



2021 Study Question

Registrability of trade marks against public order or morality

Finland

Group Members: Janne Erkkilä, Pauliina Heine, Miranda Höykinpuro, Markus Lampinen, Pamela Lönnqvist, Susanna Nisso

Questions

I. Current law and practice

Please answer the below questions with regard to your Group's current laws and Practice.

- 1) a) Are trade marks contrary to public order refused or invalidated under your law?
Please answer YES or NO. **YES**
- b) Are trade marks contrary to morality refused or invalidated under your law?
Please answer YES or NO. **YES**
- c) Please state any applicable legal provisions.

According to Section 12(1)(4) of the Finnish Trademark Act (2019/544), a trademark shall not be registered, or if it is registered, it shall be invalidated if it is contrary to law, public policy or accepted principles of morality.

- 2) a) Is there an explicit definition of public order and/or morality under your law?
Please answer YES or NO. **NO**
- b) If your answer is YES, please state the definition. If your answer is NO, please still indicate what you believe to be the definition.

Public policy - a concise definition is hard to come by as Finnish case law on the matter is scarce, and EU case law and the Finnish Preparatory Works of the Trademark Act only list examples when a trademark could be deemed as contrary to public policy. The Guidelines of the EU Intellectual Property Office ("EUIPO") however include a useful definition of public policy as "the body of all legal rules that are necessary for the functioning of a democratic society and the state of law" as well as "the body of EU law applicable in a certain area, as well as to the legal order and the state of law as defined by the Treaties and secondary EU legislation, which reflect a common understanding of certain basic principles and values, such as human rights". References to EU law in the said definition should also encompass national law.

Accepted principles of morality - according to the Court of Justice of the European Union ("CJEU"), the concept of "accepted principles of morality" refers to "the fundamental

moral values and standards to which a society adheres at a given time” which have to be determined according to “the social consensus prevailing in that society at the time of the assessment” while also taking due account of the “social context, including, where appropriate, the cultural, religious or philosophical diversities that characterise it” (C-240/18 P, 27.2.2020, FACK JU GÖHTE, para 39).

c) What is the difference between morality and public order?

This difference has not been explained in Finnish case law. According to the Guidelines of the EUIPO and the Vigeland decision (mentioned in the Study Question) of the European Court of Human Rights, the assessment on public policy is assessed based on objective criteria whereas the assessment on accepted principles of morality is assessed based on subjective value, although according to the CJEU in the FACK JU GÖHTE case, the latter assessment must also be carried out objectively.

The Preparatory Works of the Finnish Trademark Act provides examples of trademarks in conflict with public policy and accepted principles of morality. Examples of the first category would consist of trademarks which incite to commit a crime or another act swaying public policy or would be sexually offensive. Examples of the second category would consist of trademarks which are as such for instance blasphemous, racist or discriminatory, would glorify or refer to narcotics or be a curse word.

3) a) Is this ground applied to the trade mark per se, i.e. to the intrinsic qualities of the trade mark in question?¹ Please answer YES or NO. **YES**

b) Please explain.

The Finnish Preparatory Works of the Finnish Trademark Act state that a trademark is contrary with accepted principles of morality, if the trademark, as such, is e.g. blasphemous. Furthermore, according to the CJEU’s FACK JU GÖHTE judgment, “the fact that it is that mark itself which is to be examined does not mean that, in the course of that examination, contextual elements capable of shedding light on how the relevant public perceives that mark could be disregarded” (para 51).

4) a) What is the relevant date for applying the ground of public order or morality?

(ii) date of the examination/assessment by the office or the court

b) Bearing in mind that views regarding morality and public order can be dynamic

¹ The answer should be NO if e.g. also the use of the mark in practice is taken into account (e.g. if it is used for hard drugs), or if the goods or services for which the trade mark is applied for or registered are considered illegal. If circumstances are taken into account that help establish how the public will perceive the trade mark itself, the answer should however be YES; in that case, these circumstances are used to help establish if the mark itself is contrary to public order or morality.

and change over time, which of the following is possible?

(i) refile a trade mark that has been refused or declared invalid for being contrary to public order or morality

(ii) file a new action against a trade mark that previously survived a challenge on this ground

c) Must this ground apply in the entire territory² covered by the trade mark?
Please answer YES or NO. **NO**

5) From whose perspective is it judged whether or not a trade mark is contrary to public order or morality?

(iii) a reasonable person with average thresholds of sensitivity and tolerance, taking into account the context in which the mark may be encountered

6) What factor or factors are taken into account when assessing whether a trade mark is contrary to public order or morality?

(i) the meaning of the words or other elements contained in the mark contrary to public order or morality

(ii) the background or origin of the words or other elements contained in the mark

(iv) the designated goods and/or services

(v) the goods and/or services for which the mark is used in practice by the applicant/registrant

(vi) fundamental rights (e.g. freedom of speech/expression)

(vii) other, namely national legislation and practice of Finland.

According to the Guidelines of the EUIPO, "national legislation and practice of Member States are indicators to be taken into account in order to assess how certain categories of signs are perceived by the relevant public in those Member States (20/09/2011, T-232/10, Coat of Arms of the Soviet Union, EU:T:2011:498, § 58)."

7) In what types of proceedings can the morality and/or public order ground be invoked?

(i) examination (i.e. ex parte examination by the trade mark office)

(ii) opposition proceedings (i.e. inter partes proceedings before the trade mark is approved for registration, or after registration in jurisdictions with post-registration oppositions)

(iii) invalidation/cancellation proceedings before the trade mark office (i.e. inter partes proceedings after the trade mark is approved for registration)

² This question aims to establish if e.g. in the EU the trade mark should be contrary to public order or morality in every member state, or if in a country with multiple languages and other differences it should be contrary to public order or morality in the entire country.

(iv) invalidation/cancellation proceedings before a court (i.e. inter partes proceedings after the trade mark is approved for registration)

II. Policy considerations and proposals for improvements of your Group's current law

- 8) Can your Group's current laws or practice relating to the registrability of trade marks contrary to public order or morality be improved? Please explain.

NO. There is no need to amend the relevant section of the Finnish Trademark Act as far as conflict with public policy and accepted principles of morality are concerned. These concepts are ambiguous and may change over time. There is little Finnish case law on both rejection grounds but as the General Court of the EU and the CJEU have issued several rulings on the matter, guidance on the applicability of both grounds can be sought from EU case law.

- 9) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question?

According to Section 12(1)(4) of the Finnish Trademark Act, a trademark shall not be registered, or if it is registered, it shall be invalidated if it is contrary to law, public policy or accepted principles of morality. According to the Finnish Preparatory Works of the Finnish Trademark Act, the said statute is intended to implement Article 4(1)(f) of the EU Trademark Directive (2015/2436). The said article does not include conflict with law, only conflict with public policy or accepted principles of morality. On the other hand, Article 4(3)(a) permits EU Member States to prohibit the registration of trademarks which are contrary to law, or such trademarks to be invalidated, if the use of the trademark can be prohibited pursuant to provisions of law other than trademark law. However, the only example in the Preparatory Works of the Finnish Trademark Act of a trademark contrary to law is being contrary to the provisions on the sanctity of religion. According to Chapter 17, Section 10 of the Finnish Criminal Code, a person may be sentenced to a fine or a maximum of six months of imprisonment on certain grounds (e.g. for publicly blaspheming against God). The said statute does not however state that the use of a trademark can be prohibited.

Our Group is wondering whether Section 12(1)(4) of the Finnish Trademark Act is, as far as the trademark being unregistrable and subject to invalidation as "contrary to law", properly aligned with the EU Trademark Directive since the Finnish provision has not been formulated in a manner that it prohibits the registration of a trademark if its use is contrary to other law than trademark law. The lack of a referral in the Finnish Preparatory Works to Article 4(3)(a) and the lack of an explanation on why a conflict with e.g. the provisions on the sanctity of religion entitles the use of the said trademark to be prohibited support our Group's consideration.

III. Proposals for harmonisation

Please consult with relevant in-house / industry members of your Group in responding to Part III.

- 10) Do you believe that there should be harmonisation in relation to the registrability of trade marks contrary to public order or morality? **YES.**

If YES, please respond to the following questions without regard to your Group's current law or practice.

Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.

- 11) a) Should trade marks contrary to public order be refused or invalidated? Please answer YES or NO. **YES.**

b) Should trade marks contrary to morality be refused or invalidated? Please answer YES or NO. **YES.**

- 12) a) Should there be an explicit definition of public order or morality? Please answer YES or NO. **NO.**

b) If your answer is YES, please state the definition.

c) What should be the difference between morality and public order?

Conflict with morality should be assessed on subjective grounds, while conflict with public order should be assessed on objective grounds. A rough distinction between morality and public order would be that conflict with morality would cover trademarks deemed offensive to a high enough degree, and conflict with public order would cover trademarks in conflict with legal provisions concerning certain basic principles and values.

- 13) a) Should this ground be applied to the trade mark per se, i.e. to the intrinsic qualities of the trade mark in question?³ Please answer YES or NO. **YES.**

b) Please explain.

The circumstances on how the relevant public will perceive the trademark as such should be taken into account, making the answer therefore in the affirmative.

- 14) a) What should be the relevant date for applying the ground of public order or

³ See also footnote 1 above.

morality?

(ii) date of the examination/assessment by the office or the court

b) Bearing in mind that views regarding morality and public order can be dynamic and change over time, which of the following should be possible?

(i) refile a trade mark that has been refused or declared invalid for being contrary to public order or morality

(ii) file a new action against a trade mark that previously survived a challenge on this ground

c) Should this ground apply in the entire territory⁴ covered by the trade mark?
Please answer YES or NO. **NO.**

- 15) From whose perspective should it be judged whether or not a trade mark is contrary to public order or morality?

(iii) a reasonable person with average thresholds of sensitivity and tolerance, taking into account the context in which the mark may be encountered

- 16) What factor or factors should be taken into account when assessing whether a trade mark is contrary to public order or morality?

(i) the meaning of the words or other elements contained in the mark

(ii) the background or origin of the words or other elements contained in the mark

(iv) the designated goods and/or services

(v) the goods and/or services for which the mark is used in practice by the applicant/registrant – but only insofar these are covered by the application

(vi) fundamental rights (e.g. freedom of speech/expression)

- 17) In what types of proceedings should it be possible to invoke the morality and/or public order ground?

(i) examination (i.e. ex parte examination by the trade mark office)

(ii) opposition proceedings (i.e. inter partes proceedings before the trade mark is approved for registration, or after registration in jurisdictions with post-registration oppositions)

(iii) invalidation/cancellation proceedings before the trade mark office (i.e. inter partes proceedings after the trade mark is approved for registration)

(iv) invalidation/cancellation proceedings before a court (i.e. inter partes proceedings after the trade mark is approved for registration)

⁴ See also footnote 2 above.

- 18) Please comment on any additional issues concerning any aspect of the registrability of trade marks contrary to public order or morality you consider relevant to this Study Question.
- 19) Please indicate which industry sector views provided by in-house counsel are included in your Group's answers to Part III.

No in-house counsels/industry members have contributed to the answers in Part III.