5.3.4, I will discuss general considerations relating to the balancing of harm with freedom of expression, and in section 5.5.3.5, I will take a final look at the chilling effects caused by trademark law and trademark litigation.

5.5.3.1 Assessing Commerciality in Mixed Expression

In various parts of this research I laid out that correctly judging mixed expression is a key prerequisite under Article 10 ECHR when dealing with a conflict between a trademark right and the freedom of expression of a third party trademark user. In this section, I will review the interpretative solutions to the constitutive criteria of the scope of trademark rights and I will provide a number of balancing criteria that courts should take into account in their assessment of commerciality. Moreover, I will explore the possibility of adding a non-commercial use exception to trademark law.
a. **Balancing under European Trademark Law**

The discussion in section 5.2 has shown that the criterion of ‘use in the course of trade’ has eroded in a manner that it no longer provides for a limitation of trademark rights to purely commercial and competitive activity. All third party use that “takes place in the context of commercial activity with a view to economic advantage and not as a private matter”, 245 is covered, meaning that trademark rights do cover trademark use that is protected strongly as under Article 10 ECHR, i.e. mixed expression that is partly commercial but carries elements that are of public interest.

Article 5.1 TMDir covers mainly purely commercial use, as it is restricted to use in relation of identical or similar goods and services. However, as I indicated in section 5.3.2.2, it had been extended in a manner to cover e.g. trademark use in parody or criticism, voiced on or in identical or similar expressive goods or services. In such a case, the limitations of Article 6.1 TMDir are of no avail, as they are limited to the purely commercial context, i.e. allowing for use that indicates the designation or use that (directly) describes characteristics of the goods and services. The only way, for a court to protect such use under trademark law and without resorting to external balancing, is to reach the finding that the use is not confusing or that it does not affect the essential function of a trademark. Absent such a finding, a court cannot, within trademark law, adequately balance the trademark rights against freedom of expression of a third party. Moreover, the ECJ seems to extend the scope of Article 5.1.a TMDir to use that affects the other functions of trademarks, e.g. the advertising function. This means, in my opinion, that the inclusion in trademark law of an additional limitation for trademark rights providing an open space for balancing Article 5.1 TMDir with freedom of expression may be necessary.

Under Article 5.2 TMDir, the criterion of ‘use in relation to goods and services’, which may in the past have provided a possibility to exclude mixed expression that deserves high protection, has virtually evaporated, as it is satisfied already when the relevant public makes an association or link between the sign used and a trademark with a reputation. Moreover, the definitions of taking advantage, blurring and tarnishment do not adequately distinguish between commercial third party use and non-commercial third party use.

A clear conflict exists between the prohibition on taking unfair advantage and freedom of non-commercial expression, as this prohibition is interpreted as prohibiting the taking of advantage of the ‘level of attention’ assembled by a trademark. One of the rules following from the jurisprudence of Article 10.2 ECHR is that the greater the public interest in expression, the stronger its protection must be. Consequently, the use of signs and symbols that carry a high level of attention must be strongly protected, just because they carry a high level of public attention. This is especially true when these signs symbolise social or political phenomena. The mere fact that the trademark use also increases sales cannot be the decisive factor for a prohibition, 246 if the expression is otherwise of public interest.

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246 See above section 3.5.3. In particular, ECtHR 25 March 1985 Barthold v. Germany; ECtHR 17 October 2002 Stambuk v. Germany; BVerfG 11 March 2003 (Benetton II).
In section 5.4.2, I concluded that, in fact, the prohibition of taking advantage of the distinctiveness of a trademark must not at all be applied to trademark use in expression that is of public interest and that taking advantage of the repute only should be actionable if a transfer of specific parts of the image from the trademark to the sign used by the third party. This would ensure a limitation of trademark rights to use that takes commercial advantage.

Similar caution must be exercised with respect to the prohibition of blurring, which protects the ‘hold upon the public’s’ mind or unique position (German “Alleinstellung”) of trademarks against interferences, by locking down a single and fixed meaning of the sign. I argued that this ‘hold upon the public’s mind’ of a trademark might be something that can be protected against harm in pure commercial communication. In public discourse, however, rights holders cannot reserve a space in peoples’ minds, as it is one of the most basic principles of the protection under Article 10 ECHR that 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 through the hold of a trademark on the public’s mind. The prohibition of blurring, may thus reach further than necessary in a democratic society, if it is not counterbalanced under the criterion of due cause.

In relation to harm to the repute of a trademark or tarnishment, I concluded that in a case, where real harm is caused, it will be necessary to enter in a balancing process. However, if the repute to be protected consist of no more than an imaginary positive image, and the expression simply addresses the imaginary nature of that image, or if the repute covers, in fact, a government policy, a court may consider that no relevant harm has been caused as, in public discourse, as the protection of such repute may not be warranted against the presentation of a differing view.

If courts do not follow the more categorical approach of redefining the criteria of harm in taking advantage, blurring or tarnishment, they must carry out a balancing process under the criteria of unfairness and due cause and they must ensure that mixed expression that is of public interest will receive high protection pursuant to Article 10 ECHR. I want to discuss a few examples of such balancing.

Art or parody that use well-known trademarks almost inevitably use the level of attention inherent in trademarks and they will often break the hold upon the public’s mind of a trademark. The same holds true for criticism of or comments on the proprietors of famous trademarks, which may in addition tarnish a trademark.

In the Mordoro-Poker case, the German BGH held that an anti-smoking commercial had been taking advantage of the Marlboro trademark, but that this could not be considered unfair. The defendant had published a calendar with anti-smoking posters, which were mocking the commercial campaigns of Marlboro, Camel and other cigarette brands. In its decision, the BGH recognised that in order to make a critical statement about the advertising tactics of the plaintiff, the defendant was justified in taking advantage of the level of knowledge and the image of the Marlboro trademark. The pure

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fact that the commercial power of the plaintiff was influenced by the poster could not be qualified as unfair.248

In the Lila Postkarte case, the BGH decided that the artistic freedom under Article 5.3 GG of a third party using a trademark use on a humorous postcard must prevail over possible free-riding if the expression is not following purely commercial aims. It held that the viewers will be able to recognise that the particular message is humorous and critical.249

The critical Dutch magazine article featured on a front-page employing the Philips trademark altered by adding swastikas had clearly used the level of attention of the Philips mark to increase the sales of the magazine. However, this commerciality should, in my opinion, not have been decisive, as the article was published by the press and the trademark merely created attention for the substance of the article, which dealt with allegations of abuse of Philips personnel in the 19030ies and 40ies.250

Likewise, the use on the Internet by an anti-hunting association of a parody, in which a small person urinated on the trademark of the German hunting federation, exploited the level of attention of the trademark to increase the sales of the association’s newsletter. Also such commerciality should not be decisive, as the use of the parody created attention for the cause of the anti-hunting federation and it is an expression of its disgust of the practice of hunting.251

Even if third party use is of a very commercial nature it may have to be protected strongly under Article 10 ECHR. For instance, it is not proportionate under Article 10 ECHR to prohibit a singer to publish a song about the Dutch fad to collect little furry mascots in support of the Dutch national soccer team in the wake of the 2006 soccer world championships. The mascots called ‘Wuppie’ were definitely commercial as they were sold as a marketing tool by Albert Heijn, one of the largest Dutch super market chains. Simultaneously, they were also a social phenomenon, a fad, that was omnipresent in the months before the championship.


251 OLG Köln 10 March 2000 (Kampagne gegen die Jagd).
By singing that when he is drunk he would see ‘Wuppies’ everywhere Jan Vleminx was not critical about the Wuppies nor did his song contribute to any serious public debate. The song was rather a carnevalesque. However, upon a complaint by Albert Heijn, the District Court Den Bos prohibited the sale of records containing the song, because it found the use made by Vleminx to blur and tarnish the ‘Wuppies’ trademark. The court gave no consideration what so ever to the freedom of expression of the singer. It did assess whether the trademark use in the song could be permissible because of being a parody, but concluded that the song was not transforming the trademarks or poking fun at it. It rather was utilising the ‘sphere’ surrounding the original product.

In my opinion, this prohibition seems hardly proportionate since, at the time the Wuppies were a somewhat exaggerated social rage in the Netherlands. Such a rage simply begs for comment in whatever from. Even if, in that case the singer was exploiting the trademark and for his own commercial gain, his song was – however light-heartedly – an artistic comment on the social phenomenon.

The balance may tip in favour of trademark rights, when the expression, in which the trademark use takes place, is commercial and serves no public interest what so ever. This has for instance been the case in the Mars and Nivea cases decided by the German BGH in 1994. The crucial finding in these cases was that the purpose of the commercial parodies had not been to express an opinion about the right holder, it’s products or it’s advertising methods. Rather the purpose of the use was found to be nothing more than the increase in sales of an otherwise not well-selling product. Moreover, the trademark had been used by the third party in a source identifying manner.

In my view, the same reasoning can be applied to the use of a transformed Adidas logo on T-shirts, where there is no readily identifiable public interest element in the

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253 The BVIE knows no parody exception and the court did not specify on the criteria for a permissible parody. Dutch copyright law does however contain a parody exception. In analogy to that exception it may be concluded that a permissible parody needs to be a humorous transformation of the original trademark. Both the original trademark and the transformation need to be immediately recognisable, but there must be no confusion. In addition, the parody must be non-commercial or non-competing. See Grosheide ed. 2006; Jansen 2007.

254 Rb. Den Bos 21 July 2006 Interall BV v. Johan Vleminx. “Hoewel de rage daar wel aanleiding toe zou kunnen geven, bevat het liedje kennelijk toch geen persiflage of parodie daarop; het liedje en de videoclip sluiten grotendeels aan bij de sfeer van het poppetje van Interall. Dit past ook naadloos bij de uitingingen van Vlemmix; ‘iedereen houdt van de Wuppie en het is juist een heel leuk product en daarbij wil ik aansluiten. Ik wil de mensen vrolijk maken.”


256 OLG Hamburg 5 September 1991 (‘ADIHASH – gives you speed’).
expression. One may find the expression to be artistic, but the predominant commercial aim may offset the freedom of expression of the artist.

In sum, if the expression contains elements that are of public interest, Article 10 ECHR requires of courts to make an adequate distinction between purely commercial expression and mixed expression. In such an assessment, courts should take into account 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, i.e. 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.

In relation to Article 5.1 TMDir such balancing could only be carried out under the criterion of ‘use in the course of trade’, but as the analysis above shows, the current interpretation of that criterion does not offer enough space for balancing. The lack of a possibility to balance may thus cause a disproportionate impairment of Article 10 ECHR.

Under Article 5.2. TMDir, the criteria of unfairness and due cause offer room for balancing, but all depends, however, on courts being willing to recognise and protect the public interest elements in mixed expression.

b. The Non-Commercial Use Exception under the Lanham Act

A solution that would provide more clarity, better protection of third party freedom of expression and, in particular, a reduction of chilling effects may be to establish a non-commercial use exception e.g. under Article 6.1 TMDir. As such an exception exists under the U.S. Lanham Act, I will examine the rationale and the application of that exception.

Section 43 (c) 4 Lanham Act, states that,

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

[...] `(C) Any noncommercial use of a mark.
The key interpretation of that provision has been given in the *Mattel, Inc. v. MCA Records* or the ‘Barbie girl’ case. Danish pop-band Aqua made fun of social connotations contained in the trademark ‘Barbie’ in its hit song ‘Barbie girl’. It used the trademark to access to the social connotation of a simple minded, blond, submissive girl. The pop band Aqua was sued by Mattel, Inc., the owner of the Barbie trademark, for amongst others blurring their trademark.

The Court deemed it is essential that singers are allowed to comment artistically on the fact that Barbie has become a role-model that contributes to the identity of millions of children, since,

“Barbie has been labeled both the ideal American woman and a bimbo. She has survived attacks both psychic (from feminists critical of her fictitious figure) and physical (more than 500 professional makeovers). She remains a symbol of American girlhood, a public figure who graces the aisles of toy stores throughout the country and beyond. With Barbie, Mattel created not just a toy but a cultural icon.”

In his decision, Judge *Kozinski* held that the use of the trademark was clearly blurring the distinctiveness of the Barbie trademark, as,

“MCA does not dispute that, while a reference to Barbie would previously have brought to mind only Mattel’s doll, after the song’s popular success, some consumers hearing Barbie’s name will think of both the doll and the song, or perhaps of the song only. This is a classic blurring injury and is in no way diminished by the fact that the song itself refers back to Barbie the doll. To be dilutive, use of the mark need not bring to mind the junior user alone. The distinctiveness of the mark is diminished if the mark no longer brings to mind the senior user alone.”

However, the use of the Barbie trademark was held to be justified, because the court, faced with the dilemma of having to apply trademark law to the song, interpreted the non-commercial use exception contained in Section 43.c.4 Lanham Act, broadly.

The reason for the establishment of this exception had been to bring trademark law in line with the First Amendment, which, like Article 10 ECHR, mandates a much stronger protection of non-commercial expression than of commercial expression. The aim of the exception was to ensure that the Lanham Act,

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257 United States Court of Appeals, Ninth Circuit 24 July 2002 *Mattel v. MCA*.
258 The lyrics of the song read in part “I'm a Barbie girl in the Barbie world. Life in plastic, it's fantastic. You can brush my hair, undress me everywhere. Imagination, life is your creation [...] I'm a blonde single girl in the fantasy world Dress me up, take your time, I'm your dollie You're my doll, rock and roll, feel the glamour and pain Kiss me here, touch me there, hanky-panky”.
259 United States Court of Appeals, Ninth Circuit 24 July 2002 *Mattel v. MCA*. As a Federal U.S. Court put it in another case involving an artistic Barbie parody, “Barbie, and all the associations she has acquired through Mattel's impressive marketing success, conveys these messages in a particular way that is ripe for social comment.” U.S. Court of Appeals, Ninth Circuit 29 December 2003 *Mattel, Inc. v. Walking Mountain Productions*, 353 F 3d 792. See also Loughlan 2000.
260 Ibid.
“will not prohibit or threaten non-commercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”

The Court of Appeals of the 9th Circuit decided that the use of the Barbie trademark in the song did qualify as non-commercial expression. In doing so, the Court referred to the Hofmann case, a case that dealt with publicity rights and concerned the publication in a magazine article of altered images taken from famous films including images of Dustin Hofmann. The article used the images ‘in commerce’ and thus “clearly served a commercial purpose: ‘to draw attention to the for-profit magazine in which it appear[ed]’ and to sell more copies.” However, the court in the Hoffman case held,

“that the article was fully protected under the First Amendment because it included protected expression: ‘humor’ and ‘visual and verbal editorial comment on classic films and famous actors.’ (internal quotation marks omitted). Because its commercial purpose was ‘inextricably entwined with [these] expressive elements,’ the article and accompanying photographs enjoyed full First Amendment protection.”

By applying the same reasoning to the Barbie case, the Court found that the band Aqua was fully entitled to use the trademark Barbie in the song, even though the song also clearly aimed at generating profit.

The same exception has been used to allow trademark use in political campaigns and critical commentary on the internet.

In my opinion, this exception should be an example for the European trademark law. By creating such an 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, in most cases, be kept out of the reach of trademark rights.

As I argued above, I do think that such an exception may be necessary, since the use in the course of trade exists under European trademark law, has ceased to function as appropriate boundary, the ‘use in relation to goods and services’ criterion is interpreted expansively under both Article 5.1 TMDir and Article 5.2 TMDir, and in relation to Article 5.1 TMDir, no limitation exists at all that would facilitate the necessary balancing with freedom of non-commercial or mixed expression.

I do not think that there is one single satisfactory definition of “non-commercial use”, but I rather think that a non-commercial use exception should be used to balance the criteria which I mentioned above in paragraph (a). Consequently, courts can (1) can balance the intensity of the public interest as opposed to the commerciality, (2) they can exclude use that has taken place in an editorial manner, i.e. in the contents of a

262 Hofman v. Capital Cities/ABC, Inc. , 255 F.3d 1180, 1184 (9th Cir. 2001).
263 United States Court of Appeals, Ninth Circuit 24 July 2002 Mattel v. MCA, at 10489.
264 Ibid.
266 Also under the Lanham Act, a similar ‘use in commerce’ criterion exists but it is interpreted in similarly broad terms as its European counterpart. Therefore, it has not been deemed sufficient to protect third part trademark use that falls under the First Amendment.
commercial (news) publication or film, (3) they can consider whether the trademark has been used in a source-identifying manner, although this should not always be decisive, and (4) they can weigh the intent of the speaker.

5.5.3.2 Descriptive use, Generic Use, and Expressive Diversity

a. (Expressively) Descriptive and Generic Use

As I mentioned in section 5.4.3.2, trademarks, and in particular trademarks with high distinctiveness, may, over time, become new words in the general vocabulary, e.g. hoover for vacuum cleaners, cellophane for plastic wrapping or ‘MSNen’ for using a chat program in Dutch.

Trademarks may also gain separate expressive meanings that are not directly connected to the good or service. An example of a trademark having gained expressive generic meaning is the trademark Barbie meaning a blond, dumb, and submissive girl or the well known Mc-prefix of the McDonald’s trademark to describe the meaning ‘cheap and fast’ used in words like ‘McMansion’, for mass produced suburban houses, ‘McJob’ for cheap jobs. Other examples are the words ‘colcacolonization’ is used as a negative term for globalisation or ‘disneyization’ as a negative term the development of e.g. society or city landscapes into ‘fakes’.267

As these word-creations use the signalling power of the underlying trademarks, which can make them powerful sings that are immediately understandable to a vast number of people often across language barriers. The fact that these words are widely understandable may also be evidence that underlying trademarks have gained a role as social, cultural or political communicators. As such, use of these signs may have to be protected strongly under Article 10.2 ECHR.

The Trademark Directive does not provide for a specific limitation that would allow the use of a new (expressive) meanings of a trademark. It allows third parties to apply for the cancellation of a trademark registration, if a trademark has become the ‘common name in trade’ due to the action or inaction of the rights holder. In section 4.3, I argued that, while this provision establishes clarity once a trademark really has become generic, it forces trademark right holders to take action against any use that contributes to making their marks generic. Consequently, some trademark right holders pursue such generic uses quite aggressively by issuing cease and desist letters to all sorts of publications. This can produce significant chilling effects on other users. From the perspective of freedom of expression it is thus necessary to clarify the limits of trademark rights and possibly to take away the need to resort to aggressive action by an appropriate exception or limitation.

Article 6.1.b TMDir, allowing for descriptive use, does not apply to expressively descriptive or generic use in its present interpretation, as it only applicable to use of a trademark to directly describe characteristics of a good or service. Applying the exception of due cause could in theory make room for adequate balancing of trademark rights with freedom of expression. However, if the third party uses the trademark in

mixed expression and that use blurs the trademark, there is a good chance that courts will not allow such use.

An example that I already mentioned in section 5.4.3.2 is the German Allianz case. German insurance giant Allianz Versicherungen sued the Hip-hop band ‘Die Allianz’ for trademark infringement.268 The OLG München decided in 1999 that the band was not allowed use Allianz as its name. In the opinion of the court, the band was free-riding on the recognition value of the trademark of the insurance company. Evidently, the recognition value of the trademark could be employed in such trademark use. However, the prohibition of the use of the word Allianz seems not to be justified under Article 10 ECHR. ‘Allianz’ is the German word for alliance and that word describes a common characteristic of the hip-hop band, i.e. the fact that they perform as a tight group (or gang). This descriptive term is at the same time used in portraying the identity of the group to the outside world. The choice for the word ‘Allianz’ has thus, in my opinion, been no arbitrary choice for a well-known trademark, but one for a descriptive sign that contributes to building the identity of the band. For that reason, I think that it was disproportionate under Article 10 ECHR (as well as Article 5 GG) to prohibit the use of the term as a name for a hip-hop band.269

Another often-cited example of third party use of a trademark in order to access a unique meaning is the United States San Francisco Arts and Athletics Association case or Gay Olympics case.270 In that case, the United States Supreme Court gave a widely criticised ruling. The San Francisco Arts and Athletics Association planned to stage ‘Gay Olympic’ games in San Francisco in the 1980ies, and the U.S. Olympic Committee brought a law suit on the basis of special legislation which granted the Olympic committee exclusivity over the use of Olympic signs. That law resembles to some extent the protection granted under Article 5.2 TMDir.

In its decision, the Supreme Court upheld the lower courts’ prohibition the use the term "Olympics" for the planned Gay Olympic games. According to the Supreme Court, the prohibition was in accordance with the First Amendment. It served the protection of valid interests, i.e. the protection of the commercial accomplishments of the Olympic committee. Most importantly however, the Supreme Court held that the SFAA could have easily used another name for their games.

Admittedly, the SFAA was using the term Olympic for the organisation of an event that was in potential competition with the Olympic committees activities. This may mean that an application of strict standards was justified in the case. However, many scholars in the United States have since pointed out that the reasoning of the U.S. Supreme Court misses an important point.271 The SFAA’s choice for the word ‘olympic’ for organising the 1982 games served a very important goal.272 The games were part of a campaign to

268 OLG München 25 November 1999 (‘Die Allianz’).
269 See also Rb. Arnhem 22 January 1981 (‘The Blue Band’).
271 Aoki 1998; Kravitz 1989; Dreyfuss 1990; Lee 1991;
272 San Francisco Arts & Athletics, Inc. claimed that the games had three goals: 1) To provide a healthy recreational alternative to suppressed minority; 2) To educate the public at large towards a more reasonable characterization of gay men and women; 3) To attempt through athletics, to bring about a positive and gradual assimilation of gay men and women, as well as gays and non-gays, and to diminish the ageist, sexist and racist divisiveness existing in all communities regardless of sexual orientation.
achieve a wider public acceptance and an increased presence in the public sphere of gay people. By calling the event ‘olympic’ the organisers were seeking to associate the social values of Olympism with a group of persons that have often been marginalised and discriminated against. The International Olympic Committee defines Olympism itself as social and political ideal:

“1. Olympism is a philosophy of life, exalting and combining in a balanced whole the qualities of body, will and mind. Blending sport with culture and education, Olympism seeks to create a way of life based on the joy of effort, the educational value of good example and respect for universal fundamental ethical principles.

2. The goal of Olympism is to place sport at the service of the harmonious development of man, with a view to promoting a peaceful society concerned with the preservation of human dignity…”

Olympism is thus clearly not a commercial, but of a social and political message. The word ‘olympic’ carries that powerful non-commercial message across language borders. Symbols that carry such powerful social and political messages cannot be entirely subject to the exclusive discretion of the Olympic Committee. Such exclusivity would contravene the very idea of a ‘free market place of ideas’ upon which ideas can be tested and contested. It may also severely limit the self-determination of individuals and groups like the one at stake in the case. In my opinion, signs like ‘olympic’ must remain to some degree at the disposition of members of society and beyond full protection of trademark law.

The U.S. Supreme Court’s argument, that the SFAA could have used another term is equally unconvincing. For the above mentioned reasons, there is simply no adequate alternative for the choice of the word olympic. *Judge Kozinski* argued this point his dissenting opinion to the application for rehearing decision of the Appeals Court of the 9th Circuit in the same case that

“[t]o say that the SFAA could have named its event ‘The Best and Most Accomplished Amateur Gay Athletes Competition’ no more answers the first amendment concerns here than to suggest that Paul Robert Cohen could have worn a jacket saying ‘I Strongly Resent the Draft.’”273

The reference to Paul Robert Cohen is a reference to one of the most famous symbolic speech cases decided by the U.S. Supreme Court. In a decision in 1971, the Supreme Court upheld Cohen’s First Amendment right to publicly wear a jacket saying “Fuck the

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273 U.S. Supreme Court 7 June 1971 *Cohen v. California*. 
Draft”. The jacket was accepted as valid criticism of the drafts issued to young Americans to fight in Vietnam. In that case, the U.S. Supreme Court rightly recognised the role of particular words in the process of meaning making as it acknowledged that

“words are not always fungible, and that the suppression of particular words "run[s] a substantial risk of suppressing ideas in the process." 274

Hence, one should have concluded that the SFAA was fully justified under the First Amendment in using the term olympic for the organisation of the games. The prohibition of the use of the sign was violating the association’s freedom of expression.

Under European trademark law there may be a need to introduce legislative provisions clarifying that third parties are allowed to use trademarks in an expressively generic sense, as the current means for balancing, in particular relating to Article 5.1 TMDir are insufficient.

The limited possibilities of balancing such use under the TMDir, in particular in relation to Article 6.1.b TMDir are, in my opinion, ad odds with other provisions of trademark law. Where the expansion of trademark rights is at stake, courts are not hesitant to accept theories of indirect confusion, post sale confusion, or a broadened concept of ‘use in relation to goods or services’ and the provision on acquired distinctiveness accepts that the meaning of signs is not static, i.e. that it may change over time, and that signs may have multiple meanings. These concepts all entail the recognition of the fact that consumers may understand signs in a whole variety of manners, i.e. of the idiosyncrasy of trademarks.

Where the limitation or loss of trademark rights is concerned, only Article 6.1.b TMDir and Article 12.2 TMDir on loss of trademark rights due to a trademark becoming ‘the common name in trade’ are of avail, both of which are interpreted too restrictively to take account of the changing meaning of trademarks.

One compromise that I mentioned in section 4.3 is that under Article 10 TMReg and Section 16 Markengesetz strike which aid right holders in safeguarding the distinctiveness of their trademarks while ensuring that development of language is not hindered. They state that:

“If the reproduction of a [Community] trade mark in a dictionary, encyclopaedia or similar reference work gives the impression that it constitutes the generic name of the goods or services for which the trade mark is registered, the publisher of the work shall, at the request of the proprietor of the Community trade mark, ensure that the reproduction of the trade mark at the latest in the next edition of the publication is accompanied by an indication that it is a registered trade mark.”

The publisher of a dictionary can thus indicate that e.g. MSN is a registered trademark but that nevertheless ‘MSNen’ has become a Dutch verb for using any type of an internet chat program. This provision is thus a fair and proportionate restriction of the freedom of expression of the publisher. I do however think that in the context of other use, it would be disproportionate to require of third parties to always indicate that a sign is also a trademark.

Therefore, I think that it would only be consistent to apply the broad understanding of idiosyncrasy that is used in favour of trademark right holders also in the reverse case, i.e. in the interpretation of Article 6.1.b TMDir. Consequently, trademark law should provide for an exception to trademark rights when one of the multiple meanings of a sign is used descriptively or in an (expressive) generic sense.

b. Expressive Diversity

In section 5.3.2.2, I analysed whether the ECJ makes room for the consideration of the interests in expressive diversity of citizens. I indicated that, a solution to the problem would be to limit Article 5.1.a TMDir to confusing uses, when use of a sign of high social, cultural, or political importance on expressive goods is concerned. In the Opel decision, where the ECJ held that no relevant harm under Article 5.1.a TMDir would be caused if a national court found, as a matter of fact, that consumers are not confused. However, as I also indicated in that section, the application of this reasoning to expressive goods is unlikely, as the ECJ specifically rejected such a reasoning in the Arsenal judgement. Therefore, I concluded that under Article 5.1 TMDir there is little room to protect to interests of expressive diversity of citizens vis-à-vis trademark rights.

If a third party could invoke a limitation like Article 6.1.b TMDir the result of limiting prohibitions to confusing uses could be achieved, as this limitation applies unless the use is confusion (or takes unfair advantage, is denigrating or presents the goods as imitations). However, at present an interpretation of Article 6.1.b TMDir that would cover such use is unlikely, as the ECJ held in its Marca II decision,

"the requirement of availability cannot in any circumstances constitute an independent restriction of the effects of the trade mark in addition to those expressly provided for in Article 6(1)(b) of the Directive." 

In that case, the question was whether that Article would also cover decorative use and the ECJ decided that it would not. Equally, also in the prior Opel case, the ECJ decided that that Article will not cover the faithful representation of an automobile trademark on a toy car and in the Arsenal case that the use of the Arsenal logo on the scarves sold by Mr. Reed, were not accepted as indicating the allegiance of the fans with the Arsenal Football Club. Consequently, the concerns raised in section 5.3.2 with regard to expressive diversity, can currently not be addressed in any manner by Article 6.1.b TMDir.

A possibility to create room for the protection of expressive diversity may lie in 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, that might leave right holders with a severely curtailed right as most problems with regard to expressive diversity occur in the regular exploitation of trademark rights (i.e. uses of identical or similar signs in relation to identical or similar goods or services).

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275 See above section 5.5.2.
277 ECJ 25 January 2007 Adam Opel, para. 44.
278 ECJ 12 November 2002 Arsenal Football Club, para. 54.
Therefore, I think that it would be more appropriate that those signs that are not properly functioning as trademarks - i.e. the Arsenal sign, which may be representing allegiance and not the trade origin, or Picasso, Obelix, and Asterix signs, which represent the persons or characters and not trade origin - are refused registration. Preferably, a ground for refusal of signs of high social, political, or cultural value in relation to expressive goods and services should be added. Alternatively, stricter requirements of assessing distinctiveness should be introduced.279

5.5.3.3 Use of Trademarks in ‘Meaning Making’ and a Possible Parody Exception

One aspect of the jurisprudence relating to Article 10 ECHR is that even value judgements must be sufficiently grounded in facts and that any sort of criticism must be factually justified.280 This could imply that third party trademark use is only justified when it criticises and comments on or uses directly the trademark’s denotation, i.e. the trademark, the goods or services, or the rights holders, which would be the case in critical messages aimed directly against e.g. the environmental policies of oil companies.

Since trademarks are idiosyncratic, they may also be used in a manner that is not directly referring to the its denotations, i.e. the trademark, the product or the producer. In art, parody and also in criticism trademarks can be used in a manner that employs or plays with the connotations, i.e. the meanings that are further removed and more abstract, rather than its denotations. In section 3.4.2, I explained that such use can play an important role in social, cultural and political meaning making. Prohibition of such use because of a lack of factual justification is in my opinion not in accordance with Article 10.2 ECHR and it is of particular importance that courts adequately recognise the idiosyncratic nature of trademarks and their role in social, cultural or political meaning making.

In the following paragraphs, I will to discuss a few examples of such meaning making and I will explore whether a parody exception should be added to trademark law to protect such use.

a. Examples of Meaning Making in Art, Parody and Criticism

Trademarks are used in art often in a manner that stimulates people to reflect upon the ordinary commercial meaning and usage of trademarks, consumerism in general or other issues and ideas. Well-known examples are Andy Warhol’s Campbell soup can paintings, which transform the message of the trademark by taking it out of the ordinary context placing it in a new context and thereby trigger a reflective process in the minds of viewers, who are invited to think amongst others about the pervasiveness of advertising messages or about the meaning of mass production. The same may hold true for Mel Ramos’ paintings of a nudes with famous trademarks such as a Coca Cola bottle.

When such unrelated use is made in art, a large discretion in favour of third party use should be granted. From the perspective of freedom of expression, the purpose of art is often to transform or change the dominant meanings of signs or to trigger reflection

279 See sections 4.2.2 and 4.2.4.

280 ECtHR 24 February 1997 De Haes and Gijssels v. Belgium, para. 47; ECtHR 12 July 2001 Feldek v. Slovakia, para. 86; ECtHR 27 October 2005 and Wirtschafts-Trend Zeitschriften-Verlags GmbH v. Austria, para. 35; ECtHR 15 February 2005 Steel and Morris v. The United Kingdom, para. 87.
about the meaning of signs. In such a process of transformation, art may thus create connotations that have not previously existed. If trademark right holders were allowed to prohibit use that is unrelated to themselves or their products, artists could significantly impaired in their freedom to creating and change meaning of the everyday world around us.281

A similar reasoning can be applied to trademark use in parody, where the meaning of trademarks is changed through a humorous transformation and trademarks may be used to reinforce the effect of a message.

A good example for heightened effectiveness, use of the altered Louis Vuitton bag in relation to a design sold on T-shirts. The T-shirts were sold by Nadia Plessner, a Danish artist, in order to raise awareness for the humanitarian disaster in Darfur. The design is a parody of Paris Hilton and the artefacts that usually accompany her when she is pictured in a glossy magazine. It mocks the media attention that is given to stars like Hilton and criticises the fact that almost no attention is given to the suffering of millions of people in Darfur. The use of an alteration of the Louis Vuitton trademark simultaneously raises questions about the meaning of class and ‘eliteness’, which advertising would make us believe, are represented by that trademark. This is thus a key example, in which a trademark is used to question dominant meaning in society and to gain influence on the process of meaning making in society. Moreover, the artist used the trademark to make the message more effective, which she was entitled to do pursuant to Article 10 ECHR. The case never made it to court since the artist ceased to use the Louis Vuitton trademark after receiving several cease and desist letters. 282

In the German Lila Postkarte case, the parody employed the recognition value of the trademark Milka and its trademarked colour purple.283 Most Germans immediately think of Milka chocolate when seeing the colour purple. In addition, they will often think about the purple coloured cow, the advertising mascot of Milka, which is always shown in an idyllic mountain surroundings on healthy green pastures. The post card poking fun at these associations. It transforms a famous idyllic verse by Göthe into a banal verse about a mooing cow thereby accentuating the banality of the idyll constantly showed in Milka advertisements. In addition, it transforms the name of the poet Rainer Maria Rilke into Rainer Maria Milka, thereby joking with the fact that more people will be able to recite advertising slogans of Milka than German poetry. The German BGH in that case gave a large room to the freedom of the artist protected under Article 5.3 GG. It confirmed the lower court’s assessment that the postcard neither blurred nor tarnished the trademarks of Milka, since the audience would recognise the funny message of the post card.284 It concluded that since the maker of the postcard had not used the trademarks in a purely

281 Aoki 1998, p. 542. “The recodification of cultural imagery by nonowners is central to the process of creating culture because meanings expressed through systems of signification are, by definition, perpetually unstable, they are always capable of being deployed against the grain.”

282 Louis Vuitton sent a cease and desist letter to the artist. This spurred a considerable debate about the legality of the trademark. A few months after having received the cease and desist, the artist discontinued the use of the bag on the design. According to Mrs. Plessner, the debate about the legality of the trademark use had completely clouded the original message of the T-shirts.

283 BGH 3 February 2005 (Lila Postkarte).

284 In this case the BGH carried out the balancing not under the criterion of due cause. It balanced constitutional right of property protection against the constitutional right of artistic freedom externally in the constitutional framework.
commercial manner to sell goods that could otherwise not be sold, the artistic freedom of the third party prevailed and the trademark use was justified.

While in the case of the T-shirt for Darfur and the Lila Postkarte, the trademark use employed the trademarks to criticise or comment upon the connotations themselves, a third party may also use connotations to criticise or comment on something else. Take for instance the example of the poster designed by the Dutch section of the International Socialists.

It’s a warning against Dutch right-wing politician Geert Wilders, and in order to make the warning visually effective, the campaigners chose the format of the red Marlboro package.

The underlying message of the poster depends upon and is reinforced by the use of the Marlboro trademarks. The trademarks are not used as a reference to Marlboro, nor its products or smoking in general. Rather the package, including the trademark, is used to convey the warning about the dangerous, yet to some ‘addictive’ politician. The connotation used is that of danger and addiction. In my opinion, this use of the trademark is justified, since the red Marlboro package is the prototype of one of the most addictive and hazardous products that one can purchase - cigarettes. It expresses that meaning in a very powerful manner and Article 10 ECHR protects such effective communication. It grants speakers a large freedom to criticise, to exaggerate and to choose means of expression that communicate messages in the most effective form. Therefore, I think that such expression should not be prohibited for lack of a factual connection to the products or the company. I do however recognise that one may take a different position with regard to this particular type of use.

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285 This case was settled out of court after the International Socialists had received a cease and desist letter from Philip Morris.

286 See also ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 90, "journalists are allowed ‘recourse to a degree of exaggeration, or even provocation’ (see, for example, Bladet Tromsø and Stensaas, § 59, or Prager and Oberschlick v. Austria, judgment of 26 April 1995, Series A no. 313, p. 19, § 38), and […] in a campaigning leaflet a certain degree of hyperbole and exaggeration is to be tolerated, and even expected.”

287 BVerfG NJW 1993, p. 1462; BGH (Verdachtsberichterstattung); BGH 10 November 1994 (Dubioses Geschäftsgefahren); BGH 17 April 1984 (Grosses Mordoro Poker).
Nadia Plessner  
‘simple living – SL’

Lila Postkart signed ‘Rainer Maria Milka’

Über allen Wipfeln ist Ruh, irgendwo blökt eine Kuh. Muh!

International Socialists, Dutch Section, Campaign Poster 2008  
‘Geert Wilders - Extremist – causes grave harm to you and society’
b. **A Parody Exception for Trademark Law?**

The key to the protection of the expression in the above cases is that courts recognise that there are multiple manners to interpret expression that uses trademarks in social, cultural and political meaning making. In relation to some of such uses, it has been argued, in various European jurisdictions, that in analogy to copyright law, a parody exception should be applied to limit trademark rights.

In my opinion, parody is an important cultural form of expression that deserves protection, and, a parody exception may be of aid in protecting transformative use. For example, the Information society directive, it has been made optional for Member States of the European Union to implement an exception for “use for the purpose of caricature, parody or pastiche.” One of the stated aims of this exception is to,

“help to implement the four freedoms of the internal market and relates to compliance with the fundamental principles of law and especially of property, including intellectual property, and freedom of expression and the public interest.”

French, Belgian, or Dutch national copyright laws contain parody exceptions. An in depth discussion of these provisions is beyond the scope of this book. Rather, I want to focus on a problem, which may arise when a parody exception were to be included in trademark law.

Under the parody exceptions contained in national copyright laws, courts set a number of criteria for lawful parodies, and it are these criteria, which may be problematic when transferred to the trademark context. Courts typically require that the third party expression is humorous, that it keeps a distance to the original and that it is not confusing. Voorhoof highlights that such criteria may be paradoxical when applied to parodies: the reproduction of the work of authorship is necessary, but not too much must be reproduces; the parody must resemble the original, but it must cause no confusion; the parody must be critical, but not defamatory.

With a view to including a parody exception in trademark law, I want to specifically point out problems with two of these criteria, i.e. the criterion of humour and the criterion of transformation or deviation form the original.

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289 Information Society Directive, Article 5.3.k.

290 Ibid., Recital 3.

291 Article L.122.5 Code of Intellectual Property Law; Article 18 Dutch Copyright Code; Article 46.5 Belgian Copyright Code; German copyright law contains a provision on “freie Benutzung”, which covers the use in parody § 24.1 Urheberrechtsgesetz; Likewise the U.S. Lanham Act and jurisprudence accept the limitation of trademark rights in case of parody. McCarthy 2008, § 31:153. An elaborate discussion of the jurisprudence developed is beyond the context of this research. On the interpretation of limitations to copyright law see generally Senftleben 2004; Guibault diss. 2002.


293 Voorhoof 2004c, p. 60; Foschi 2003, p. 198.

294 Voorhoof 2004c, p. 68; Voorhoof 2006.
First, it is semantically correct that most parodies are humorous. However, ‘humour’ is not an appropriate normative criterion, as it is something that cannot be objectified. Asking judges to assess whether an expression is humorous may lead to arbitrary, i.e. overly restrictive or surprisingly lenient, judgements. I think that, while humour can play a role in diminishing harm, i.e. it can help to forestall confusion or it can forestall harm to the repute of a trademark, it should not be used as a normative requirement.

Second, the criterion that use made by a third party must be transformative or it must deviate sufficiently from the original is entirely understandable in the copyright context, where a work is protected because of its originality, against copying by third parties. In the context of trademarks, this criterion may, however, not be appropriate, as the protection of trademarks is not aimed against copying pre se. Moreover, in the trademark context, a transformation is not always a visible transformation of the trademark itself; it can also be brought about by a transformation of context, like in the example of the Darfur T-shirt, where putting a Louis Vuitton bag in a different context was sufficient for achieving a transformation. If a criterion of transformation were to be applied in the trademark context, judges may not always be able to correctly interpret that transformation, which may lead to a gap in protection of freedom of expression.

In sum, I think that while a parody exception would help to point judges to the fact that trademark use in parody is of social value and that it may need to be protected strongly under Article 10 ECHR, the foreseeable transportation of criteria for copyright jurisprudence to trademark law may lead to a narrow interpretation of such an exception. Taken by itself, a parody exception may thus prove too limited to adequately protect trademark use in ‘meaning making’. As part of a set of limitations, including a non-commercial use exception, it may however be a welcome addition to trademark law as it may point judges specifically to the importance of protecting uses of trademarks in parody.

5.5.3.4 Balancing Harm with Freedom of Expression

Criticism, comment, art and parody that involve trademarks may often harm the distinctive character or repute of those trademarks. In the case of a boycott, it may even be the very intention to cause economic harm. Critical expression and calls for boycott may however be permissible forms of expression and Article 10 ECHR grants heightened protection even to expression that shocks, offends, or disturbs. Citation.

Moreover, it grants speakers a large freedom to criticise, to exaggerate and to chose means of expression that communicate messages in the most effective form, meaning the fact that harm is

295 ECtHR 7 December 1976 Handyside v. The United Kingdom; see also ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 88, “political expression”, including expression on matters of public interest and concern, requires a high level of protection under Article 10 (see, for example, Thorger Thorgeirson v. Iceland, judgment of 25 June 1992, Series A no. 239, and also Hertel, cited above, p. 2330, § 47).”

296 See also ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 90, “journalists are allowed ‘recourse to a degree of exaggeration, or even provocation’ (see, for example, Bladet Tromsø and Stensaas, § 59, or Prager and Oberschlick v. Austria, judgment of 26 April 1995, Series A no. 313, p. 19, § 38), and […] in a campaigning leaflet a certain degree of hyperbole and exaggeration is to be tolerated, and even expected.”

297 BVerfG NJW 1993, p. 1462; BGH (Verdachtsberichterstattung); BGH 10 November 1994 (Dubiose Geschäftsausfall); BGH 17 April 1984 (Grosses Mordoro Poker).
caused to the distinctive character or repute of a trademark cannot be the decisive factor in prohibiting third party trademark use in non-commercial expression or mixed expression. Rather, the particular expression needs to be balanced against the interests of the trademark right holder.

In balancing the harm with freedom of expression, a number of important considerations play a role.

Overall, the fierceness of the expression and the harm caused must be proportionate to the aim that is sought to be achieved. Fore one, this means that, as set out in section 5.5.3.1, expression that is purely commercial or follows an almost exclusive commercial aim, will not qualify for heightened protection under Article 10 ECHR.

Moreover, it is of importance whether the expression is a value judgement or a statement of fact. Stricter standards apply to statements of fact, which must be true and the person expressing them may be required to provide prove of the allegations. Trademarks are more often used in polemic expression and value judgements, i.e. those judgments that cannot be proven or disproved by factual evidence. Such, opinions and value judgements do enjoy a larger freedom, though they must be grounded in factual evidence. Pejorative terms like ‘crook’ or ‘cutthroat’ are, dependent on the particular factual situation, be seen as value judgements rather than factual allegations. Translated to the filed of trademark use this means that pejorative use or polemic use of trademark can be justified but, as I set out in section 3.5.1, the limit of acceptable value judgements should be drawn at the level of defamation or “Schmähkritik”. This means that a prohibition is justified when the use of the trademark in 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.

Finally, in this assessment, it is important that courts recognise various possibilities of interpreting the expression.

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298 ECtHR 8 July 1986 Lingens v. Austria, para. 46, “In the Court’s view, a careful distinction needs to be made between facts and value-judgements. The existence of facts can be demonstrated, whereas the truth of value judgements is not susceptible of proof. The Court notes in this connection that the facts on which Mr Lingens founded his value-judgement were undisputed, as was also his good faith.”

299 ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 89 “As to the complaint about the burden of proof, the Court notes that in McVicar it held that it was not in principle incompatible with Article 10 to place on a defendant in libel proceedings the onus of proving to the civil standard the truth of defamatory statements. The Court there referred to Bladet Tromsø and Stensaas, in which it commented that special grounds were required before a newspaper could be dispensed from its ordinary obligation to verify factual statements.” Making reference to ECtHR 7 August 2002 McVicar v. United Kingdom.

300 ECtHR 24 February 1997 De Haes and Gijssels v. Belgium; see also BGH 29 January 2002 (Schmähkritik).

301 ECtHR 8 July 1986 Lingens v. Austria; ECtHR 7 May 2002 McVicar v. The United Kingdom; ECtHR 24 February 1997 De Haes and Gijssels v. Belgium; BGH 29 January 2002 (Schmähkritik); BGH 1 February 1977 (Halsabschneider).


303 HR 15 May 2009 (kwakzalver).
In the subsequent paragraphs, I want to lift out three areas for special discussion: (a) the rule, which prohibits to mention one trademark when criticism is aimed at a whole group of goods; (b) the criticism of individuals; and (c) a number of (hypothetical) examples of balancing in extreme cases.

### a. Prohibition to Criticise one of Many Producers?

In a few cases German and Austrian courts have applied a rule that in not in accordance with the previous considerations. They held that it would not be justified to criticise just one out of several producers of identical goods, when the criticism is aimed at all of the goods and not so much at the one producer. This rule was applied in cases relating to anti-smoking campaigns as well as in a case relating to a campaign against the deportation of illegal aliens. In my opinion, this rule restricts the freedom to criticise in a manner that is not justified under Article 10.2 ECHR.

The Austrian Supreme Court prohibited the use of the Camel trademark in an anti-smoking advertisement. The campaigners had used the slogan ‘ONLY A CAMEL WALKS MILES FOR A CIGARETTE’ (‘NUR EIN KAMEL GEHT MEILENWEIT FÜR EINE ZIGARETTE’). In German, ‘Kamel’ is a pejorative term for a person acting in a foolish or stupid manner.

In its judgement, the Austrian Supreme Court had

> "referred to the right to freedom of expression and considered that the tobacco industry had to tolerate a public debate concerning the risks of smoking even if information about health risks was presented in an ironical or satirical manner. However, without special reason such as misleading advertising for tobacco using health symbols, a particular brand must not be disparaged as a substitute for a whole category of products. A considerable part of the general public would understand the applicants' publicity as a clear allusion to the plaintiff's cigarettes as being specially strong and unhealthy." [304][underline added]

In the opinion of the Austrian Supreme Court, voicing criticism about a particular producer may only be justified in exceptional circumstances. For instance, it may be justified to criticise a particular cigarette advertisement for the fact that it pictures health symbols such as lakes and untouched nature while selling cigarettes.[305]

In my opinion, this type of restriction of third party expression is a disproportionate impairment of Article 10.2 ECHR. I think that the requirement of not naming individual companies only makes sense in a competitive situation. However, even there consumers

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305 Austrian Supreme Court (OGH) 13 September 1988 Österreichische Schutzgemeinschaft für Nichtraucher v. R.J. Reynolds Tobacco Company. "In Ausnahmefällen kann freilich auch eine individuelle Bezugnahme auf bestimmte Marken zulässig sein, so zB dann, wenn mit der Anti-Raucherwerbung irreführenden Tendenzen einer bestimmten Tabakwerbung begegnet werden soll, wie etwa der Heranziehung typischer Gesundheitssymbole wie klare Gewässer, unberührte Landschaften usw., für die Zigarettenwerbung; solche Umstände liegen aber hier nicht vor."
may derive great benefits from being informed about negative consequences of goods and services.

In an earlier but very similar case, the German BGH had found a way around this prohibition to aim criticism at one individual company. In the Mordoro Poker case, the BGH ruled that the use of the trademark Marlboro in a parody of a Marlboro commercial was justified. The parody was sold as part of a calendar by an anti-smoking lobby. According to the BGH, the Marlboro trademark had been used merely as a ‘prototype’ for all cigarette brands and not to indicate Marlboro as a specific producer.

In my opinion, this reasoning of the BGH does leave a little more room for freedom of expression than the ruling of the Austrian Supreme Court, it does however not take sufficient account of the fact that non-commercial expression on matters of public interest must, as a matter of principle, receive a higher level of protection. By confirming the underlying rule, the BGH paved the way for decision of the Austrian Supreme Court as well as for a similar decision by the Landgericht Frankfurt that prohibited campaigners to use an alteration of the trademark of the biggest German Airline Lufthansa. The campaigners had used the slogan ‘Lufttransa – Deportation Class’ against Lufthansa because of its cooperation with the German Government in deporting illegal aliens. The Landgericht Frankfurt prohibited the critical expression on the basis of a violation of the general tort provision of civil law, because it was directed directly against Lufthansa.306

What is most disturbing about the Austrian Camel case is that the European Commission on Human Rights dismissed an application of the Austrian non-smoking campaigners. They had claimed that the Austrian Supreme Court’s violated their rights under Article 10 ECHR. In the very short decision on applicability, the ECommHR showed itself satisfied with the reasoning of the Austrian Supreme Court and held that no violation of Article 10.2 ECHR had taken place.307

In my opinion, this endorsement of the reasoning of the Austrian Supreme Court is not in line with other jurisprudence of the ECtHR. Camel, at the time and now, is a cigarette brand with one of the largest market shares. While it is true that an anti-smoking campaign could also aim to criticise smoking in general, the campaigners are fully justified to address and attack one of the major protagonists of the cigarette industry directly.


The very idea that it may not be allowed to criticise just one of many producers is not in accordance with Article 10 ECHR. In the field of non-commercial expression, it would be somewhat awkward if a producer of hazardous products could shield himself from public debate or negative public attention purely because others are producing similarly hazardous products. From the perspective of freedom of expression, the correct approach is that a producer who exposes himself to the public in million-dollar advertising campaigns to promote the positive sides of its product, must tolerate criticism or comment by members of the public. In my opinion, therefore the restriction of the trademark use in the Camel case was neither necessary in a democratic society nor proportionate. A prohibition may only be justified when the criticism or comment would aim primarily at defaming the cigarette trademark and no more at providing criticism or commentary.

b. The Criticism of Individuals

A form of criticism that occurs quite often is that of disgruntled individuals, who, in today’s media environment, easily can vent their anger on the internet on complaint sites, e.g. by choosing domain names like www.companyX-sucks.com, or www.screwcompanyY.com.

A newer version of such use is to purchase trademarks as ad-words so that a link to their webpage is listed prominently in the sponsored results of a search engine.

When weighing the harm caused by such expression, one may wonder whether the venting of anger by individuals should receive the same level of protection under Article 10 ECHR as e.g. the expression of the press. In relation to pressure groups, the ECtHR held that,

“in a democratic society even small and informal campaign groups […] must be able to carry on their activities effectively and that there exists a strong public interest in enabling such groups and individuals outside the mainstream to

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308 ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 94 “It is true that large public companies inevitably and knowingly lay themselves open to close scrutiny of their acts and, as in the case of the businessmen and women who manage them, the limits of acceptable criticism are wider in the case of such companies.” See further LG Hamburg 10 June 2002 (www.stoppesso.de), “Die Antragstellerinnen müssen sich jedoch wie alle in der Öffentlichkeit agierenden Personen und Unternehmen eine kritische Befassung gefallen lassen und können nicht verhindern, dass auch Marke und unternehmensname in Bezug genommen werden.” Rb Amsterdam 22 December 2006 The Netherlands v. Greenpeace, “Dit is naar het voorlopig oordeel van de voorzieningenrechter niet het geval. Weliswaar wordt de Staat (althans zijn huidige beleid) door middel van deze actie kritisch door Greenpeace bejegend, met als blikvanger zijn eigen logo, maar deze reden moet in een democratische samenleving als een geldige reden ? ook in merkenrechtelijke zin ? worden aangemerkt. Het gebruik is dus geoorloofd, ook al trekt Greenpeace daaruit (ideeel) voordeel en ook al wordt aan de reputatie van het merk afbreuk gedaan doordat het in een controverseel daglicht wordt geplaatst. Gelet op het voorgaande is het gebruik door Greenpeace Nederland van het logo van de Staat evenmin onrecht matig te achten.”

contribute to the public debate by disseminating information and ideas on matters of general public interest such as health and the environment.310

Whether the ECtHR would extend the same protection to disgruntled individuals is not entirely clear. In the Jacubowski case, it found for instance that the prohibition of criticism of one disgruntled former employee had been justified. However, in my opinion, the key element in that specific case was that Jacubowski’s main aim had been to lure away clients from the old employer and not primarily to voice his criticism.311

Apart from such competitive situations or situations of a predominantly commercial aim, I think that also the expression of individuals should enjoy strong protection. The use of trademarks to express criticism in domain names simply is a consequence of the importance of domain names in overall communication in the late 1990ies and early years of the new millennium. From the perspective of freedom of expression, a domain name can play an important role in such criticism, as this use operates like a headline of an article or a sign on a rooftop, thereby drawing attention.312

Likewise, the use of ad-words is a (necessary) consequence of the increased importance of search engines in today’s communication and it can be a very important means to generate attention for the spread of information or ideas that are of public interest.

Moreover, consumer criticism just as organised consumer boycott can be a means to assert a democratic influence on politically and socially influential companies. Especially if such companies operate internationally and are thus largely beyond the checks and balances that apply in democratic legal systems, consumer criticism may play an important role.

Finally, when weighing consumer criticism against trademark rights, one must also consider that the circulation of opinions of consumers about goods or services can help other consumers to make an informed choice,313 which is an aim of one of the rationales of trademark law itself, i.e. search cost theory.

310 ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 89. Compare also with ECtHR 15 May 2005 Steel and Morris v. The United Kingdom, para. 90 „journalists are allowed ‘recourse to a degree of exaggeration, or even provocation’ (see, for example, Bladet Tromsø and Stensaas, § 59, or Prager and Oberschlick v. Austria, judgment of 26 April 1995, Series A no. 313, p. 19, § 38), and […] in a campaigning leaflet a certain degree of hyperbole and exaggeration is to be tolerated, and even expected.”

311 ECtHR 23 June 1994 Jacubowski v. Germany, para. 28.

312 See e.g. U.S. Court of Appeals of the Sixth Circuit, 8 July 2001 Taubman Co. v. Webfeats, “We find that [defendant’s] use of Taubman’s mark in the domain name “taubmansucks.com” is purely an exhibition of Free Speech, and the Lanham Act is not invoked. And although economic damage might be an intended effect of [defendant’s] expression, the First Amendment protects critical commentary when there is no confusion as to source, even when it involves the criticism of a business. Such use is not subject to scrutiny under the Lanham Act. In fact, Taubman concedes that [defendant] is “free to shout ‘Taubman Sucks!’ from the rooftops….” [] Essentially, this is what he has done in his domain name. The rooftops of our past have evolved into the Internet domain names of our present. We find that the domain name is a type of public expression, no different in scope than a billboard or a pulpit, and [defendant] has a First Amendment right to express his opinion about Taubman, and as long as his speech is not commercially misleading, the Lanham Act cannot be summoned to prevent it.”

313 See also ECtHR 20 November 1989 markt intern v. Germany, para. 35, “In a market economy an undertaking which seeks to set up a business inevitably exposes itself to close scrutiny of its practices by its competitors. Its commercial strategy and the manner in which it honours its commitments may give rise to criticism on the part of consumers and the specialised press. In order to carry out this task, the specialised
In that context, I think that third party trademark use by individuals voicing criticism may have to be granted as much protection as the campaigns of e.g. Greenpeace.

c. Balancing in Extreme Cases

In this paragraph, I want to discuss a few examples of trademark use in criticism and art that, to my mind, are at the very limit of what a trademark right holder may need to tolerate. They concern trademark use in combination with swearwords or defecation, obscenity, or mentioning trademarks in relation with racism and mass murder.

Using swearwords or a depiction of defecation may also be protected under Article 10 ECHR. A German court has held that it an anti-hunting campaign group was justified to use a drawing of a little person urinating on the trademark of the German hunting federation, since that depiction personified the anti-hunting lobby’s disgust of the practice of hunting.314

In this context, it was, for instance, not in line with Article 10.2 ECHR (or Article 5 GG) that the LG Düsseldorf prohibited the use of the domain name ‘www.scheiss-t-online.de’ simply because it found the use of the word “scheiss” (shit) in the domain name to be devoid of any funny or ironic element and that it would purely defame the trademark.315 In my opinion, the use of such a swearword is justified to draw the attention to justified criticism of a major company, if that website indeed contains substantiated criticism.

Obscene expression is usually not highly protected, as it will be deemed not to be of the highest public interest. In particular, if the aim is merely commercial, a prohibition will not raise many concerns from the perspective of freedom of expression.316

However, if there is sufficient reason to make an obscene parody, then the expression may have to be tolerated. For instance, a postcard with the slogan ‘Fick for fun’ (transl. “Fuck for fun”) mocking the magazine ‘Fit for Fun’ was held to be justified because the magazine Fit for fun itself had published a variety of articles dealing with sexual topics in

press must be able to disclose facts which could be of interest to its readers and thereby contribute to the openness of business activities.”

314 OLG Köln 10 March 2000 (Kampagne gegen die Jagd), „Denn auch das berechtigte Interesse, sich an der öffentlichen Auseinandersetzung der Meinungen zu beteiligen und hierzu mit einer u.U. scharfen und schonunglosen, sogar ausfälligen Kritik beizutragen, deckt nicht ein dem Betroffenen nachteiliges Werturteil, das in keinem inneren Zusammenhang mit dem erörterten Gegenstand steht und das lediglich aus dem äußeren Anlass der Interessenwahrnehmung gemacht ist, in Wirklichkeit aber ausschließlich dazu dient, den Kritisierten zu diffamieren. Um eine solche, von der in Art. 5 Abs. 1 GG gewährleisteten Meinungsfreiheit nicht mehr gedeckte, ausschließlich die Diffamierung des Klägers bezweckende sog. „Schmähkritik“ handelt es sich bei der im Streitfall zu beurteilenden Markendarstellung jedoch nicht.“ (citations omitted).

315 LG Düsseldorf 30 January 2002 (‘scheiss-t-online.de’), „Durch die diffamierende Voranstellung des Wortes "scheiss" ist ein Bezug zu den Dienstleistungen der Klägerin gewollt und beabsichtigt. Dieser Bezug stellt ohne jedes scherzhafte oder ironierende Element eine bloße Herabwürdigung der Marken der Klägerin dar.“

316 For a prohibition of the use of trademarks in obscene expression see e.g. Pres. Rechtbank van Koophandel te Brussel 24 February 1987 Guerlain v. Societe Anonyme Editions Magic Strip. Pres. Rechtbank van Koophandel te Brussel 29 April 1975 Marsverbkoop Maatschappij v. Playboy. In the second case, the Court held that use of a trademark on the Magazine cover of Playboy must be considered non-commercial expression.
a manner that was ‘above what ordinarily could be expected from such a magazine.’

The gist of the value judgement and joke was grounded in enough factual basis.317

The poster of the ‘Boycott Outspan Aksie’, depicted below on page 290, may however be at the very limit of what needs to be tolerated. It was used in the 1980ies in an anti-apartheid boycott against South African orange trader Outspan. Its dissemination was very limited and the campaign was entirely non-commercial. Still, the poster was prohibited by the Dutch Advertising Commission (Reclame Code Commissie), a self-regulatory body, for being offensive and against good taste (thus not on grounds of trademark infringement). In an appeal, the High Court Amsterdam ruled that a prohibition of this advertisement would only be justified,

“if a large majority of the population in the Netherlands would find the drawing seriously offensive and of bad taste.”318

Since I deem this a very good example for exploring balancing considerations, let us assume for argument’s sake, that the Apartheid regime would still exist today, that Outspan would apply for an injunction based on its trademark rights and let us disregard that the use of the poster is entirely non-commercial. In this example, balancing could be conducted in the following manner.

On the one hand, the interests of Outspan may be seriously harmed the poster were used today e.g. on the Internet. On the other hand, the expression may be justified if the depiction, a very extreme value judgement, is sufficiently grounded in facts.

If, for instance, Outspan was heavily involved in collaborating with the Apartheid regime and heavily profited form the apartheid policy, or actively engaged in the suppression of e.g. workers, then the insinuation that Outspan itself exploited South Africans is, in my opinion, justified. If Outspan however, was just another Orange trader operating in South Africa who was not involved with the regime, the insinuation of exploitation (and murder?) may be stretching too far.

As a final example, I want to turn to, the use of trademarks in art in relation to mass murder where there is no direct factual relationship between the trademark and the subject. A good example for such trademark use are the pieces of art of the 2002 exhibition ‘Mirroring Evil’ of the Jewish Museum in New York, which, to my knowledge, have not been part of a litigation. They are all depicted below on page 291.

Weighing the tarnishment caused by the trademark use against freedom of expression in these cases may be difficult. The pieces of art may have a repulsive and possibly morally reprehensible effect, which in turn may severely affect the commercial value of the trademarks while there is no direct factual connection to the companies concerned.

However, provocation and playing with moral norms is one of the very functions of art in a society. These pieces of art play with existing dominant connotations of trademarks and use them in a process of meaning making, transmitting quite complex, yet powerful messages. Tom Sach’s Gifgas Gifset, imitating perfume packaging of Chanel, Hermes and Tiffany & Co. and the Prada Death camp can for instance be understood as a powerful criticism of the level of attention that is given to fashion in modern media and

317 OLG Hamburg 1 April 1999 (‘fit for fun’).
318 Hof Amsterdam 30 October 1981 ‘Boycott Outspan Aksie’.
the neglect of events like the Holocaust. Alan Schechner’s collage of the famous photograph from the Buchenwald concentration camp uses the Diet Coke slogan ‘It’s the real thing!’, aiming at criticising the dominion of United States and imagery in Israeli society and the neglect of the past. As such, the pieces of art may thus deserve strong protection under Article 10 ECHR.

An important consideration could be that the use of the trademarks in this art should be permitted because it is clearly recognisable as art and the works had been exhibited in a museum in a manner that induces people to thoroughly reflect upon the content of the message. It is that process of reflection, which diminishes the harm caused to the trademarks. Yet, I think that also if the works had been widely disseminated on the Internet, it may be a disproportionate impairment of the freedom of artistic expression of the artists to prohibit the expression because many of the possible interpretations of the art, can be of great public interest and should, in my opinion, thus be protected strongly under Article 10 ECHR.\(^\text{319}\)

Outspan Bloodorganges
‘Do not squeeze South Africans!’

\(^{319}\) I think that ECtHR itself, had it been asked to decide about the case, may have allowed a prohibition of extensive publishing, as it seems to be too lenient with restrictions on expression that may be morally reprehensible or that may hurt feelings of Holocaust survivors. See above section 3.5.1.3.
Tom Sachs  ‘Giftgas Giftset’  ‘Prada Deathcamp’

Alan Schechner Self-Portrait at Buchenwald – ‘It’s the Real Thing’
5.5.3.5 Chilling Effects

The final point I will discuss relates to the chilling effects caused by Article 5 TMDir. In the introduction, I indicated that solutions for balancing trademark rights with freedom of expression should be included clearly within trademark law so as to minimise chilling effects. Throughout the analysis, I argued that the lack of limit provided by the ‘use in the course of trade’ criterion creates chilling effects that should be compensated by a non-commercial use exception. Also an additional parody exception may help to provide the legal certainty for third party users, which is would forestall chilling effects.

There remains, however, one crucial point of concern, i.e. the costs involved in intellectual property litigation, in particular caused by Article 14 of the Directive on the enforcement of intellectual property rights stating that defendants using trademarks in art, political expression, in comment or parody run a considerable risk to lose their case and consequently need to reimburse the costs of the winning party, unless this is not equitable. In the Netherlands, even if a case is decided in a preliminary ruling, as most intellectual property cases are, the costs will usually be between 8000,- and 20000,- Euros. For a small party, these costs may be prohibitive. Moreover, for a defendant, the risk of losing a proceeding for a preliminary injunction is high, as in proceedings for a preliminary injunction, the trademark right holder does not have to adduce proof in the same manner as he would in main proceedings; a likelihood of harm is sufficient.

Consequently, many parties will quickly discontinue their political, cultural and other non-commercial or mixed expression when receiving a cease and desist letter. Most of such incidents occur secretly, which means that it is difficult to tell on what scale Article 2.20.1.d TMDir produces such chilling effects. It did however occur to my knowledge in the case of the Marlboro Poster of the International Socialists, in the case of the T-shirt by artist Nadia Plessner, and in a case where Dutch police uses a parody of the of popular drink Bacardi Breezer in an anti-drinking campaign.320 Likewise, in relation to U.S. trademark law, scholars indicate that it remains problematic for third parties to invoke the protection of the First Amendment.321 This is the case even though U.S. law leaves more room for balancing under the limitations than European law.

Some pressure groups like Greenpeace will of course not be affected by chilling effects as easily, as being dragged to court is part of their campaigning strategy and the association can easily pay the cost involved. Likewise, art manifestations with great media coverage may have such leverage in public discourse that they can permit themselves to ignore lawsuits. In fact, in some cases, trademark right holders have opted to co-operate with art manifestations rather than pursuing the legal path.322 In my opinion, however, it would not be proportionate under Article 10.2 ECHR to restrict the possibility to voice opinions by using trademarks to those parties who already

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320 The artist Nadia Plessner decided not to take her case to court since she did not like the fact that a law-suit by Louis Vuitton would divert all the attention from the original aim of her design, i.e. raising awareness for the dramatic situation in Darfur. She decided to discontinue the use of the design, that bore similarity to Louis Vuitton’s trademark. In my opinion, the use of the design was was fully justified by Article 10 ECHR.


322 This was the case in a temporary art manifestation, which imitated and transformed the concept of the famous Dutch warehouse HEMA by setting up a temporary Islamic version of the shop called “El-Hema”.

have a major influence on public discourse. Article 10 ECHR protects also minority views and therefore, it requires that the possibility of individuals to take part in the process of meaning making is kept available.

Therefore, I think that, as the Article 14 of the Enforcement Directive may create severe chilling effects, it is crucial not to apply the provision on payment of the costs of the opposing party in cases involving freedom of non-commercial or mixed expression. Such a requirement to reimburse the winning party may contravene Article 10 ECHR and neither would it be equitable as required under Article 14 of the Enforcement Directive itself.

5.6 CONCLUSION

In this chapter, I examined the second stage of balancing, i.e. balancing the scope of trademark rights with freedom of expression. I took the position that it is crucial to bring the considerations of 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. Therefore, I concentrated on examining various constitutive criteria and limitations of trademark rights with a view to identifying appropriate places for weighing freedom of expression with trademark rights and to providing an evaluation of the need for amendment. In particular, I examined whether the scope of trademark rights as set by constitutive criteria, limitations and their interpretation 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 the freedom of commercial expression of third party traders, I argued that a prohibition of confusing use is in line with freedom of commercial expression as that freedom is granted in order to inform consumers and confusing use that clearly misinforms consumers, does not serve that aim. However, as Article 5.1 TMDir stretches further than prohibiting purely confusing use I analysed elements of the scope of that Article. Article 5.1a TMDir covers referential use, use in comparative advertising and most forms of descriptive use, which means that any balancing needs to take place under the limitations to that Article. In the assessment of the likelihood of confusion analysis I argued that courts need to take care not to protect weak and descriptive signs such as “Lief!” for baby clothing or “Kinder” for chocolate. Moreover, when third party use confuses some consumers and is of great information benefit to others, I argued that courts need to take the interest of a third party trader to inform consumers into account.

In section 5.5.2, I analysed the balancing of trademark rights with freedom of commercial expression under the limitations of Article 6.1 TMDir, the criteria of unfairness and due cause contained in Article 5.2 and 5.5. TMDir and the Comparative Advertising Directive. I took the position that the limitation of Article 6.1 TMDir as well as the CompAdvDir are subsumed under the criteria of unfairness and due cause, and do thus not play a separate role in balancing with Article 5.2 TMDir and article 5.5 TMDir.
Overall, I argued that, from the perspective of freedom of expression, a strong focus on the aims of the limitations would help greatly to influence balancing processes in a manner that no disproportionate impairments of freedom of commercial expression are caused. Under Article 6.1.b TMDir these aims are expressed by a criterion of availability and in relation to the CompAdvDir this is the protection and furtherance of consumer interests. Both of these aims are congruent to the aim of freedom of commercial expression, i.e. to allow a trader to inform consumers.

Difficulties to achieve these aims may arise since the limitations of Article 6.1 TMDir and the CompAdvDir both contain limitative criteria, which means that third party descriptive use, referential use or use in comparative advertising: (a) does not create the “impression that there is a commercial connection between the third party and the trade mark owner,” or that it is not causing confusion(CompAdvDir); (b) does not take an unfair advantage of the (distinctive character (TMDir)) or repute of the trademark, (c) does not discredit or denigrate the mark, and (d) does not present the third party products as an imitation.

In relation to Article 5.1 TMDir, it became clear that identity protection under Article 5.1.a TMDir must be balanced against all the criteria mentioned above, whereas Article 6.1 TMDir does in fact not provide a limitation to the prohibition of confusing use, as, according to criterion (a), its application is excluded in such a case.

In relation to the limitation of descriptive use, I argued it may have to be use by courts to provide a counterbalance if a third party uses a trademark that should arguably have been refused for reasons of descriptiveness; in relation to referential use, I argued that, weight should also be give to consumer interests as is the case under the Comparative Advertising Directive. The restriction of referential use to cases of necessity is, in my opinion, not always justifiable under Article 10 ECHR as it completely reverses the proportionality test under Article 10.2 ECHR.

In relation to the prohibition of free-riding, I proposed that a requirement of image-transfer may help to limit the scope of Article 5.2 TMDir in a manner that does not go further than necessary in a democratic society. This would mean that the category of ‘taking advantage of the distinctive character’, which is interpreted as ‘taking advantage of the level of attention’ or, in German, ‘Aufmerksamkeitsausbeutung’ should not be applied at all as such prohibitions are not necessary in a democratic society. They interfere unduly with the freedom of expression of third party traders to inform consumers, as they apply to many forms of referential use, comparative advertising and even to descriptive use and in such use, taking advantage of the level of attention is an inherent feature of any sort of competition. Where an image is transferred, as may be the case in comparative advertising, referential use and some descriptive use, I argued that careful balancing must take place under the criterion of unfairness.

In relation to this process of balancing, I argued that the CompAdvDir has added vital breathing space to the TMDir in respect of comparative advertising and that it would be fully in line with freedom of commercial expression to introduce similar considerations in the balancing process in relation to referential use and descriptive use under the TMDir. Consequently, where a comparison, referential use, or descriptive use is truthful and not misleading, a certain transfer of reputation cannot, in my opinion, be regarded as unfair. Rather, proof by the plaintiff of an additional criterion of unfairness remains essential, otherwise the freedom of expression of a third party trader to inform consumers may be
impaired too severely. That unfairness needs to be more substantiated than indicated by the ECJ in its *l’Oréal* decision.

In relation to the prohibition of *blurring and tarnishment* I argued that they are both justifiable limitations to the freedom of commercial expression, if the level of harm and proof thereof is sufficiently high. Care should be taken where signs are used descriptively to inform consumers or where the use, which causes tarnishment, would provide vital information to consumers.

Where third party use is truthful and non-misleading, but causes harm, a careful balancing process should be carried out and it is, in my opinion, not proportionate to prohibit e.g. a price comparison solely because it may shed a negative light on a competitor and because it did not compare all characteristics of goods or services, or if referential use would only be allowed in case of necessity. Yet, I have argued that the freedom of commercial expression of a third party would probably not be disproportionately impaired if it were prohibited from providing information to consumers in a humorous, yet denigrating manner (e.g. in a comparative advertisement), in a case where there is no public interest implicated in the expression.

Turning to the *freedom of non-commercial expression*, I have first analysed the interpretation of the criterion of ‘*use in the course of trade*’ under Articles 5.1 and 5.2 TMDir, respectively. Courts do not use the criterion to restrict the scope of trademark rights to only those purely commercial third party uses that should receive lowered protection under Article 10 ECHR. On the contrary, this criterion is interpreted as covering all uses that take place “in the context of a commercial activity with a view to economic advantage and not as a private matter,” thereby including many forms of non-commercial and mixed expression, such as cultural expressions or the contents of publications or news reports. Consequently, the necessary restriction of the scope of trademark rights pursuant to Article 10 ECHR needs to be sought in the interpretation of the other criteria of Article 5 TMDir or in its limitations.

*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, e.g. alternative expressive goods or services that are covers by culturally, socially, or politically important signs, such as the name Elvis Presley. The limitations of Article 6 TMDir are of no avail to such third party use, thereby leaving no room for courts to consider expressive interest within trademark law.

Moreover, the lack of consideration of the effects of trademark protection on non-commercial and mixed expression is evident in the interpretation of the constitutive criteria of *Article 5.2 TMDir*. In relation to the criterion of ‘*use in relation to goods and services*’ I analysed that the German jurisprudence before the *Adidas* case, which interpreted the criterion as requiring third party use as a source identification. While I argued that that the practical chances to restrict actionable use under Article 5.2 TMDir to such an interpretation are slim, the analysis of the jurisprudence showed that the criterion of ‘*use in relation to goods and services*’ did play a useful role in properly judging mixed expression, by limiting trademark rights to the commercial sphere. It served to distinguish
between cases that use trademarks to bring across a point of public interest from those cases in which trademarks were used in a more commercial manner as a source identifier for the third party’s own gods or services. Thereby, this criterion helped to keep trademark rights within the sphere of trade.

Also the criteria of distinctiveness, repute, taking advantage, blurring or tarnishment have not been specifically limited to the commercial context. This allows trademark right holders to gain far-reaching control over the use and thus the meaning of a trademark not just in commercial life, but also in many spheres of social, cultural and political life, which is potentially in severe conflict with Article 10 ECHR.

Most importantly, under prohibition of taking unfair advantage, courts interpret “advantage” as the ‘level of attention’ carried by a trademark, which is, in my opinion, absolutely not proportionate under Article 10.2 ECHR. The existence of a level of attention of inherent in a trademark may exactly be the reason why strong freedom of expression may be granted to third party trademark use in non-commercial expression. It is one of the most basic principles of freedom of expression that the higher the public interest in expression is, the less impairments of freedom of expression are tolerable. Therefore, I argued 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, and, only in such a case should there be a need to balanced that use against the interests of the trademark right holder under the criteria of unfairness and due cause.

Likewise, the prohibition of blurring is more problematic when applied to expression that is of public interest, as right holders cannot reserve ‘a space in peoples’ minds in public discourse. Also here, it is one of the most basic principles of the protection under Article 10 ECHR, that 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 through the hold of a trademark on the public’s mind. Therefore, the prohibition of blurring should, in my opinion, not be applied, where people use trademarks in an expressively generic sense, e.g. where they have gained a new expressive meaning or where the expression is otherwise of public interest.

In relation to the prohibition of tarnishment, I have specifically mentioned two areas that, in my opinion, should not be considered as constituting relevant harm to trade mark right holders. The first of these involves the imaginary parts of the image, such as associations of youthfulness and playfulness with Coca-Cola; the second involves the harm to the “repute” of trademarks protecting government policies, as such policies always need to be vigorously discussed.

I discussed Article 2.20.1.d BVIE, which implements Article 5.5 TMDir, separately because the situation under this provisions is most critical as it allows for the protection of trademarks that do not even have a reputation also outside of trade. The scope of that provision is extremely far-reaching as it covers all use of trademarks even outside of trade, i.e. in art, politics, news and other publications, comedy, all sorts of parody and the like. Not surprisingly, it has a severe impact on freedom of non-commercial and mixed expression and it provides significant chilling effects. Moreover, the provision is not justified under any of the rationales for trademark law. In light of the disproportionate impairment of Article 10 ECHR caused by Article 2.20.1.d BVIE, I argued that Benelux legislators should consider to abolish Article 2.20.1.d BVIE.
In section 5.5.3, I assessed the balancing of trademark rights with freedom of non-commercial and mixed expression. In that section I also suggested solutions to the problems indicated.

Generally, I argued that use of trademarks in opinions and value judgements enjoys a wide-reaching freedom under Article 10 ECHR. Even pejorative use, or polemic use of trademarks, or use that contains swearwords, obscenity, associations with death, or racism, may be justified, as long as there is a sufficient factual relationship between the trademark and the criticism and the use does not primarily defame the subject of criticism. This is also the case when the criticism is voiced by a disgruntled individual. In relation to such expression it is also crucial that courts are open-minded to various possible interpretations, as expression containing signs and trademarks can often be interpreted in a variety of manners. If courts focussed only on one possible interpretation, they may falsely apply a lower level of protection under Article 10 ECHR, as they may not give proper weight to the public interest in the expression.

Furthermore, I specifically turned to the assessment of commerciality in mixed expression. I 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, i.e. 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.

As Article 5.1 TMDir does not allow for such balancing and, under Article 5.2. TMDir, all depends on courts’ willingness to recognise and protect the public interest elements in mixed expression, I explored the possibility of adding a non-commercial use exception to trademark law. In this respect, I examined the non-commercial use exception under the U.S. Lanham Act and concluded that this exception should be an example for the European trademark law. By creating such an 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, in most cases, be kept out of the reach of trademark rights.

In relation to newly developed meanings of trademarks, I argued that Article 6.1.b TMDir should be expanded in a manner to cover the use in non-commercial or mixed expression of meanings such as the Mc prefix indicating cheap and fast solutions. I argued that it would be consistent to apply the broad understanding of idiosyncrasy that is used in favour of trademark right holders also in the reverse case, i.e. in the interpretation of Article 6.1.b TMDir. Consequently, trademark law should provide for an exception to trademark rights when one of the multiple meanings of a sign is used descriptively or in an (expressive) generic sense.

In relation to the need for protecting expressive diversity (i.e. where trademark rights exist in signs of high social, cultural or political value for expressive goods or services), I have held that it may be a possible to create room for its protection 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 consist in the regular exploitation of such trademark rights (i.e. many 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. Therefore, as I indicated in chapter 4, a more appropriate solution may be to refuse the
registration of such signs as trademarks in relation to expressive goods and services. Preferably, this should be achieved by a ground for refusal of signs of high social, political or cultural value in relation to expressive goods and services. Another solution would be to apply stricter requirements of assessment under the ground for refusal of non-distinctiveness to those signs that are not properly functioning as trademarks - i.e. the signs that may express an allegiance and not primarily the 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, as I indicated in chapter 4, the current interpretation of the ground for refusal of non-distinctiveness may not allow registering authorities or courts to treat one type of signs differently.

In relation to the use and transformation of trademarks in processes of social, cultural or political meaning making, I have argued that courts, when assessing such expression, must carefully consider various interpretations. Only by doing so will they be able to offer protection to expression that is of public interest, as they are obliged to do under Article 10 ECHR.

I furthermore explored whether a parody exception, as contained in copyright law, would offer a solution for the adequate balancing of such use. While I am of the opinion that there is a need to provide a limitation that allows courts to balance transformative use of trademarks, I argued that a parody exception as contained in copyright law may be too limited for such purposes. In particular, the transportation of criteria developed under copyright law may provide results that are too limited. I argued that, 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, as part of a set of limitations, including a non-commercial use exception, a parody exception may be a welcome addition to trademark law as it may point judges specifically to the importance of protecting uses of trademarks in parody.

Finally, I have argued that, in order to allow also small parties and individuals to participate in public discourse or in processes of meaning making, it is necessary to remove chilling effects. Most importantly, 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, must, in my opinion, absolutely not be applied to cases involving non-commercial or mixed expression.