



# M@RK MY WORDS

## Freedom of Expression & IP Rights

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# The Origin of Trademark Rights & the Functions of a Trademark

# Introduction

- Trademarks are signs that distinguish the goods or services from one undertaking from those of another undertaking
- Exclusive trademark rights are an essential element in a system of undistorted competition (CJEU C-129/17, *Mitsubishi*, § 30)
- Exclusive trademark rights must ensure that the trademark can fulfill its functions (guarantee of origin, guarantee of quality, investment, communication, advertising)
- Not merely “exceptions to the *freedom to copy*” but fundamental rights (CJEU C-275/06, *Promusicae*, § 62 & § 68)

# Beautifully summarized by the CJEU

*“The exclusive right of the proprietor of the mark was conferred in order to enable him to protect his specific interests as proprietor, namely to ensure that the trademark can fulfil its function, and that the exercise of that right must therefore be reserved to cases in which a third party’s use of the sign affects, or is liable to affect, the functions of the trade mark. Amongst those functions is not only the essential function of the mark which is to guarantee to consumers the origin of the product or service, but also the other functions of the mark, such as, in particular, that of guaranteeing the quality of the product or service, or those of communication, investment or advertising.”*

(CJEU, C-129/17, Mitsubishi, § 34)

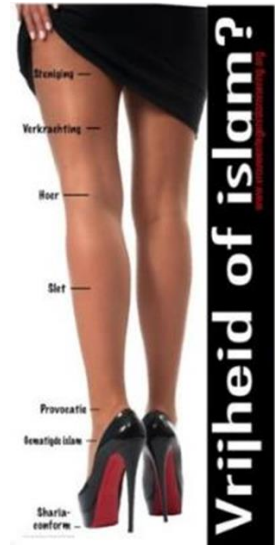
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## Trademarks & Freedom of Expression

Social criticism



Political Message



Artistic expression



Commercial parody



- Does this use affect the ability of the trademark to fulfill its functions?
- Does this use of an identical or similar sign fall outside the scope of protection conferred by the trademark on the proprietor?
- Can the user rely on the freedom of expression via a specific exception (such as under copyright laws) or must he rely on the limits found in *e.g.* article 10.2 of the EUTMD?

# No specific parody exception in EU TM law

- This was envisaged in a proposal for amendments to the EUTMD in 2014 but did not make the final cut
- Only remainder is a reference in the recitals of the EUTMD and EUTMR, stating that “*the Directive / Regulation should be applied in a way that ensures full respect for fundamental rights and freedoms, and in particular the freedom of expression*”
- This is often referred to when courts interpret “due cause”



# Relevant provisions

The proprietor of the registered trademark shall be entitled to prevent all third parties from using in the course of trade, in relation to goods or services, any sign where:

- the sign is identical with, or similar to, the trademark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the trademark is registered, if there exists a likelihood of confusion on the part of the public. (art. 10.2(b) EUTMD)
- the sign is identical with, or similar to, the trademark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to, those for which the trademark is registered, where the latter has a reputation in the Member State and 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. (art. 10.2(c)EUTMD)

# Freedom of expression under (b)

- Proprietor cannot oppose use outside the course of trade
- Proprietor cannot oppose use where there does not exist a likelihood of confusion (*i.e.* if the use does not create the impression that it originates from the same or an economically linked undertaking)

# Freedom of expression under (c)

- Proprietor cannot oppose use outside the course of trade
  - In the Benelux: Proprietor can also oppose use outside the course of trade (art. 2.20.2(d) BCIP)
- Proprietor cannot oppose use without unfair advantage or tarnishment
- Proprietor cannot oppose use with due cause
- Due cause was inserted in (c) in order to strike a balance between the interests of the trademark proprietor in safeguarding the functions of the trademark on the one hand, and the (even subjective) interests of a third party to use an identical or similar sign on the other hand (CJEU C65-12, *Leidseplein v. Red Bull*)

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## Case Law Examples

# Stop Esso – French Court of Cassation

- Use outside the course of trade

*“The terms ESSO, STOP ESSO, STOP E\$\$O and E\$\$O, used as words or together with figurative elements, have not criticized the products themselves protected by the ESSO marks, and have only referred to these marks for purely polemical purposes (...).”*



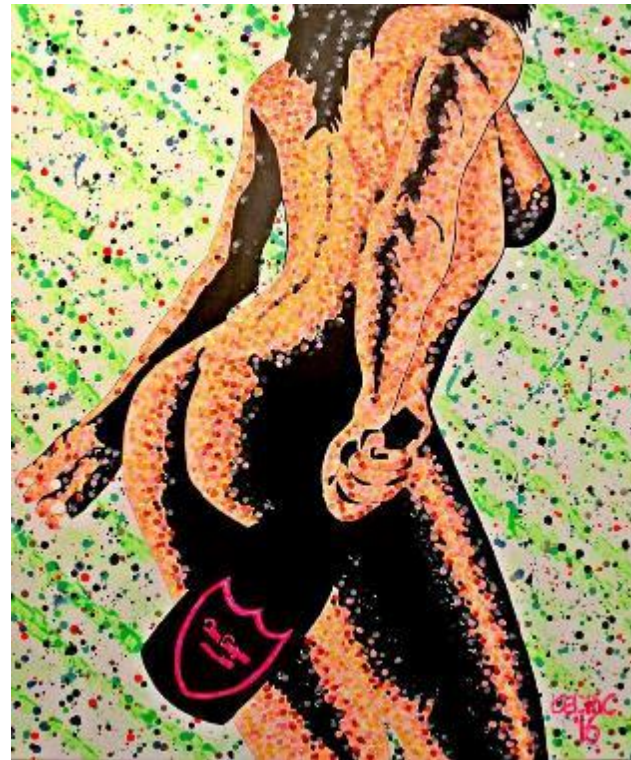
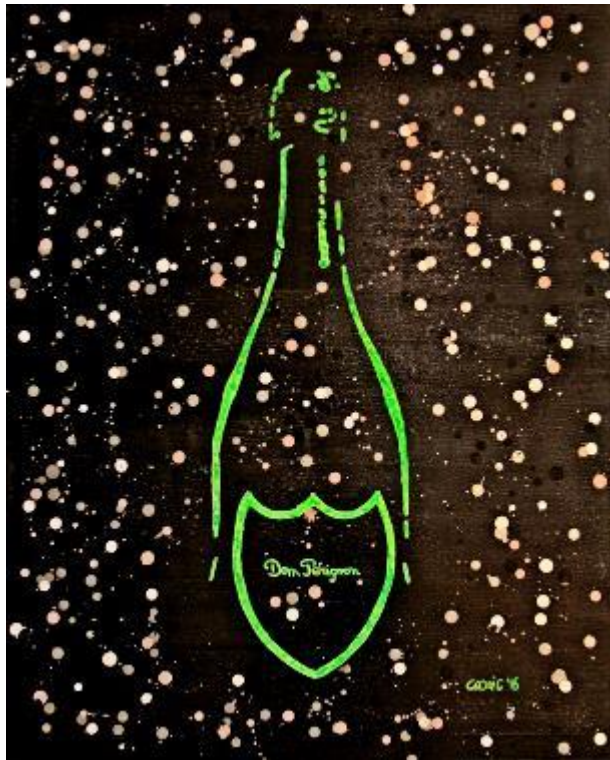
# Pudel – German BGH

- No likelihood of confusion (art. 10.2(b) EUTMD)
- Takes unfair advantage of PUMA TM (art. 10.2(c) EUTMD)
- No due cause





# Damn Perignon



# Damn Perignon

- Brussels court –*MHCS v. Cedric Art*, 2018:
- Use in relation to the sale of T-shirts

*“The defense of artistic satire or parody fails. Satire is generally defined as a satire or a form of art that criticizes society in a humoristic way. The same applies to parody, which copies the original work in an ironic way. It can be determined that Cedric Art in no way provides societal (let alone relevant) criticism by selling the clothing. To the contrary, the use of the sign is only aimed at fixing the attention on the clothing itself.”*



# Damn Perignon

- Benelux Court of Justice – *MHCS v. Cedric Art*, 2019:
- Use in relation to pop-art paintings

*“The notion “due cause” is intended to find a balance between the right of the trademark holder and the interests of the third party using the trademark. (...) Artistic freedom constitutes a due cause for the use of a sign that is identical or similar to a trademark, for other uses than for goods or services, if the artistic expression is the original result of a creative (design) process that is not aimed at damaging the trademark or its holder.”*

# Louboutin – Antwerp Court

- Benelux: No due cause for use outside the course of trade

*“The use of the [red-sole] trademark in this context can in no way be equated with the normal wearing of clothing in daily life, where it is limited to private use. Here the trademark is so manifestly used in the campaign that it comes down to a dominant use in order to attract the attention of the public even more and in such a way to take an unfair advantage of the trademark.”*



# My Other Bag – U.S. Court of Appeals

*“A parody must convey two simultaneous – and contradictory – messages: that it is the original, but also that it is not the original and is instead a parody. MOB’s bags do precisely that.”*

- Due cause in the EU?



# Conclusions

- No specific parody or fair use exception in EU TM law
- Freedom of expression is evaluated as a potential “due cause” for the use of a sign similar to a TM with a reputation (art. 10.2(c)EUTMD)
- Balancing exercise: predominant commercial motive will often offset freedom of expression
- Allowed outside the course of trade, unless for a Benelux trademark

# Due cause?



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# QUESTIONS?

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