

Offensive trademarks: can they be registered in Canada and the US? Canada - Smart & Biggar/Fetherstonhaugh

Registration

February 23 2016

Can you register an offensive trademark in Canada? A recent US decision concerning disparaging trademarks has led some Canadian practitioners to question whether the result would be similar in Canada.

The US Court of Appeals for the Federal Circuit recently issued a split decision, *In re Simon Shiao Tam*, holding that the bar on registration of “disparaging” marks under Section 2(a) of the Lanham Act is unconstitutional and violates the First Amendment.

Canada has a prohibition against the adoption of “scandalous, obscene or immoral” marks, which is arguably similar to the US provision. The *In re Simon Shiao Tam* decision raises an interesting question as to how Canadian courts would respond to arguments that the prohibition against such offensive marks is unlawful.

Background

In November 2011 Simon Shiao Tam, the front man of Asian-American dance-rock band The Slants, filed a US application seeking to register the mark THE SLANTS for “Entertainment in the nature of live performances by a musical band.” Tam named his band in an attempt to “reclaim” and “take ownership” of Asian stereotypes.

The trademark examiner refused to register the mark on the basis that it was “disparaging”, finding that a substantial percentage of persons of Asian descent would find the term offensive. The examiner’s refusal to register the mark was affirmed by the Trademark Trial and Appeal Board and by a panel of the US Court of Appeals for the Federal Circuit.

Barring registration of “disparaging” trademarks violates First Amendment

Sitting *en banc*, the majority of the US Court of Appeals for the Federal Circuit held that the government cannot refuse to register disparaging marks because it disapproves of the ideas or messages conveyed by those marks. The disparagement provision was found discriminatory on its face – denying the registration of marks that refer to particular ethnic groups or religions “only if the message received is a negative one”.

The court rejected the government’s argument that the disparagement provision is a regulation of commercial speech, finding that the provision targets a mark’s “expressive character”, rather than its function as a source identifier.

Of particular note is the court’s finding that although the disparagement provision does not directly ban speech, it deprives brand owners of substantive and procedural rights and therefore has a significant chilling effect on private speech. The court was also particularly concerned with the uncertainty as to what might be deemed disparaging by the US Patent and Trademark Office (USPTO).

The holding in this case was limited to the disparagement provision of Section 2(a).

Canadian perspective

The arguably comparable Canadian provision is Paragraph 9(1)(j) of the Trademarks Act, which prohibits any person from adopting a mark considered to be “scandalous, obscene or immoral”.

There has been very little interpretation of Paragraph 9(1)(j) by Canadian courts. In one of the few cases, a 1992 decision of the Canadian Federal Court, the court rejected an objection to registration of the mark MISS NUDE UNIVERSE pursuant to Paragraph 9(1)(j), finding that the word ‘nude’ is a “perfectly acceptable adjective”. Similarly, in a 2009 decision, the Federal Court dismissed an allegation that a trademark depicting the letter ‘A’ in a circle formed by a snake - a symbol that holds significant spiritual value for followers of the written work *Grail Message* (which for some observers is more important than the Bible) - was “obscene, scandalous or immoral” because some individuals believed that the mark was not being used to spread the “original” message of the group’s founder.

With very little case law on point, the Canadian Intellectual Property Office’s *Trademarks Examination Manual* suggests that in examining a mark in respect of Paragraph 9(1)(j), examiners may be guided by the following:

- A scandalous word or design is one which is offensive to the public or individual sense of propriety or morality, or is a slur on nationality and is generally regarded as offensive. It is generally defined as causing general outrage or indignation.
- A word is obscene if marked by violations of accepted language inhibitions or regarded as taboo in polite usage. This is generally defined as something that is offensive or disgusting by accepted standards of morality or decency, or offensive to the senses.
- A word or design is immoral when it is in conflict with generally or traditionally held moral principles and generally defined as not conforming to accepted standard of morality (see IV.10.6 of the *Trademarks Examination Manual*).

Examiners must also establish that the mark would offend the feelings or sensibilities of a not-insignificant segment of the public.

In spite of these guidelines, the Canadian Trademarks Office has inconsistently applied Paragraph 9(1)(j), recently objecting to registration of the mark 'Lucky Bastard' for "Distilled spirits, alcoholic beverages" as being "scandalous, obscene, or immoral", despite having previously granted registrations for trademarks incorporating the term 'bastard', including the well-known trademark FAT BASTARD for wine. The office relied on the *Collins English Dictionary*, which defines 'bastard' as "informal" and "offensive", finding that a not "insignificant segment of the Canadian public would, upon first impression, view the subject mark as scandalous as it would offend their religious sensibilities". The same applicant had previously applied for the mark 'Lucky Bastard Vodka', which was similarly rejected by the office as being "scandalous, obscene, or immoral" back in 2012.

The office's objections to the 'Lucky Bastard' applications reflect a surprisingly puritanical view which does not appear consistent with the perception of typical Canadians in the 21st century or the limited case law.

These examples illustrate the subjective nature of Paragraph 9(1)(j) and the difficulty that applicants face in predicting what the office may deem "scandalous, obscene, or immoral". Interestingly, similar issues pertaining to the arbitrary application of the US disparagement provision were raised by the US Court of Appeals in the *Simon Shiao Tam* decision.

As in the United States, freedom of thought, belief, opinion and expression are guaranteed by Section 2(b) of the Canadian Charter of Rights and Freedoms. While freedom of expression arguments have not yet been raised in Canadian courts in the context of Section 9(1)(j), the US *Simon Shiao Tam* decision might influence future litigants or courts to consider the issue.

Philip Lapin and Nicole Vidinu, Smart & Biggar/Fetherstonhaugh, Ottawa

World Trademark Review (www.worldtrademarkreview.com) is a subscription-based, practitioner-led, bi-monthly publication and daily email service which focuses on the issues that matter to trademark professionals the world over. Each issue of the magazine provides in-depth coverage of emerging national and regional trends, analysis of important markets and interviews with high-profile trademark personalities, as well as columns on trademark management, online issues and counterfeiting.