



# “CANNABIS” in the spotlight as a trademark contrary to public policy



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INTELLECTUAL PROPERTY, AGRI-FOOD

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**A**rt. 7 (1) (f) Regulation No. 2017/1001: Trademarks contrary to public policy or principles of morality as absolute grounds for refusal in the light of case T-683/18 of the General Court

In December 2016 Ms. Santa Conte of Naples (Italy) filed an application for an EU trade mark consisting of figurative sign “CANNABIS Store Amsterdam” with the EUIPO for goods and services for food and drinks (Nice Classes 30, 32, 43), which was rejected. The rejection of the EUIPO was confirmed by the Board of Appeal resting on absolute grounds of refusal for reasons of public policy under Art. 7 (1) (f) Regulation No. 2017/1001.

The Regulation, as is well known, governs EU trade marks, their requirements, proceedings of grants and appeals and should aims at promoting the “*harmonious development of economic activities and a continuous and balanced expansion*”, which can be achieved by “*enabling the products and services of undertakings to be distinguished by identical means throughout the entire Union, regardless of frontiers*”.<sup>1</sup>

The applicant appealed the decision to the General Court, primarily arguing that it had erred in the definition of the relevant public of the EUIPO Board and its perception of the sign. Moreover, the sign did not refer to any illegal narcotic substance, but the generally used term “*hemp*”, which, within the textile and pharmaceutical sectors, commonly

<sup>1</sup> Recital No. 3 of Regulation No. 2017/1001/EU.



utilizes designs comprised of cannabis leaves.

In contrast, the Board of Appeal had considered the need to look at the sign as a whole including its word and figurative elements. The combination of cannabis leaves a symbol for marijuana with the Dutch city of “*Amsterdam*”, where its consumption is generally tolerated in Coffee-Shops, created the perception of an illegal use.

The General Court confirmed the Board’s point of view and dismissed the action by holding the sign contrary the public policy. The relevant public was correctly determined as the general public of the European Union without distinction, which is comprised of persons in their day-to-day lives. Even though one cannot find a common definition for “*public policy*” due to linguistic, historic, social and cultural diversities, the Court held that “*Member States essentially retain the freedom to determine what constitutes those requirements in accordance with their national needs*”. Furthermore “*something being against the law is not always necessarily the equivalent of its being contrary to public policy for the purposes of Article 7(1) (f) of Regulation 2017/1001, read in conjunction with Article 7(2) of that regulation. It is also necessary that the fact of that thing being against the law affects an interest which the Member State or States concerned consider to be fundamental in accordance with their own systems of values*”.<sup>2</sup>

This appears to be the core of the public order concept, to the extent that a number of Member States are not tolerating the consumption of cannabis and actively combat the illicit use and traffic of drugs. According to this reading of Art. 7 (2), grounds of non-registrability in only part of the Union are sufficient and therefore, the sign was found non-registerable.

### Approved principles of examination and definition within Art. 7 (1) (f)

The General Court’s decision is not really saying something new. There have been other cases dealing with absolute refusal under Art. 7 (1) (f). For example, in “*La Mafia*”<sup>3</sup> the Court already referred to the different principles of morality in the Member States for linguistic, historic, social and cultural reasons (Rec. 28, T-1/17) so that the assessment “*must be based on the standard of a reasonable person with average sensitivity and tolerance thresholds*” (Rec. 26, T-1/17).

Moreover, a trivialization of illicit actions might violate fundamental rights under Art. 2 TEU and Art. 2, 3, 6 Chart of Fundamental Rights (2012/C 326/02). Moreover, the existing requirement to consider not only the specific public addressed by the goods and services concerned, but persons in general, in their “*day-to-day-lives*”<sup>4</sup>, was also mentioned in cases “*FICKEN LIQUORS*” and “*OSHO*”.

If one looks at these cases, one easily sees a common denominator by considering “*La Mafia*”, “*FICKEN*” as well as “*CANNABIS*” as the dominant parts of the signs. This might cause the perception for the relevant public in relation to objects contrary to public policy.

A registration had even been applied for trade mark “*CANNABIS*”<sup>5</sup> for alcoholic beverages, which was found non-registrable by the General Court, surprisingly, not as being contrary public policy, but due to its descriptive character. Therefore, uncertainty with respect to the use of this term still prevails.

What is clearly missing is a uniform concept of public policy. In the case of “*Fack Ju Göhte*” (T-69/17) Advocate General Bobek tried to define the

<sup>2</sup> Judgement recital No. 71 and 72.

<sup>3</sup> Filed application for goods and services in gastronomy, T-1/17.

<sup>4</sup> T-54/13, “*FICKEN LIQUORS*” (rec. 22); T-670/15, “*OSHO*” (rec. 104).

<sup>5</sup> T-234/06; the judgement of “*CANNABIS Store Amsterdam*” quotes a decision of the Cancellation Division in Case 2665 C, cited by the plaintiff, about a registration of “*COCAINE*” for beer, where the negative message was considered irrelevant.

concept as follows: *“Public policy is a normative vision of values and goals, defined by the relevant public authority, to be pursued now and in the future, that is, prospectively. Public policy thus expresses the public regulator’s wishes*

*as to the norms to be respected in society”*.<sup>6</sup>

Public policy as grounds for refusal of a trademark is therefore, bound to remain unsettled and open to debate in the foreseeable future.

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<sup>6</sup> Opinion of Advocate General Bobek in Case C-240/18P of 02.07.19 (*Fack Ju Göhte*), rec. 76.




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