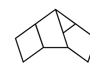

United against taboo

The price of building Benetton

(First published in *Trademark World*, May 2003)

by Dr. Henning Hartwig

The permitted usages of trademarks and logos in branding are in a process of transition, and this extends, above all, to global advertising campaigns. Over a period of years, Italian fashion retailer, Benetton, invented and then refined the art of the shock advertising campaign, with billboard campaigns that won attention the world over. Images such as the "Oil-Covered Duck" underlined the evils of pollution, while "HIV POSITIVE" posed a question about the role of AIDS patients in society that the courts have been attempting to solve ever since. From the 1989 debut of "Breastfeeding" and "Handcuffs" and continuing through to the present with 2003's "Food for Life", the startling images were Benetton's key platform in the careful campaign to build its mark, UNITED COLORS OF BENETTON.

Their success in doing so has been notable, but the cost has also been high. Whenever lawyers gather to discuss the admissibility of a Benetton campaign, the infringement of accepted values is claimed, and the Benetton advertisements are routinely accused of trespassing into taboo areas[1].

What exactly is this supposed to mean? Did it break a taboo to appeal to altruistic feelings and political values in commercial advertising before Benetton's campaigns came along? Is there any rule against showing those pictures, which are used in combination with the Benetton mark, in the public sphere? Are such photos allowed in the news section of magazines but not in the advertising section? Quite clearly, taboo topics still exist in various markets around the world, but can avoiding these topics really be justified? Why should the journalistic depiction of brutal situations be justified, but not their commercial depiction? In a functioning democracy, should it not be more appropriate to speak of common objectives for advertising and the press?

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1 *E.g.* AHRENS, 1995 JZ 1096, 1097; GAEDERTZ/STEINBECK, 1996 WRP 978 *et seq.*

Even in 1999's "Sunflowers" campaign, which photographed disabled children and adults interacting with their families and friends, the company was still accused of leading a simple shock campaign. However, does this advertisement breach a specific taboo, or does it merely abandon the questionable practice of avoiding the presentation of disabled people in public?

Modern advertisements are pushing their way into a number of taboo areas. This is true not only of the "death, illness, suffering, piety" values and qualities that Benetton tries to represent in its UNITED COLORS OF BENETTON campaigns, but also the very private area of sexuality. Today, however, the far reaching secularisation of formerly sacrosanct areas is a characteristic of our age of global communication. Hence, criticism of pushing into taboo areas can hardly serve as a basis for prohibiting Benetton advertisements.

On death row

From a superficial perspective, the controversial international discussion of the legality and legitimacy of Benetton's trademark use[2] seems to have been concluded for quite a while now. But this impression is not true. In January 2000, Benetton's then creative director Oliviero Toscani initiated the "We, on death row" campaign, showing real-life portraits of dozens of individuals sentenced to death and waiting for their execution in American prisons located in Missouri or Nebraska.

However, the campaign caused public outrage in the United States. The backlash was so strong that US retailing giant Sears Roebuck repudiated a new franchising contract which may have had the potential to save Benetton's faltering business in the United States. As a consequence, collaboration between Benetton and Toscani ceased, and more recent campaigns have been notably toned down.

The economic consequences of this retreat from controversy have been difficult to assess. Benetton's reaction was certainly strong – despite national bans against various campaigns, all of Toscani's work for Benetton can be viewed on the company's website – except "We, on death row"[3].

The "death row" images were withdrawn following a series of legal steps taken by individual state governments within the United States. The Missouri attorney general, for example, did not attack Toscani's pictures or the ad campaign *per se*, but attacked the use of the images on the basis of the way the information and the photographs were obtained. In Pennsylvania, the state legislature condemned

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2 For details *see* HARTWIG, 2001 Managing Intellectual Property (no. 2) 35 *et seq.*

3 *See* http://www.benetton.com/home.html.

Benetton for its glamorisation of convicted murderers, passing a resolution which was sent to Benetton's board of directors. California's state legislature passed a bill which encouraged "*all citizens in California to express to the United Colors of Benetton, in whatever manner they deem most effective, their opinion of the inappropriate and insensitive death row marketing campaign*".

None of the state legislative actions, however, called for an expressive boycott of Benetton, and the resolutions were not based on either a constitutional ground or even on any real substantive law. Therefore, California's preliminary version of the bill which included the word "boycott" was reworked into the more restrained version "*whatever manner [the citizens] deem most effective*"[4]. The debate on capital punishment appears to have culminated in the January 11, 2003, decision of the departing Illinois Governor George Ryan, in which he granted blanket commutation to all 167 inmates facing execution in Illinois[5].

The consumer as presiding judge?

This background exemplifies the difficulties legal systems still have with the values that have been carefully crafted for the UNITED COLORS OF BENETTON trademark, more than 10 years after its notorious campaigns first began.

Most of the reactions the various campaigns triggered within different countries remained localised: What was sanctioned in Brazil ("Nun kissing priest"), was accepted in the rest of the world, just as the "We, on death row" campaign was attacked only in the United States. Given this situation, it seems atonishing that a global advertising campaign (as Benetton's campaigns are, both in deployment and in terms of a unified message for audiences worldwide) cannot be dealt with on an international basis.

Moreover, lawyers will agree that even if advertising campaigns of shocking images might be prohibited at a national level, this cannot, in any event, lead to a nullification of a well-known trademark like UNITED COLORS OF BENETTON. It is very rare to see trademark registrations refused or cancelled for contravening public morality. In Germany, as a single exception from this rule, "Schüpferstürmer" (translating roughly into "panties assault trooper"), a trademark application for alcoholic beverages, was refused by the German Patent and Trademark Office in 1985 because of potentially infringing on the morality of a majority of the targeted circles. The name, it was argued, suggested that con-

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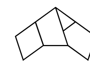
4 AJR 50, Chaptered May 23, 2000, Res. Chapter 66, Statutes of 2000; *see* http://www.leginfo.ca.gov.

5 *See* http://www.ocadp.org/educate/ryan_speech_commutations.htm.



sumption of this product may render women, against their free will, submissive to the sexual advances of men.

The varying legal reactions to the Benetton ad campaign in different jurisdictions is a clear indicator of the limits of globalisation in terms of the legal frameworks brought to bear on advertising copy. Another issue raised by the Benetton experience is whether or not the value, or effectiveness, of a trademark is lessened when fame becomes notoriety.

At worst, the trademark might suffer a certain loss of reputation, which might translate into decreased sales of the designated products so that any real "punishment" may be expected from the consumer's side, rather than from the courts. What remains to be seen is whether, at the end of the day, for a strong, internationally known trademark like UNITED COLORS OF BENETTON, the benefits in terms of trademark value really outweigh the drawbacks that result from controversial campaigns of this kind.

Benetton's recent return to what some might label as shock tactics would suggest there are benefits that are not outweighed by the drawbacks (and considerable legal bills). Currently, across Europe, posters are showing an emaciated upper body of a man with a spoon attached to his arm as a prosthesis, and with Benetton's logo depicted next to that of the UN World Food Programme.

Benetton is thus continuing its strategy of pointing at human misery by way of advertisements, this time, not for the first time, under the self-explanatory umbrella of a renowned aid organization and different from shocking people with unexplained, ambiguous images.

The German experience

In Germany, where earlier Benetton campaigns also led to very controversial discussions within the legal community, the disputes continue. The most recent Federal Supreme Court decision was dated December 6, 2001[6], and further decisions are expected in the near future. Unlike in the United States, it is the lawyers of Germany, rather than its consumers, which have been entrusted with the responsibility of voting for or against the admissibility of the tools and themes allowed to be explored under the registered trademark, UNITED COLORS OF BENETTON.

The Federal Supreme Court was challenged to rethink a former vote on the "HIV POSITIVE" campaign, which previously had been forbidden for public use by the same court in 1995. In December 2000, however, the Federal Constitu-

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6 FEDERAL SUPREME COURT, 2002 GRUR 360.

tional Court overturned the 1995 ruling and found that the Federal Supreme Court decision violated Benetton's freedom of commercial speech.

The Federal Constitutional Court rejected the opinion that the Benetton advertisements were not credible. Upon release, critics worldwide expressed doubt as to whether Benetton intended to focus attention on the world's problems, or merely wanted to increase sales of its products by generating media attention. According to the Federal Constitutional Court, the images depicted world problems (pollution, child labor, ostracism of HIV patients) and therefore contained (critical) value judgements on socially and politically relevant issues, even though they were brought forward in an advertising campaign. In essence, the Federal Constitutional Court agreed with Toscani's view that Benetton was using the campaign as a *"vehicle to [disseminate] an antiracist, cosmopolitan and tabooless mental attitude"*[7].

Therefore, the Federal Supreme Court had to decide once more whether the "HIV POSITIVE" photo infringed on the human dignity of individuals living with AIDS. Interestingly, the Federal Supreme Court explicitly confirmed this question, although the Federal Constitutional Court stated in December 2000 that it was obvious that Benetton wanted to denunciate discrimination and did not intend to confirm such prejudices. According to the Federal Supreme Court, the "HIV POSITIVE" advert does not enjoy legal protection under the umbrella of freedom of speech because *"the picture abuses the depiction of an AIDS-patients' predicament by way of image advertising as a stimulant in order to direct public attention to the Benetton company for commercial reasons only"*[8].

The Federal Supreme Court believes that this advertising not only leads to a manipulation of public opinion, but uses grave human misfortune to stir up emotions, thus attracting public attention and increasing sales. Even if the "HIV POSITIVE" photo was interpreted as a means to show solidarity with AIDS patients, the advert is also understood as a tool for economic purposes which exploits sufferers and their social stigmatisation for Benetton's advantage. According to the Federal Supreme Court, such a call for solidarity with people in need is cynical and violates their claim for respect and solidarity "for their own sake" when combined with unrelated business interests such as increased sales in the fashion industry.

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7 FEDERAL CONSTITUTIONAL COURT, 2001 IIC 858, 860.

8 FEDERAL SUPREME COURT, *supra* note 6, at 365.

Additionally, the court held that people living with AIDS might feel hurt when being confronted with the commercial background of the "HIV POSITIVE" picture in magazines or on the street.

In view of the Federal Supreme Court's recent "HIV POSITIVE II" decision, preliminary reactions from the legal community in Germany already speak of a clear and unique controversy between the Federal Supreme Court and the higher Federal Constitutional Court. The latter will have the chance to re-visit the "HIV POSITIVE" case a second time, since another constitutional complaint was lodged against the Federal Supreme Court's second decision in the spring of 2002. In light of the most recent Federal Constitutional Court case law,[9] which confirmed the protection of advertising under the umbrella of the right of free expression as a fundamental principle, there is little doubt amongst German lawyers that the "HIV POSITIVE II" decision will be lifted a second time, and then the score in this unusual game would be 2:2.

In particular, experts expect the Federal Constitutional Court to re-confirm the strict requirements imposed on the courts when establishing or applying unfair competition case law. For many years, the prohibition contained in Sect 1 Act Against Unfair Competition (UWG) *"against actions in breach of public morals for purposes of competition in business transactions"* was interpreted as a principle capable of being overruled only in very few cases. Now it appears as if the freedom of expression of commercial opinion is the golden rule which may, from time to time, be set aside in the case of blatant infringements, such as the infringement of the human dignity of the persons depicted[10].

Prohibitions

As the public is confronted with new and sometimes uncomfortable formats of television, exhibitions and advertising, it seems to be increasingly popular to fall back on the protection of dignity of man. Whether it is "HIV POSITIVE", the controversial reality television show, BIG BROTHER[11] or other publicity-effective "spectacles" such as the exhibition BODY WORLDS (where prepared human corpses are exhibited in artificial postures[12]), the majority of objections allege an offence against Art 1 (1) German Constitution ("The dignity of man is sacrosanct") as the essential or only argument for prohibiting this kind of com-

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9 *See* FEDERAL CONSTITUTIONAL COURT, 2001 GRUR 1058; 2002 GRUR 455.

10 FEDERAL CONSTITUTIONAL COURT, *supra* note 7, at 863.

11 For details visit http://www.big-brother.nl.

12 For details of this "anatomical exhibition of real human bodies" *see* http://www.bodyworlds.com.

mercial activity. Often, decisions are made on this ground without any further analysis as to whose human dignity is in fact being infringed by these formats (and, therefore, who actually has to be protected).

BODY WORLDS, in particular, has been heavily criticised as a grave infringement of said dignity, and in February 2003, municipal authorities attempted to ban the exhibition planned for Munich, despite a successful and non-eventful run in cities including London, Seoul, Vienna, Brussels and Berlin. To justify the prohibition, municipal authorities argued that the exhibition did not intend to teach people, but focused on sensation, commercialisation and had an "event character".

According to the competent Court[13], the exhibitors, although following "medical and scientific purposes", disregarded the dignity of man as manifested in the German funeral law, which allows the exhibition of dead human bodies only within "scientific institutions", but not – as it was planned – in a former cycling stadium. In defence, the organizers of the BODY WORLDS exhibition cited visitor survey research that indicated 84 % of the visitors of the exhibition had stated that the authenticity of the exhibits on display had exerted considerable influence on the insights they gained, whereas 50 % felt that the specimens had aesthetically appealed to them. Only 6 % of the visitors felt that the display of human specimens "offended their views on human dignity", according to the survey[14].

However, if these percentages tell us anything, it is only about the self-appreciation of the viewers of this exhibition, whilst Art 1 (1) German Constitution presupposes not an empirical-reflexive but a normative understanding of "dignity of man"[15]. The self-mirroring of the individual "dignitary" would inevitably lead to a subjectively putting in concrete form of the term "dignity of man" and, therefore, it has to be disregarded in principle as far as the interpretation and application of Art 1 (1) German Constitution is concerned. Moreover, the dignity of man, says the Federal Constitutional Court, is "not at disposal"[16], so that even an individual's consent to an infringement of dignity would have to be treated as irrelevant.

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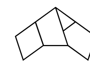
13 *See* MUNICH ADMINISTRATIVE COURT, decision dated February 18, 2003 – M 10 S 03.545.

14 *Supra* note 12.

15 *See* also HOFFMANN-RIEM 1996 ZUM 1, 10 *et seq.*

16 FEDERAL CONSTITUTIONAL COURT, 1977 NJW 1525, 1526.



Arguments over the subjectiveness of human dignity may seem peripheral, but to the owners of the registered Community Trade Mark, BODY WORLDS, the ruling will have a direct impact on their ability to conduct a successful business using that mark, and the value of the mark itself.

(Since March 2003, people are allowed to watch the BODY WORLD exhibition in Munich in a slightly restricted version, after the Bavarian Higher Administrative Court lifted the first instance prohibition[17]. The Court found that – except for some very few human specimen, which have been removed – the presentation of BODY WORLD is meant and to be understood in terms of a *"didactical use of human corpses as a means of self-cognition of mankind"*, which is in line with the requirements of Art 1 (1) German Constitution.)

The right of personality

It is a different matter if the protection of the persons concretely exhibited or depicted is found to be affected (on grounds of the "right of personality" as a sub-criteria of "dignity of man"[18]). This grounds requires – among other requirements – that the consent of the individual was not granted. BIG BROTHER, BODY WORLDS and the Benetton campaigns, however, are based on the express consent of the individuals shown in these formats, and consequently, an infringement of their human right to respect is only plausible if this consent was obtained in an unlawful manner (*eg* by means of coercion or deception).

The case of "HIV POSITIVE", in particular, should invite a more careful approach to allegations of infringement of the dignity of man, or the right of personality. The falling back on Art 1 (1) German Constitution by competition lawyers often seems to be a flight from one general clause to another, without too much thought on the contours of this clause.

As well as the mixing of empirical and normative approaches, this can result in an inflationary effect on Art 1 (1) German Constitution and, thus, a creeping devaluation of this fundamental law. Caution becomes even more necessary should the dignity of man be in conflict with the (commercial) freedom of expression, which should be understood as a materialisation of human dignity[19] and, above all, as *"one of the most precious of human rights"*[20].

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[17] BAVARIAN HIGHER ADMINISTRATIVE COURT, decision dated February 21, 2003 – 4 CS 03.462.

[18] *See* also FEDERAL CONSTITUTIONAL COURT, *supra* note 7, at 862.

[19] FEDERAL CONSTITUTIONAL COURT, 1995 NJW 3303, 3304.

[20] FEDERAL CONSTITUTIONAL COURT, 7 BVerfGE 198, 208 (1958).

The limits still in dispute

With these pre-requisites being turned upside down, German unfair competition lawyers now need to show a high degree of flexibility to adjust their practice to this ongoing development. The Federal Constitutional Court decision dated November 7, 2002[21], ruled that restrictions of freedom of speech being based on Sect 1 UWG require concrete conclusions as to the endangering of competition through unfair behavior. Thus, courts are not allowed to vote for a prohibition only on the grounds of former case law without verifying whether the concrete opinion is endangering the "competition through performance" and – if so – in which way different legal interests have to be balanced against each other[22].

Step by step, the Federal Constitutional Court is testing the admissibility of German unfair competition case law against the constitution, and in none of the four cases already decided the court has yet been satisfied by the justification given by civil courts to prohibit advertising campaigns[23]. This latest case law of the Federal Constitutional Court regarding the relations of freedom of commercial opinion, on the one hand, and protection of the principles of competition through performance, on the other, is causing a kind of dilemma for the Civil Courts: Should a long tradition of banning socially engaged or critical advertising be upheld by substituting one reasoning for another? Or should this kind of altruistic marketing be treated the way appeals on egotistic feelings have been treated all the time?

In any event, more than two years have elapsed since a remarkable development in German unfair competition law was started by the "Benetton" decision. Today, not only trademarks and logos appear to be in a process of transition, but also the basics of German advertising law. The controversial dispute about the legal limits to Benetton's use of their provocative advertising, and as part of it, their UNITED COLORS OF BENETTON trademark, has not yet drawn to a close, but will ultimately force the legal community to render more sufficient answers as to the right of free commercial expression, its meaning, and its scope of protection.

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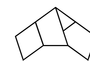
21 FEDERAL CONSTITUTIONAL COURT, 2003 NJW 277.
22 *See* FEDERAL CONSTITUTIONAL COURT, *supra* note 21, at 278.
23 FEDERAL CONSTITUTIONAL COURT, *supra* note 7, note 9 and note 21.



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Any help from the EU?

Can German lawyers expect any help from the EU legislation which has already implemented common rules on misleading and comparative advertising?[24]

Extensive opinions on a far-reaching harmonisation of the European unfair competition law have been published for many months now[25], and the proposals for a "Regulation on European law against unfair competition"[26] intend to rule on much of what has been regulated by Sect 1 UWG in the past decades. In particular, the proposals expect to address the issue of advertising in terms of the mental and psychological manipulation of consumers.

At first glance, however, the published drafts show that the European legislation does not set forth to exclusively and definitively regulate practices that could be seen as consumer manipulation. Instead, these proposals focus on issues such as the prohibition of "discriminating advertising", the "infringement of human dignity", and the "exploitation of the lack of experience of special consumers" (such as children). These requirements, however, are not put in concrete terms, and if the draft Regulation is to be taken as a guide, will accord national unfair competition case law with great scope for interpretation when being applied.

This scope of application, however, needs to be practiced in light of the latest German constitutional case law, and certainly also on the grounds of the corresponding case law of the European Court of Justice, in particular with regard to the relevant "consumer's model"[27].

Notes

About the author

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[24] Directive 97/55/EC of EUROPEAN PARLIAMENT and of the COUNCIL of 6 October 1997 amending Directive 84/450/EEC concerning misleading advertising so as to include comparative advertising, OJ L 290, 23.10.1997, 18.

[25] FEZER, 2001 WRP 989 *et seq.*; SCHRICKER/HENNING-BODEWIG, 2001 WRP 1367 *et seq.*

[26] *See* KÖHLER/BORNKAMM/HENNING-BODEWIG 2002 WRP 1317 *et seq.*; MICKLITZ/KESSLER 2002 GRUR Int. 885 *et seq.*

[27] *E.g.* EUROPEAN COURT OF JUSTICE 1998 GRUR Int. 795, 797.

tional and international clients with prosecution, litigation and counseling services.

Update from the German Constitutional Court

On March 11, the Federal Constitutional Court again decided that the "HIV POSITIVE" advertisement is to be allowed in the name of the freedom of the press and of commercial speech.

The Court held that said rights have to be understood as an integral part of the dignity of man. It would thus take strong arguments to interpret the use of such rights as infringing on the dignity of man. This requirement was not fulfilled in case of the "HIV POSITIVE" advertisement, which, according to the Court, does not mock or minimise the misfortunes of AIDS patients, even when being used for advertising purposes.

The mere fact that Benetton aimed to profit from that campaign did not infringe on the dignity of man. If advertising with socially critical content was prohibited due to the trademark owner's profit motive, considerable parts of reality would be excluded from the world of advertising, the Court ruled.

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