

An Analysis of the Conflict between Freedom of Expression and Trademark Protection

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Submitted in fulfilment of the requirements for the degree

LLM

In the Faculty of Law,

University of Pretoria

Date:

31 October 2013

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Table of Contents

Chapter : Introduction and general trademark infringement principles.....	1
1.1 Introduction	1
1.2 General principles of trademark infringement.....	2
1.3 An overview of the concept of dilution in South African trademark law.....	3
1.4 Some reasons for the recognition of trademarks as property	5
Chapter 2: The importance of freedom of expression.....	7
2.1 Freedom of expression in the United States.....	7
2.2 Freedom of expression in the United Kingdom.....	9
2.3 Freedom of expression in South Africa.....	11
2.4 Commercial v non-commercial Expression.....	14
Chapter 3: Trademark principles meet freedom of expression.....	18
3.1 Trademark dilution and free speech in the United States.....	18
3.2 Trademark dilution and free speech in the United Kingdom.....	20
3.3 Trademark dilution and freedom of expression in South Africa.....	23
Chapter 4: The problem of parody as a defence to trademark infringement.....	27
4.1 The nature of parody as a form of freedom of expression.....	27
4.2 The problem parody creates for trademark owners.....	28
4.3 Parody as a positive defence.....	29
4.4 Parody permeates South African trademark law	31
Chapter 5: Conclusion.....	34
Bibliography.....	36

Chapter 1: Introduction and General Trademark Infringement Principles

“What is freedom of expression? Without the freedom to offend, it ceases to exist.”¹

1.1 Introduction

Trademarks, registered or unregistered, are property, whether intellectual, immaterial or intangible. As such, they are entitled to the protection afforded by the property clause in the South African Constitution. The use of a trademark by its owner amounts to the exercise of the right to property, to trade and of freedom of expression and is in these regards entitled to constitutional protection under the different clauses of the Bill of Rights.

An alleged act of trademark infringement, on the other hand, may be justified as amounting to the exercise of the right of freedom of expression by the alleged infringer.

Generally speaking, the conflict of constitutional rights does not arise in cases of “ordinary” infringement of trademark rights, i.e., in cases of confusion or deception. However, freedom of expression concerns arise particularly in what is generally referred to as infringement by dilution particularly where the dilution is caused by parody, satire or related forms of expression where a defendant uses a trademark owned by another, without authorization, to denigrate, make fun of or criticise the particular brand or business of the brand owner.

Free speech is considered one of the most sacred of rights in countries that champion the ideals of democracy, equality and other human freedoms. Some free speech proponents maintain that justice is only served in instances where this right outweighs all others that may come into conflict with it.²

The purpose of this paper is to analyse at both a national and international level the potential conflict between the constitutionally protected right to freedom of expression and trademark rights. The analysis will, with special emphasis on the United States of America and on South Africa, consider the importance of freedom of expression in different jurisdictions. The analysis then will then consider how freedom of expression affects the application of trademark law. The analysis will conclude with a focus on parody, as a specific type of expression, and the possible merits and pitfalls of this defence, particularly in a South African context.

¹ Salman Rushdie. Quote found at <http://www.goodreads.com/quotes/tag/free-speech> <accessed 6 July 2013>.

² P Gulasekaram ‘Policing the border between trademarks and free speech: Protecting unauthorised trademark use in expressive works’ 80 *Wash.L.Rev* at 889.

For the sake of context a brief exposition of South African trademark infringement principles must be set out.

1.2 General principles of Trademark Infringement

The legislation governing the law of trademarks in South Africa is the Trade Marks Act 194 of 1993. This Act is consistent with international instruments concerning trademarks, namely the Paris Convention on Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and is generally reflective of the European Directive on Trademarks.³

The provisions pertaining to the specific types of trademark infringement are contained in s 34(1) of the Act. It is a precondition that a trademark be registered in order to bring an infringement action against a defendant under s 34(1).⁴

Section 34(1)(a) provides for what is referred to as primary infringement and states that:

Rights acquired by registration of a trademark shall be infringed by the unauthorized use in the course of trade in relation to goods or services in respect of which the trademark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion.

Section 34(1)(b) provides for secondary infringement and states that:

Rights acquired by registration of a trademark shall be infringed by the unauthorized use of a mark which is identical or similar to the trademark registered, in the course of trade in relation to goods or services which are so similar to the goods and services in respect of which the trademark is registered, that in such use there exists the likelihood of deception or confusion.

Both of these grounds of infringement require of the plaintiff to show, objectively, that the use of the infringing mark is likely to cause confusion or deception. These two paragraphs do not require further analysis for present purposes. The focus will be on s 34(1)(c), which,

³ J Deacon & I Govender 'Trademark Parody in South Africa – The Last Laugh!' (2007) *JJS* 20; BR Rutherford 'Part 2: The Law of Trade Marks' in A Van der Merwe (ed)(2011) *Law of Intellectual Property in South Africa* Durban:LexisNexis at 111.

⁴ S 33 of the Trade Marks Act 196 of 1993 (hereafter the 'TMA'). The possibility of dilution of a common-law trademark will not be dealt with. The principles of unlawful or unfair competition would apply.

unlike paragraphs (a) and (c), does not require the proof of a likelihood of deception or confusion, nor does it require “use as a trademark”.⁵

1.3 An overview of the concept of dilution in South African Trademark Law

The wording of s 34(1)(c) is as follows:

The rights acquired by registration of a trade mark shall be infringed by the unauthorized use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such mark is well-known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception.⁶

This provision deals with what is generically referred to as trademark infringement by ‘dilution’, a concept attributed to Frank I Schechter.⁷ Dilution can take place in two ways. First, dilution by blurring refers to the instance where a well-known trademark is used on non-competing goods, which in effect causes the lessening of the ‘distinctive character’ or uniqueness of the mark, and ultimately weakens it.⁸ Secondly, dilution by tarnishment refers to cases where a well-known trademark is used either in an offensive or negative way, or on products that are of inferior quality, which adversely affects the reputation or ‘attractiveness’ of the mark.⁹ Tarnishment and blurring are two distinct types of infringement. In the former case, the plaintiff must prove a likelihood of detriment to the distinctive character or repute of the mark.¹⁰ In the latter case, a mere association between the well-known mark and the allegedly infringing mark does not constitute infringement. The plaintiff will have to show an

⁵ Webster & Page *South African Law of Trademarks* (1997) (loose-leaf ed.) 4th Ed Durban: LexisNexis at 12.25.

⁶ This section contains a proviso which need not be mentioned for present purposes.

⁷ LTC Harms “Death of a Trade Mark Doctrine? Dilution of Anti-Dilution” in *The Common Law of Intellectual Property – essays in honour of Professor David Vaver* (2010) C Ng, L Bently and G D’Agostino (Eds) Hart Publishing p381; T Illsley ‘How to tell a take-off from a rip-off: Trademark parody and freedom of expression in South Africa’ (2006) 22(1) *SAJHR* 121; FI Schechter ‘The Rational Basis of Trademark Protection’ (1927) 40 *Harv L Rev* 813.

⁸ BR Rutherford (n3) p 134; J Deacon & I Govender (n3) at 22; Webster & Page (n5) 12.43. The classic example used by Schechter relates to the use of Rolls Royce mark, originally for cars, for restaurants, clothing, and other goods or services.

⁹ Webster & Page (n5) 12.24; T Pistorius in ‘Trademark Tarnishment: should we ‘Laugh It Off’ all the way to ‘Telkomsucks’ and ‘Hellkom’?’ (2004) 16(4) *SA Merc LJ* at 728. *Triomed v Beecham Group* 2001 (2) SA 522 (T) mentions obiter that “[t]arnishing occurs where unfavourable associations are created between the well-known registered mark and the mark of the defendant. It is an impairment of the well-known marks capacity to stimulate the desire to buy.”

¹⁰ S 34(1)(c) of the TMA; BR Rutherford (n3) at 132.

additional factor indicating that the capacity of that mark to distinguish its products has been lessened.¹¹

The section contains important internal limitations that must be overcome before an alleged dilution is actionable.

First, it provides that the prohibited use in question must be “in the course of trade in relation to any goods or services”.¹² The term “in the course of trade” refers to “use in the course of any trade”,¹³ and has been defined as “commercial activity with a view to economic advantage”.¹⁴

The section also only applies to well-known trademarks.¹⁵

The rationale for protecting trademarks against dilution can be found in the modern function of a trademark.¹⁶ This function is not only for identification or source guarantee purposes but includes the advertising and selling power of the trademark.¹⁷ It is understandable why a trademark owner would wish to protect these functions, as sometimes millions go into brand development.

Despite the importance of this provision and the importance of the property rights of the trademark owner it seeks to protect, there are many who are of the view that anti-dilution provisions inherently oppress freedom of speech.¹⁸ While a potential for conflict between trademark protection and freedom of expression does exist, it is not necessarily as stifling of legitimate debate as some may argue.

¹¹ *Verimark (Pty) Ltd v BMW AG* 2007 (6) SA 263 (SCA) 270.

¹² *ZM Navsa ‘Trademark Dilution: No Laughing Matter’* (2009) 31(9) *E.I.P.R* 456.

¹³ *Webster & Page* (n5) at 12.29.

¹⁴ *ZM Navsa* (n12). Here he is quoting from I Bently & B Sherman *Intellectual Property Law* 2nd Ed Oxford University Press (2004) at 911. This is in accordance with the UK meaning given to ‘in the course of trade’. It does however make sense in a South African context as well; *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2005 (2) SA 46 (SCA) at [22].

¹⁵ A mark is well-known if well-known to persons interested in the goods or services to which the mark relates: see *McDonalds Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonalds Corporation v Dax Prop CC; McDonalds Corporation v Joburgers Drive-Inn Restaurant Ltd and Dax Prop CC* 1997 (1) SA 1 (A); *Webster & Page* (n7) at 12.31. If a trademark is not well-known, nothing precludes the owner from instituting action based on passing-off, provided that the mark has acquired of the required reputation in respect of the specific goods or services.

¹⁶ *BR Rutherford* (n3) at 131. *ZM Navsa* (n12) at 456, referencing *FI Schecter* (n7) at 831; *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2005 (2) All SA 46 (SCA) at [13].

¹⁷ *ZM Navsa op cit* (n12).

¹⁸ *D Vaver* in ‘Unconventional and Well-known Trademarks’ (2005) 1 *Singapore Journal of Legal Studies* 1 for example refers to anti-dilution legislation as “how brand owners came to wrap their power grab in a mantle of respectability”, as quoted by *LTC Harms* (n7) at 381.

Those holding the opinion that dilution laws are unnecessary or rather, too oppressive, argue that they serve no legitimate public interest.¹⁹ They argue that absent the element of confusion, there is no justification for protecting trademarks in this manner.²⁰ In addition, they are concerned of trademark protection becoming so extensive that it results in the creation of a monopoly in a trademark impinging on freedom of speech.²¹ However, one must keep in mind that the conflict in question involves two Constitutional rights – that of the trademark owner and that of the infringer – that must be balanced against each other.

1.4 Some reasons for the recognition of trademarks as property

Property includes both tangible and intangible property. Intellectual property rights, and consequently trademarks, are regarded as intangible property.²² Although viewed as intangible property, they are not afforded less protection.²³ One speaks of a trademark owner, or proprietor of a trademark. Trademarks are capable of assignment, hypothecation and attachment.²⁴ These are characteristics attributed to property. Thus, the Trade Marks Act also recognises trademarks as property. If one also considers the general wording of section 25 of the Constitution (the “property clause”) it is clear that property is certainly not limited to material property. Intellectual property is given specific protection in section 27 of the Universal Declaration of Human Rights.²⁵ The Constitutional Court however held that intellectual property rights did not necessarily have to be included and recognised in the Bill of Rights as a separate right.²⁶ This means that there is no constitutional right to intellectual property. In other words, there is no obligation on the State to recognise it and there is no inherent right to claim it. However, once it exists, it exists as property and is entitled to the same protection as other property.

¹⁹ LTC Harms (n7) at 390.

²⁰ *Id.*

²¹ ZM Navsa (n12) at 456. Navsa however writes that this fear of a monopoly can be “dispelled rather painlessly” since the protection of trademarks does not prohibit fair trading.

²² More specifically, they are regarded as immovable intangibles: *Gallo Africa v Sting Music* 2010 ZASCA 96 at [19]; *Fisher v Brooker and others* (2009) UKHL 41 at [8]; *Fairstar Heavy Transport N.V. v Adkins* (2013) EWCA Civ 886.

²³ *Op cit* (n14) at [10]-[11].

²⁴ See ss 39 and 41 of the Act.

²⁵ United Nations Universal Declaration of Human Rights (1948) available online at: http://donegallpass.org/UNIVERSAL_DECLARATION_OF_HUMAN_RIGHTS.pdf <accessed 3 May 2013>.

²⁶ See *Ex parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa*, 1996 1996 (4) SA 744 (CC); OH Dean ‘The irresistible force of freedom of expression meets the immovable object: Trademark Law in South Africa’ (2006) *Journal of Intellectual Property Law and Practice* at 617.

Since trademarks are recognised as property, both in terms of the Act and the Constitution, they may have to be balanced against the important right to freedom of expression, which will be the next focus of the analysis.

Chapter 2: The Importance of Freedom of Expression

The right to freedom of expression is not a common concern in trademark infringement litigation. However, freedom of expression as a factor in trademark litigation may not be underestimated and irrespective of one's opinion concerning the extent to which trademark rights should be protected, it will ultimately feature where creativity and commerce collide. Before the focus shifts to the analysis of the conflict between freedom of expression and trademark principles, an analysis of how freedom of expression is applied in some other jurisdictions must be made for the sake of context. Understanding its application will assist in ultimately understanding how it affects trademark law.

Although the substance of the right to freedom of expression may be similar, the content differs from jurisdiction to jurisdiction. This chapter will highlight some of these differences, which are important for issues of application when considering how this right has conflicted with other areas of law, particularly, in the United States of America, the United Kingdom and South Africa.

2.1 Freedom of expression in the United States

The First Amendment of the USA Constitution provides that “Congress shall make no law abridging the freedom of speech”. This provision of the USA Constitution is America's favourite freedom,²⁷ but is decidedly vague. It does not give any indication as to what constitutes free speech. However, the right to free speech has been interpreted to include the right to use offensive words and phrases to convey a political message²⁸ and symbolic speech such as flag burning²⁹ and to advertise, subject to certain restrictions, commercial products and professional services.³⁰

Unlike its South African provision counterpart, the US Constitution does not provide for instances where conduct would fall outside the scope of free speech protection. Artistic, literary and political speech are given full First Amendment protection. The courts have however created instances where less than full First Amendment protection is provided for

²⁷ This is according to the annual “State of the First Amendment survey”, available online at <http://www.firstamendmentcenter.org/americas-favorite-freedom> <accessed 23 October 2013>.

²⁸ *Cohen v California* 403 U.S. 15 (1971).

²⁹ *United States v. Eichman*, 496 U.S. 310 (1990).

³⁰ *Virginia Board of Pharmacy v. Virginia Consumer Council*, 425 U.S. 748 (1976).

certain speech. This includes but is not limited to libel and slander (defamation) and certain speech broadcast on radio and television. For instance, if an individual was maliciously tell an untruth about another person and this then injures that person's reputation, the injured person may claim damages for defamation. The payment of damages thus restricts the individual's free speech and qualifies as an exception to First Amendment protection.³¹ Limited First Amendment protection is afforded to radio and television broadcasting. Although they are allowed to broadcast controversial issues, they may not broadcast obscene material. The purpose of providing some level of free speech regulation to these types of media is that they are easily accessible to children.³² Public interest is thus an important consideration in a free speech analysis.

Courts have also held that certain speech does not qualify for First Amendment protection at all.³³ This for instance includes words that create a clear and present danger and words that may incite immediate violence.³⁴ Courts are also reluctant to extend freedom of speech protection to obscene material.³⁵ A well-known example is *Dallas Cowboys Cheerleaders, Inc v Pussycat Cinema, Ltd*.³⁶ The court refused to protect the pornographic parody involving the use of the Dallas Cowboys trademark. The decision has been criticised for its "flippant treatment of First Amendment concerns".³⁷ This case based the decision on an "adequate avenues of communication" test, which provides that the owner of a mark may prohibit its use as long as other avenues of communication exist for the defendant to communicate their idea.³⁸ In this way, a defendant's freedom of speech will not be unduly restricted. This test was however rejected in *Rodgers v Grimaldi*,³⁹ where the Second Circuit held the test to be unduly restrictive of the First Amendment and that trademark rights should only prevail if the public's interest in not being misled outweighs the public's interest in freedom of speech.

³¹ H Cohen 'Freedom of speech and Press: exceptions to the First Amendment' 2009 Congressional Research Service 7-5700 available online at <http://www.fas.org/sgp/crs/misc/95-815.pdf> at 12 <accessed 10 October 2013>.

³² *Op cit* at 24.

³³ *Op cit* at 1.

³⁴ <http://www.freedomforum.org/packages/first/curricula/educationforfreedom/supportpages/L04-LimitsFreedomSpeech.htm> <accessed 11 October 2013> provides a brief summary of these general tests.

³⁵ In *Miller v California* 413 U.S. 15 (1973) the Supreme Court held that obscene materials do not qualify for First Amendment protection. The court formulated a three-part test to determine whether material is obscene and has defined it as lacking "serious literary, artistic, political or scientific value".

³⁶ 604 F.2d 200 (2d Cir. 1979).

³⁷ R Schaffer-Goldman 'Cease and desist: Tarnishment's blunt sword in its battle against the unseemly, the unwholesome, and the unsavoury' (2010) *Fordham Intell. Prop. Media & Ent. L.J.* at 1258.

³⁸ DM Kelly & LM Jordan 'Twenty years of *Rodgers v Grimaldi*: Balancing the Lanham Act with the First Amendment Rights of the creators of artistic works' (2009) 99 *TMR* at 1364.

³⁹ 875 F.2d 994 (2d Cir. 1989).

US courts sometimes adopt a content-neutral approach when analyzing whether a particular expressive act qualifies for free speech protection.⁴⁰ Content-neutral restrictions on free speech involve instances where the speech is banned, not due to the nature of the message, but because it is exhibited at an inappropriate time and place. The picketing of soldiers' funerals by the Westboro Baptist Church serves as an example. The church members display signs with messages such as "Thank God for Dead Soldiers" while the funerals are underway. As repugnant as these protests may be, they are afforded free speech protection, provided that they are a certain distance away from the funeral.⁴¹ In spite of this content neutral approach, there is a tendency to ban hate speech directed at certain groups, based on gender, race, religious grounds and the like.

Free speech concerns may also affect publicity rights held by famous individuals. These rights, like rights held by owners of well-known trademarks, can become affected by critical commentary and the exercise of free speech. In these types of cases, the competing rights also need to be balanced against each other.⁴² The reason for this is that "[s]peech that entertains, like speech that informs, is protected by the First Amendment".⁴³ However, expression involving an intentional false statement about a public figure, made with "actual malice", will fall foul of First Amendment protection.⁴⁴ Thus criticism and opinions are fully protected by the First Amendment, provided that they are not malicious misrepresentations calculated to cause harm.

Although the First Amendment appears to be all-encompassing protection of speech in the US, it is clear from the above discussion that this is not the case. Speech, depending on its nature, will need to be analysed in light of the exceptions to First Amendment protection created by case law.

4.2 Freedom of Expression in the United Kingdom

The UK, unlike South Africa and the US, does not have entrenched rights contained in a single document. Therefore, freedom of expression protection is based on common law

⁴⁰ R Schaffer-Goldman (n11) at 1259.

⁴¹ See *Snyder v Phelps* 562 U.S. (2011). Judgment available online at <http://www.supremecourt.gov/opinions/10pdf/09-751.pdf> <accessed 23 October 2013>.

⁴² *CBC Distribution and Marketing, Inc v Major League Baseball Advance Media* 505 F.3d 818 (2007) at 6.

⁴³ *Id.*

⁴⁴ *Hustler Magazine v Falwell* 485 U.S. 46 (1988). The case concerned a parody of a Fundamentalist Christian Minister's ad campaign and claimed that he had incestuous relations with his mother in an outhouse. This information, the court held, was unlikely to be considered true by individuals who viewed the parody, and was thus afforded First Amendment protection.

principles. The common law position was that opinions and information could be freely expressed unless that expression was forbidden by law.⁴⁵ The courts were liberal in their application of freedom of expression under the common law. This continued during the stages of enactment and coming into effect of the statutory right to freedom of expression.⁴⁶

The UK, as a member of the European Union, is a signatory to the European Convention on Human Rights (“ECHR”). Every signatory to this Convention is obliged to comply with its provisions. Article 10(1) of the ECHR provides for the right to freedom of expression. Limitations to this right are found in Article 10(2). The Article makes it clear that free speech restrictions need to be legally justified.⁴⁷ The UK has implemented obligations imposed by the ECHR by enacting the Human Rights Act 1998 (“HRA”). Section 12 applies to any case which may affect freedom of expression.⁴⁸ This section, unlike s 16(2) of the South African Constitution, does not set out specific prohibited conduct. There are instances where statutory limitations place permissible restrictions over this right.⁴⁹ It does however require that courts have due regard to the principles of privacy and public interest in cases of journalistic, artistic or musical works.⁵⁰ Generally speaking, expression that involves political speech is afforded the greatest protection under English law.⁵¹ This protection, although not as strong, is also extended to artistic, intellectual and educational expression. The rationale behind this appears to be that these types of speech tend to be within public interest.

The enactment of the HRA has led to the need for not only speech, but other categories of legislation that may potentially inhibit free speech, to meet the requirements in Article 10(2) of the ECHR to order to ensure that this right is not unduly restrained. This is similar to the requirements of the South African Constitution.⁵²

⁴⁵ E Barendt ‘Freedom of Expression under the Human Rights Act 1998’ (2009) 84(3) *Ind L.J.* at 853. Freedom of expression could be limited by obscenity, libel and contempt of court.

⁴⁶ *Id.*

⁴⁷ IS Fhima ‘Trademarks and Free Speech’ (2004) *IIC* at 295.

⁴⁸ *Op cit* at 314.

⁴⁹ These include the Terrorism Act 2006 and The Racial and Religious Hatred Act 2006. See E Barendt (n16) at 855-857 for a discussion of these two Acts and how they limit freedom of expression. It is doubtful whether any of these limitations i.e: the encouragement of terrorism and preventing racial hatred of certain religious groups (mainly Muslims) actually meet the standards of freedom of expression protection in other jurisdictions.

⁵⁰ See s 12(4)(a) and (b) of the Human Rights Act.

⁵¹ E Barendt (n19) at 861.

⁵² S 2 of the Constitution of the Republic of South Africa (hereafter ‘the Constitution’).

2.3 Freedom of Expression in South Africa

When one considers the tumultuous history of South Africa one understands why this right is guarded so preciously. Without giving every citizen a voice, grievances are seldom heard and consequently never attended to, and can result in other human freedoms suffering neglect. Freedom of expression “carries its own inherent worth and serves a collection of other entwined constitutional ends in an open and democratic society”⁵³ Freedom of speech has already been dealt with extensively in South African Courts, and the scope of this right remains contentious.⁵⁴

The provision protecting freedom of expression is s 16 of the Constitution. It provides that freedom of expression includes freedom of the press and other media; freedom to receive or impart information or ideas; freedom of artistic creativity as well as academic freedom and freedom of scientific research.⁵⁵ The section specifically excludes certain types of expression, unlike the US and the UK. Restricted conduct includes acts that constitute propaganda for war; incitement of imminent violence and hate speech based on race, ethnicity, gender or religion.⁵⁶ The impact of this right is well evidenced in political discourse and social commentary and has been used as a defence when such commentary pushes the limits of what some might consider distasteful.⁵⁷ This right is subject to limitation. The limitations are found within the provision itself⁵⁸ as well as in the general limitations contained in s 36. As such, freedom of expression may be legitimately restrained by laws of general application, such as trademark law and the law of defamation.

⁵³ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2006 (1) SA 14 (CC) at [45].

⁵⁴ Well-known cases pertaining to freedom of expression include *S v Mamabolo* 2001 (3) SA 409 (CC); *South African National Defence Force Union v Minister of Defence* 1999 (4) SA 469 (CC); *Khumalo v Holomisa* 2002 (5) SA 401 (CC); *De Reuck v Director of Public Prosecutions (Witwatersrand Local Division)* 2004 (1) SA 406 (CC) (This case pertains to the controversial question of whether child pornography amount to ‘expression’. It provides an in depth analysis of what can actually constitute ‘expression’. It held that child pornography does indeed constitute expression, but it is not protected under s 16).

⁵⁵ S 16(1) of the Constitution. I Currie & J de Waal *The Bill of Rights Handbook* (2005) 5th ed Lansdowne: Juta & Co at 359.

⁵⁶ S 16(2) of the Constitution. I Currie & J de Waal (n29) at 359. Some writers are of the opinion that what constitutes hate speech should be narrowly interpreted. For an online discussion of this, see <http://globalvoicesonline.org/2010/03/16/south-africa-julius-malema-and-the-future-of-freedom-of-speech/> <accessed 20 August 2013>.

⁵⁷ A fairly recent example of this is the controversial cartoon drawn by Mr. Shapiro portraying President Zuma and various other political figures in “The Rape of Justice”. To view this cartoon, see <http://www.zapiro.com/cartoon/122794-080907st#.UhnNo639YX3U> <accessed on 15 July 2013>.

⁵⁸ S 16(2) of the 1996 Constitution.

How one should delineate the term ‘expression’ and consequently which acts then stand to be protected by s 16 of the Constitution is important in freedom of expression cases.⁵⁹ For present purposes it is sufficient to mention that ‘expression’ is widely defined and interpreted by the courts. One should avoid a strict separation and categorization of different forms of expression.⁶⁰ However different categories of expression do sometimes conflict with other constitutionally protected rights and the common law. The Constitution provides that where such a conflict arises, the common law must be developed where necessary to be compatible with the Constitution.⁶¹ An area of the common law that has seen its fair share of free speech conflict is the law of defamation.

In *Le Roux and Others v Dey*⁶² the court considered whether a digitally manipulated picture was defamatory in nature and what the implications of freedom of speech in such an instance would be. The elements of defamation include the wrongful and intentional publication of a statement concerning the plaintiff. In order for a statement or other kind of expression to be considered defamatory, the reasonable observer must understand that what is conveyed by the image is associating the respondent with an indecent situation. In other words, would the average person regard the image as defamatory? If the expression is found to be defamatory, then requiring the payment of damages as a punitive measure can be viewed as a restriction on freedom of expression. It will depend on the facts whether this restriction is justifiable.

Freedom of expression can influence more than private speech between individuals. It can also affect corporations. In particular, it can affect patrimonial interests held by that corporation in respect of its intellectual property, such as trademarks, and the goodwill attached thereto.⁶³ Corporations can however only bring defamation claims where the statement was “calculated to cause financial prejudice”.⁶⁴

This creates the possibility of a different perspective for what the basis of the claim could have been in *Laugh It Off Promotions CC v SAB International*, viewed in light of the above defamation and freedom of expression principles. The facts of this case are well-known and

⁵⁹ An in-depth discussion of this term is beyond the scope of this paper. For an overview of this concept, see I Currie and J de Waal (n29) at 362.

⁶⁰ J Brickhill ‘Breaking down the boardroom doors with a snigger and a smirk – Laugh It off Laughs Last’ (2006) 21 *SAPL* at 223.

⁶¹ See s 8(3) of the Constitution.

⁶² *Le Roux and Others v Dey (Freedom of Expression Institute and Restorative Justice Centre as Amici Curiae)* 2011 (3) SA 274 (CC).

⁶³ J Brickhill (n34) at 219.

⁶⁴ *Op cit* at 220, referring to *GA Fichardt Ltd v The Friend Newspapers Ltd* 1916 AD 1.

will be mentioned in brief. The case involved the use of the Carling Black Label mark, owned by SAB, by a company known as Laugh It Off Promotions. Laugh It Off sold t-shirts using modified images of well-known trademarks. The particular t-shirt that irked SAB replaced certain phrases appearing on the Black Label beer with statements such as “Black Labour, White Guilt” and “No regard Given Worldwide”. The case concerns dilution of well-known trademarks. The discussion that follows is an analogy of how the case could have turned if based on defamation principles. It illustrates how malleable freedom of expression principles can be when applied in different areas of law.

It may be argued that in the altered form of the well-known Carling Black Label trademark amounts to a defamatory allegation that SAB was or is guilty of racially based unfair labour practices. If the average person who views the t-shirt would most likely understand it in the context of the apartheid fraught history of South Africa, they would consider this association to be defamatory. The requirement of publication is met once it is proved that the statement is considered defamatory, in which case the publication is also presumed to be unlawful and intentional. The onus would then shift to Laugh It Off Promotions to offer a viable defence such as truth and public benefit; fair comment⁶⁵ and privileged occasion.⁶⁶ Whether it could be a factual issue.

Argument can be made for the fact that the law of defamation in a commercial context aims to protect the reputation of a juristic person in the sense of its “commercial magnetism”.⁶⁷ A juristic person does not have “dignity” in the same sense as a natural person. However, to defame the repute of a corporation could have similar consequences to that of defaming a natural person, in that the reputation of the corporation could be reduced in the eyes of consumers, thereby reducing the “commercial magnetism” of any given product. Commercial magnetism is often inextricably linked to the selling power of a product. If selling power is negatively affected, sales are reduced. In light of this it is understandable why a company (such as SAB) would not invite any negative associations with their products. This is even more so when those statements are untrue. This brings the focus of the analysis to how freedom of expression can affect commercial expression.

⁶⁵ The defence of fair comment is open to the press and media defendants. See *The Citizen v McBride* 2011 (4) SA 191 (CC) for how this defence operates.

⁶⁶ *Khumalo and Others v Holomisa* 2002 (5) SA 401 (CC) at [18]-[19].

⁶⁷ J Brickhill (n34) at 220; *Financial Mail (Pty) Ltd and Others v Sage Holdings Ltd and Another* 1993 (2) SA 451 (A).

2.4 Commercial v Non-commercial expression

The separation of expression into commercial and non-commercial expression is important for purposes of distinguishing between the differing levels of free speech protection afforded to them. Non-commercial speech, for present purposes, can be described as speech that is not motivated by profit. It includes artistic works and political speech. Protecting non-commercial speech is not particularly controversial in democratic countries. The focus of the remainder of this chapter will be on commercial expression, since it has been questioned whether this type of expression promotes the values that freedom of expression provisions aims to protect.⁶⁸ It is consequently afforded less freedom of expression protection than non-commercial speech.

Commercial expression is usually motivated by profit, or at least in part. It does however often aim to promote some sort of commercial interest.⁶⁹ It has been defined as “expression related solely to the economic interests of the speaker and its’ audience”.⁷⁰ The most familiar form of commercial expression is advertising, and will serve as the example of commercial speech for the remainder of the chapter, as it also creates issues for trademark owners.⁷¹

There is not much English case law dealing with the freedom of commercial speech in the context of advertising. The general position is similar to other jurisdictions, namely that it is afforded lesser protection than non-commercial expression. The courts will protect commercial speech insofar as it is not misleading and dishonest.⁷² In determining whether commercial speech is honest and thusly protected, the court will apply an objective test taking into consideration the view of the ‘reasonable reader’.⁷³ The question in this test is whether, in light of all the facts, the reasonable viewer would view the advertisement as honest? The issue of commercial speech protection was approached differently in *Boehringer Ingelheim Ltd v VetPlus Ltd*.⁷⁴ The court held that comparative advertising is covered by free speech protection, although in this instance it was not a ‘pure free speech’ issue given that the

⁶⁸ These values include but are not limited to dignity, democracy and openness.

⁶⁹ TR Piety ‘Against Freedom of Commercial Expression’ (2008) 29 *Cardozo Law Rev.* at 11, available online at http://works.bepress.com/tamara_piety/1 <accessed 11 October 2013>.

⁷⁰ *City of Cape Town v AD Outpost (Pty) Ltd* 2000 (2) SA 733 (C) at 748G. Here Davis J is quoting the definition of commercial expression in American law in the case of *Central Hudson Gas and Electric Corp v Public Service Commission of New York* 447 US 557 (1970), at 561.

⁷¹ TR Piety (n43) at 13-16 mentions some scenarios where commercial speech is disguised and should not be afforded full First Amendment protection.

⁷² Alberts RW ‘Comparative Advertising: The more things change...’ (2012) 129(1) *SALJ* at 161.

⁷³ *Cable & Wireless v British Telecommunications* [1998] FSR at 389.

⁷⁴ (2007) EWCA (Civ) 583.

defendant had a commercial interest in diverting trade to itself, which would have otherwise gone to the plaintiff.

Commercial speech in the US is also generally not granted full First Amendment protection. There is a move toward providing increased protection to commercial speech by the courts.⁷⁵ Advertising, as a form of commercial speech, is subject to governmental regulation. The fact that it is regulated by government means that it may be restricted. However protection is usually given where the speech is neither false nor misleading, and does not advertise an illegal product or service.⁷⁶ This is particularly true in the context of comparative advertising.⁷⁷

Four conditions need to be met before commercial speech can be legitimately restrained.⁷⁸ The inquiry provides firstly, that the speech in question must relate to lawful activity and must not be misleading. Then it must be considered whether a substantial governmental interest in the restriction or regulation of such speech exists. If the first two conditions are met, then the court must consider whether this substantial governmental interest will be furthered by this restriction. Finally, the court then considers whether this restriction is proportional in relation to the serving of that interest.⁷⁹

Placed in a South African legal context, this test can be construed as a question of the limitation of a right, and not as determinative of the right to freedom of expression itself.⁸⁰ Davis J in his analysis of commercial speech in the context of the rights of advertisers held that “[t]he tendency to conclude uncritically that commercial expression bears less constitutional recognition than political or artistic speech needs to be evaluated carefully”.⁸¹ As such, limitations on commercial speech, just as any other type of speech, will need to be justified in terms of section 36 of the Constitution.⁸²

⁷⁵ T Benningson ‘Can Commercial Corporations engage in Non-Commercial Speech’ (2006) *bepress Legal Series*. Working Paper 1005, available online at <http://law.bepress.com/expresso/eps/1005> <accessed 23 October 2013>.

⁷⁶ H Cohen (n5) at 7.

⁷⁷ Comparative advertising is expressly excluded from infringing conduct in s 2(3)(A) of the TDRA.

⁷⁸ *Central Hudson Gas & Elec. Corp. v Public Service Commission of New York* 447 U.S. 557, 100 S.Ct 2343 (1980).

⁷⁹ *Op cit* at 564.

⁸⁰ *City of Cape Town v AD Outpost (Pty) Ltd* 2000 (n41) at 749C.

⁸¹ *Op cit* at 749D.

⁸² *Id.*

An argument advanced for the non-recognition of freedom of expression in commercial speech is the need to regulate advertising (as a form of commercial expression)⁸³ in order to ensure that products meet governmental health and safety standards. By providing full freedom of expression protection in cases of commercial expression, it will be challenging for government to regulate commerce.⁸⁴ The argument easily makes sense in cases of misleading or false advertising. One needs to be informed if inherent dangers exist when purchasing a product. The argument however should not apply in to of honest comparative advertising.

Instead, not allowing true and informative comparative brand advertising is contrary to public interest.⁸⁵ More information about a product assists the consumer in making well-informed purchasing decisions. It also enhances competition between brands. Simply put, if my brand is truly better than your brand, I challenge you to improve. There is authority supporting the recognition of comparative advertising in *Verimark (Pty) Ltd v BMW AG*.⁸⁶ The SCA held that

What is, accordingly, required is an interpretation of the mark through the eyes of the consumer as used by the alleged infringer. If the use creates an impression of a material link between the product and the owner of the mark there is infringement; otherwise there is not. The use of a mark for purely descriptive purposes will not create that impression but it is also clear that this is not necessarily the definitive test.⁸⁷

If there is no confusion regarding what is being advertised by whom, or where advertisers are not misleading the public into believing that their product is in fact that of another, or where what they say about another product is true, free speech in comparative advertising should be permissible. If these requirements are not met, then the false advertiser could open himself up to an allegation of defamation. To unduly restrict an advertiser from referring to another brand, whether directly or by implication, in an advertisement restricts his freedom of speech in a manner that is not justifiable.⁸⁸ Reasonable viewers of a comparative advertisement would understand that a comparison between products is being made and not that one product is associated with the other. This is the view supported by *Verimark*. When a comparison between different products is being made that is purely factual, the *Verimark* case should

⁸³ *Id.*

⁸⁴ TR Piety (n43) at 11.

⁸⁵ BR Rutherford 'Trademark Protection and Freedom of Expression' (2006) 18 *SA Merc LJ* at 366.

⁸⁶ 2007 (6) SA 263 (SCA).

⁸⁷ *Op cit* at [7].

⁸⁸ It restricts the freedom to receive or impart information or ideas as provided in s 16(1)(b) of the Constitution in particular.

apply.⁸⁹ However, in light of the decision of the Constitutional Court in *Laugh It Off Promotions v SAB International*,⁹⁰ where a comparative advertisement can qualify as a parody, greater weight will ultimately be placed on freedom of expression than on the rights of the trademark owner.⁹¹

Classification of speech in some instances is necessary when one wishes to balance freedom of speech against other competing interests. These classifications should not be applied rigidly, however. This allows for a flexible approach to freedom of expression protection, which is important in democratic societies. The approach to freedom of expression in the above democratic jurisdictions does not differ substantially, especially where this right conflicts with other areas of law. Public interest, privacy, dignity and the like are all worthy of legal protection, whether constitutionally based or otherwise. There is however, a noticeable difference in the application of this right in the arena of trademark law.

⁸⁹ RW Alberts (n46) at 173.

⁹⁰ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2006 (1) SA 14 (CC).

⁹¹ RW Alberts (n46) at 172 and 174.

Chapter 3: Trademark principles meet Freedom of Expression

The focus of this chapter will be on the conflict that can arise between trademark law and freedom of expression particularly in cases of dilution. It appears that in these cases a complex balancing of opposing human rights, expression and property, must be made. The scope of the analysis will exclude uses of trademarks that may result in a likelihood of confusion. Dilution principles have tended to conflict more with freedom of expression because anti-dilution provisions prohibit non-confusing uses of a trademark, which goes beyond protecting their source denoting function. This is considered to be unduly restrictive of freedom of expression, particularly if it occurs in a non-commercial context. Alberts mentions that liability based on dilution is somewhat controversial given that the law does not generally sanction or provide remedies for advantages obtained.⁹² It is thus important to properly interpret dilution legislation to ensure that the creation of a monopoly in trademarks does not occur and that freedom of expression is not unduly restrained.⁹³

3.1 Trademark Dilution and Free Speech in the United States

Dilution protection in the United States was available under some individual state-dilution laws.⁹⁴ This position changed in regard to inter-state commerce with the enactment of the Federal Trademark Dilution Act of 1995 (“FTDA”). The FTDA amended section 43 of the Trademark Act of 1946 (Lanham Act)⁹⁵ and was subsequently revised by the Trademark Dilution Revision Act of 2005 (HR 683) (“TDRA”).⁹⁶ The principles for dilution under the TDRA will briefly be set out below.

One of the initial factors that must be proved in trademark dilution cases is that the trademark is well-known.⁹⁷ A mark is well known in the United States if “it is widely recognized by the general consuming public of the United States as a designation of source of the goods or

⁹² RW Alberts “I Love the Smell of Perfume in the Morning” – The L’Oreal case and Trademark Infringement’ (2013) 1 TSAR at 74.

⁹³ Webster & Page *South African Law of Trademarks* (2002) (loose-leaf ed.) 4th Ed Durban:LexisNexis at 12.24.

⁹⁴ E Gredley & S Maniatis ‘Parody: a fatal attraction? Part 2: Trademark Parodies’ (1997) 19(8) *E.I.P.R.* at 415. For a background of the enactment of the Federal Trademark Dilution Act see EA Prager ‘The Federal Trademark Dilution Act of 1995: Substantial Likelihood of Confusion’ (1996) 7(1) *Fordham Intell. Prop. Media & Ent. L.J.* 121-136.

⁹⁵ It was amended to provide for a remedy against the dilution of well-known trademarks.

⁹⁶ R Schaffer-Goldman ‘Cease and desist: Tarnishment’s blunt sword in the battle against the unseemly, the unwholesome and the unsavoury’ (2010) 20 *Fordham Intell. Prop. Media & Ent. L.J.* at 1255; Webster & Page (n2) at 12.24.3.

⁹⁷ Similar to South African trademark dilution – s 34(1)(c).

services of the mark's owner".⁹⁸ The TDRA sets out factors that need to be met in order for the trademark to qualify as a famous trademark.

An important case for trademark dilution development in the US is *Moseley v V Secret Catalogue, Inc.*⁹⁹ The Court had to consider whether objective proof of actual economic injury to a famous mark was a requirement under the FTDA. The court held that this was indeed a requirement for a dilution claim based on the wording of the provision. Although actual dilution was required in cases of both blurring and tarnishment, there was no need to the need to prove consequences flowing from dilution, such as actual loss of sales. The mere fact that there is an association between the junior mark and a famous trademark does not necessarily indicate that dilution has occurred. This is because mere association between the two marks does not automatically reduce the ability of the famous mark to identify the goods of the owner.¹⁰⁰

The case led Congress to address shortcomings in the FTDA, one of which was that the standard of "actual dilution" in the *Moseley* case created an undue burden of proof for trademark owners.¹⁰¹ Under the TDRA the burden of proof involves the showing of "likelihood of dilution", as opposed to "actual dilution". The court in *V Secret Catalogue, Inc v Moseley* interpreted this requirement as creating a kind of rebuttable presumption that a sex-related product is likely to tarnish a mark if there is "a clear semantic association between the two", which differs from the position mentioned above.¹⁰² The effect of the amended Act seems to be to protect famous trademarks against unfavourable sexual associations because, if this type of association does occur, it is likely to tarnish the trademark.¹⁰³ The wording of dilution under the TDRA is more specific than that of the FTDA, which limits the grounds for dilution claims and ensures that protection of trademark rights does not overstep any boundaries created by free speech concerns.¹⁰⁴

⁹⁸ S 2(A) of the Trademark Dilution Revision Act (hereafter 'the TDRA').

⁹⁹ 537 US 418 (2003). Webster & Page (n2) at 12.24.3.

¹⁰⁰ This is the statutory requirement of dilution under the FTDA. The case concerned blurring of a trademark, and left the question of whether the requirement of "actual harm" also applies to tarnishment open. This was a shortcoming of the FTDA in that it neither expressly referred to tarnishment or blurring as a valid cause of action: K Goodberlet 'The Trademark Dilution Revision Act of 2006: Prospective Changes to Dilution Definition, Claim Analyses and Standard of Harm' (2006) 6 *J. High Tech L* at 269.

¹⁰¹ *V Secret Catalogue, Inc v Moseley* 605 F.3d 382 (2010) at 6. Judgment available online at <http://www.ca6.uscourts.gov/opinions.pdf/10a0144p-06.pdf> <accessed 10 October 2013>.

¹⁰² *Op cit* (n10) at 8.

¹⁰³ *Op cit* (n10) at 9.

¹⁰⁴ K Goodberlet (n9) at 271.

The TDRA has also exempted certain acts from dilution claims. Exemptions include fair use of a mark, which encompasses use in comparative advertising, parody and criticism of a mark, news reporting and commentary as well as any non-commercial use of a mark.¹⁰⁵ These appear to have been influenced by freedom of speech concerns. In order to give effect to these concerns, the courts will need to interpret these exemptions broadly.¹⁰⁶ This trend toward a broad interpretation of these exemptions is evidenced by *Smith v Wal-Mart Stores Inc.*¹⁰⁷ Smith sold various items on his website upon which the words ‘Walocaust’ and ‘Wal-Qaeda’ appeared, clearly a negative commentary on the Wal-Mart Stores brand. The court held in Smith’s favour, based on his First Amendment right to non-confusing, non-commercial speech, despite the unsavory nature of the message.

Although US Courts apply First Amendment principles liberally to trademark matters it has been argued that they should exercise caution instead.¹⁰⁸ Burrell and Gangjee argue that free speech principles in trademark cases are invariably limited, since the speech in question is usually of a commercial nature.¹⁰⁹

3.2 Trademark Dilution and Free Speech in the United Kingdom

The provision that applies to trademark dilution in the United Kingdom is s 10(3) of the Trade Marks Act 1994. The wording of the provision is as follows:

A person infringes a registered trade mark if he uses in the course of trade in relation to goods or services a sign which - (a) is identical with or similar to the trade mark, where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

This provision is based on Article 5(2) of the European Community Directive.¹¹⁰ The Directive provides that:

¹⁰⁵ See s2(3) of the TDRA.

¹⁰⁶ R Schaffer-Goldman (n5) at 1274. She mentions case law which indicating the possibility that this trend will be followed; *Burnett v Twentieth Century Fox Film Corp.* 491 F.Supp 2d 962 (C.D. Cal. 2007).

¹⁰⁷ 537 F.Supp. 2d 1302 (N.D. Ga 2008).

¹⁰⁸ R Burrell & D Gangjee ‘Trademarks and Freedom of Expression: A call for caution’ (2010) The University of Queensland, TC Beirne School of Law Research Paper No. 10-05 at 22, available online at <http://ssrn.com/abstract=1593258> <accessed 28 May 2013>.

¹⁰⁹ *Id.* This is due to the fact that commercial speech is afforded less free speech protection than non-commercial speech, as discussed in chapter 2 of this paper.

¹¹⁰ Webster & Page (n2) at 12.24.2.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trademark in relation to goods or services which are 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 repute of the trademark.

The wording of section 10(3) differs from the South African trademark dilution provision. This difference is important when placing reliance on English decisions for interpretation of dilution and freedom of expression in a South African context. A significant difference is the use of the phrase “without due cause”, which appears in the UK Act and the EU Directive but not in the South African counterpart. In an opinion in *Red Bull v Bulldog* given by Advocate General Kokott to the ECJ,¹¹¹ it is stated that “due cause” refers to a legitimate interest held by a defendant that outweighs the right of the owner of a trademark with a reputation. This must be determined taking into account whether use of the sign takes unfair advantage over the reputation of the mark. She mentions further factors that must be considered when balancing these competing interests. The meaning of due cause is significant in a freedom of expression context, since it is a legitimate interest held by a defendant that must be weighed against the rights of the trademark owner where these interests conflict. In light of the *Red Bull v Bulldog* opinion, freedom of expression rights will be applied to the mentioned factors in order to be appropriately balanced against rights held by the owner of a famous mark.

Another important difference in the respective dilution provisions lies in the phrase “would be likely”, which appears in the SA Act and is absent from the UK provision. The position in the UK requires proof of actual unfair advantage or detriment to the famous mark. This in turn requires that there is a connection in the mind of the consumer between the mark used by the defendant and the principal mark and its’ associated reputation.¹¹²

The UK courts have, unlike the US, seldom used freedom of expression instruments to interpret the scope of trademark infringement.¹¹³ There is not extensive English case law

¹¹¹ The opinion related to a preliminary ruling on the meaning of “due cause” in Art 5(2) of the European Community Directive from a question arising from *Red Bull v Bulldog* (Case C-65/12). This affects UK law, considering that s 10(3) of the UK Act is based on this. The opinion was given on 21 March 2013. The official Dutch version of the opinion is available online at <http://curia.europa.eu/juris/document/document.jsf?text=&docid=135470&pageIndex=0&doclang=NL&mode=req&dir=&occ=first&part=1&cid=253204>.

¹¹² *DaimlerChrysler AG v Javid Alavi (t/a Merc)* [2001] ETMR 98; [2001] RPC 42 at [90]. Available online at <http://www.bailii.org/ew/cases/EWHC/Ch/2000/37.html-daimler.pdf> <accessed 22 October 2013>.

¹¹³ IS Fhima ‘Trademarks and Free Speech’ (2013) 44 *IIC* at 303.

regarding a conflict between freedom of expression and trademark dilution. It was considered however in *L'Oréal v Bellure*.¹¹⁴ Jacob LJ remarked that any derogation from free speech protection must be closely scrutinised and be justified on grounds of strict necessity.¹¹⁵ He held this to be the approach to commercial expression as well. Although supportive of expressive journalistic, artistic and political speech when interpreting the scope of protection afforded to these categories of free speech, the courts have not developed the rights of the public when expressive uses involve trademarks.¹¹⁶ There is also no express provision within the UK Trade Marks Act that allows for a freedom of expression defence to trademark infringement.

A fairly recent example of case law where the UK Courts have balanced these conflicting rights is *Miss World Ltd v Channel Four Television Corp*.¹¹⁷ Miss World Ltd approached the court for the granting of an injunction against Channel Four prohibiting them from broadcasting a show entitled “Mr Miss World”. The show followed a person who was to participate in the Miss International Queen 2006 beauty pageant in Thailand. The participants in the pageant were all transvestites or transsexuals. The objection was not based on the content of the program, but on the title thereof. Miss World had registered trademarks in MISS WORLD in various categories of registration, amongst them services for the production of television programs. Channel Four relied on s 12(3) of the Human Rights Act.¹¹⁸ In granting the injunction, while considering s 10(3) of the Act, the court held that there was a strong risk that viewers of the “Mr Miss World” program would associate it with the MISS WORLD trademark. It mentioned that whilst the title was humorous, and this did not automatically excuse the infringement of the trademark and thus it took unfair advantage of the distinctive repute and character of the MISS WORLD trademark. The court held further that the right of Miss World to the protection of the trademark outweighed the inconvenience it would cause to Channel Four to change the name of the show. This amounts to a restriction of Channel Four’s free speech rights, but the blow is somewhat softened by the fact that a minor change to the title was required, as opposed to an outright ban on the program itself. The court remarked that in the absence of the use of a mark that really conveys a political message or has some public importance, freedom of expression concerns should not automatically arise in respect of trademarks in general. The court did not delve into the

¹¹⁴ [2010] ETMR 47 (CA).

¹¹⁵ *Op cit* (n22) at [9] – [11].

¹¹⁶ MA Naser ‘Trademarks and Freedom of Expression’ (2009) 40(2) *IIC* at 198.

¹¹⁷ (2007) ETMR 982.

¹¹⁸ This incorporates the Art 10 of the ECHR requiring the protection of freedom of expression.

political and gender issues that the use of the title possibly raises. It is submitted that this was not necessary on the facts in any event.

3.3 Trademark Dilution and Freedom of Expression in South Africa

The statutory provision relating to trademark dilution has been set out in chapter 1 of this paper. The application of dilution has also conflicted with freedom of expression principles in South African courts, although not to the extent of the United States. The case of *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* is instructive in this matter.¹¹⁹ The analysis that follows will highlight only certain aspects of the different judgments that relate to freedom of expression, and how this right has been balanced against those of the owner of a well-known trademark.

In the court of first instance, Laugh It Off Promotions argued that the use of the altered Carling Black Label mark amounted to an expression of artistic creativity, providing it with an absolute defence in the constitutionally protected right to freedom of expression. Cleaver J was not persuaded by this defence. He held that Laugh It Off was deliberately exploiting the mark for commercial purposes.¹²⁰ This results in weaker freedom of expression protection given the intention of Laugh It Off to profit from the sales of the t-shirts.¹²¹ In addition to the commercial nature of the expressive use of the trademark, he held that the racially provocative nature of the message conveyed by this use engaged section 16(2) of the Constitution, in that it bordered on hate speech.¹²² He acknowledged that the outcome of the decision warranted the weighing up of competing rights and that this needed to be done fairly. Upon weighing these two rights against each other, an interdict was granted restraining Laugh It Off from using the Carling Black Label marks in a way that takes unfair advantage

¹¹⁹ *SAB International (Finance) BV t/a Sabmark International v Laugh It Off Promotions* 2003 (2) All SA 454 (CPD); *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2005 (2) All SA 46 (SCA); *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2006 (1) SA 14 (CC). The facts of this case are discussed in chapter 2 of this paper and will not be revisited here.

¹²⁰ A Smith 'Trademark Dilution – You can't Laugh It Off' (2004) 12(4) *JBL* at 197.

¹²¹ It must be clear at this point that the fact that an individual profits from an activity does not automatically render that expression commercial in nature.

¹²² T Illsley 'How to tell a take-off from a rip-off: Trademark parody and Freedom of Expression in South Africa' (2006) 22(1) *SAJHR* at 119; ZM Navsa 'Trademark Dilution: No laughing matter' (2009) *E.I.P.R* at 458; A Smith *op cit* (n29).

of or is detrimental to the distinctive character and repute of the trademark. The court clearly recognised the potential of the message to adversely affect the repute of the trademark.¹²³

On appeal, the SCA also had to determine whether the use of the Carling Black Label trademark by Laugh It Off Promotions would be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of that mark.¹²⁴ The court held that this depends on the nature of the message the t-shirt conveys. In considering this, one must have regard to how it is viewed by both the purchaser of the t-shirt and another person who happens to see it.¹²⁵ Courts will generally not indulge “unfair or unjustified racial slurs on a trademark owner”. This might seem to constrain free speech somewhat, but would be constitutionally justifiable.

The court pointed out that s 34(1)(c) of the Act does not necessarily restrict freedom of expression and expressive uses of trademarks. Expressive use of a trademark concerns instances where a trademark seeks to convey a message, rather than the traditional purpose of denoting source.¹²⁶ It may include using a mark to identify the owner of the mark and to make a statement about it or his product.¹²⁷ An expressive use of a trademark is permissible provided that is not used in relation to goods and services.¹²⁸ But expressive uses in relation to goods and services are permitted as long as it does not occur in the course of trade.¹²⁹ The court provided a useful two-stage enquiry to be used in the balancing of trademark rights and freedom of expression. The enquiry begins with a determination of whether s 34(1)(c) of the Act has been infringed. If the answer is yes, one must consider whether freedom of expression is at issue.

The main issue on appeal in the Constitutional Court was still the meaning of the words “likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered trademark”. The interpretation of these words is substantially the same as that

¹²³ G Devenish ‘We are amused: Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International’ (2006) 122 *SALJ* at 795 criticises the decision based on the opinion that the court did not give due consideration to the importance that the role freedom of expression plays in social and political discourse.

¹²⁴ *Laugh It Off Promotions* 2005 (SCA) at [24].

¹²⁵ *Id.*

¹²⁶ W McGeeveran ‘Rethinking trademark fair use’ (2008) 94 *Io LR* at 54.

¹²⁷ An example of this is Greenpeace using the mark E\$\$O instead of ESSO to criticise Esso’s unsound ecological policies: *Greenpeace France v Esso* 8 April 2008 France Sup. Ct. (Cour de cassation).

¹²⁸ *Op cit* (n33) at [30].

¹²⁹ *Id.*

of the SCA.¹³⁰ In addition, it confirmed that s 34(1)(c) must be interpreted in a way that is consistent with the Constitution, specifically, the right to freedom of expression.¹³¹ The court held that s 34(1) (c) limits the right to freedom of expression in relation to well-known registered marks in certain instances. However, since the constitutional validity of the section was not questioned, the court assumed this limitation to be both reasonable and justifiable. It then reversed the two-stage approach adopted by the SCA.¹³² This means that a trademark dilution enquiry will commence with an analysis into whether the expression in question is protected under s 16(1) of the Constitution. Once it has been established as constitutionally protected expression, then it is considered whether it is unfair or detrimental in the context of s 34(1)(c) as weighed against freedom of expression principles.¹³³ The effect of this inversion is that the right to freedom of expression is elevated above trademark dilution protection.¹³⁴

It must be made clear at this point that the majority decision of the CC, given by Moseneke J, was not actually decided on the basis of free speech principles. The court based its decision on a construction of s 34(1)(c) requiring that the plaintiff must establish a likelihood of substantial economic harm or detriment to the mark of the plaintiff. The court held that the type of harm that needs to be proved in a dilution case is *actual* detriment instead of “likelihood” of detriment. This is not a requirement of the Act and seems to be based on the assumption that the wording of the Act is in this regard similar or that same as that in the USA and the UK and the outcome corresponds with the actual harm requirement in the *Moseley* judgment, under the FTDA. This position changed once the TDRA was enacted and also related to blurring of a trademark and not tarnishment. The judgment has created a host of evidentiary problems for trademark owners, which was also the fear after *Moseley*.¹³⁵ One could perhaps consider that when interpreting the section, Moseneke J considered the words

¹³⁰ LTC Harms ‘Dilution of a trademark doctrine: Dilution of Anti-Dilution’ in *The Common Law of Intellectual Property – Essays in Honour of Professor David Vaver* Ng C, Bently L and D’Agostino G (eds) (2010) Oxford and Portland, Oregon: Hart Publishing at 393.

¹³¹ *Laugh It Off Promotions* 2006 (CC) at [17] and [43]; P Ginsburg ‘Intellectual Property Law’ *Annual Survey of SA Law* at 595.

¹³² *Op cit* at [44].

¹³³ *Id.*

¹³⁴ ZM Navsa (n31) at 459-460.

¹³⁵ The burden of proof in these cases is difficult to discharge, and no guidance is provided by the Court in this regard: BR Rutherford ‘Trademark Protection and Freedom of Expression’ (2006) 18 *SALJ* at 360. Market survey evidence has been suggested to assist in proving that an unfavourable association has been created in the mind of the consumer between the marks in question. However this type of evidence presents its own set of challenges. See: ZM Navsa (n30) at 463 for a discussion of how market surveys can benefit a trademark proprietor; R Burrell & G Gangjee (n12) at 18-19 for suggestions for standards that need to be met for the acceptance of market surveys into evidence. K Goodberlet ‘The Trademark Dilution Revision Act of 2006: Prospective changes to Dilution definition, Claim analyses and Standard of Harm’ (2006) 6 *J. High Tech L* at 274.

“likely to” to only relate to the unfair advantage, and not to the detriment envisioned by this section.

The concurring judgment by Sachs J delved considerably into the importance of freedom of expression and its effect on trademark law. He held that Laugh It Off did not merely succeed based on the lack of evidence of actual economic loss, but on more substantive grounds rooted in freedom of expression concerns.¹³⁶ He also stated that courts must be wary of drawing a distinction between commercial and non-commercial expression.¹³⁷ The mere fact that social commentary might have a commercial element should not automatically preclude it from freedom of expression protection. What is more important is whether the activity is primarily commercial or communicative in nature.¹³⁸ He further proposed guidelines that could be adopted when balancing the competing rights.¹³⁹

It is clear from the preceding analysis that the lines between trademark dilution and freedom of expression are not quite as blurred as they seem. Courts in these three jurisdictions have clearly identified that a balancing process needs to take place where the two competing interests collide. The problem is in the lack of consistency in the application of the balancing processes adopted. It can reasonably be concluded that when interpreting these competing interests, the eventual outcome is often influenced by how liberally freedom of expression is viewed by the country as a whole, and by those who interpret and apply the law.

In summary, the position in US law is that freedom of expression is a defence to trademark dilution, provided certain requirements are met. This differs from the positions in the United Kingdom where it appears that freedom of expression is merely a factor to be considered, and not an absolute defence to trademark infringement. The position in South African trademark law, as a result of the Constitutional Court decision, is that freedom of expression can outweigh trademark owner’s rights, absent proof of actual economic harm. The possibility of freedom of expression as a positive defence to trademark infringement deserves some consideration in a South African context, particularly after the exposition of parody by the Constitutional Court.

¹³⁶ *Op cit* (n41) at [74].

¹³⁷ *Op cit* at [85].

¹³⁸ *Id.*

¹³⁹ *Op cit* (n41) at [82].

Chapter 4: The Problem of Parody as a Defence to Trademark Infringement

Parody is a type of expression that is known to conflict with trademark law. It plays a valuable role in the entertainment industry and can contribute to social discourse. It can however lock horns with the rights held by owners of famous trademarks that fall victim to an attack of humour. On the one hand, it can seem that trademark holders are attempting to use their intellectual property rights to prevent comment or criticism of their products and on the other, it can seem that those doing the criticising are flagrantly ignoring a property right worthy of protection.¹⁴⁰

In the analysis that follows the nature of parody, as a form of expression, will be examined as well as how it can create potential problems for trademark owners. It will also discuss how the parody defence has developed after significant judicial scrutiny of free speech in the United States. The analysis will then fall to the consideration of the possibility of parody as a positive defence in South African law.

4.1 The nature of parody as a form of freedom of expression

Various attempts have been made to define parody judicially. This is difficult to do considering that parody is a literary concept. It can be traced back to ancient Greece where epic poetry was given a lighthearted spin. Dr Samuel Johnson, in his famous dictionary of 1755, defined it as “a kind of writing, in which the words of an author or his thoughts are taken, and by a slight change adapted to a new purpose.” It is now more generally defined as “an imitation of the style of a particular writer, artist, or genre with deliberate exaggeration for comic effect”.¹⁴¹ Its purpose is frequently to produce a ridiculous effect, making fun of the original. It searches out, by means of subversive mimicry, any weakness, pretension or lack of self-awareness in the original.¹⁴²

Parody can be classified into four categories. “Specific parodies” are based on and parody specific texts; “general parodies” are based upon artistic traditions or genres; “target parodies” tend to comment on a text or the creator thereof and “weapon parodies” use a text for commentary on another topic entirely.¹⁴³

¹⁴⁰ C Geiger ‘Trademarks and Freedom of Expression – the proportionality of criticism’ (2007) 38(3) *IIC* at 317.

¹⁴¹ This is the definition according to <http://oxforddictionaries.com/definition/english/parody> <accessed 10 October 2013>, which sources information from the Oxford English Dictionary.

¹⁴² R Fowler *Modern Critical Terms* (1987) at 172.

¹⁴³ M Spence in ‘Intellectual Property and the Problem of Parody’ (1998) *Law Q. Rev* at 594-595.

The nature of parody was judicially considered in the context of US copyright in *Campbell v Acuff-Rose*.¹⁴⁴ The case considered parody as a fair use of a copyrighted work which presents similar problems that trademark owners face when protecting their commercial goodwill.¹⁴⁵ The court held that “parody needs to mimic an original to make its point and so has some claim to use the creation of its victims’ imagination”.

In US trademark context, parody was defined as “a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealised image created by the mark’s owner.”¹⁴⁶

Parody of a trademark involves both the adoption of a trademark and the imitation of that mark in a way that makes it look ridiculous.¹⁴⁷ Its nature is inherently paradoxical.¹⁴⁸ On the one hand, the ultimate success of the parody lies in the fact that consumers are able to recognise that a well-known trademark is being referenced in the parody. On the other hand, consumers are usually familiar enough with the trademark to know that the work of parody is probably not commercially associated with the original well-known trademark. The more a parody draws on an original trademark, the more effective the parody will be.¹⁴⁹ However, if too much is ‘taken’ from the original trademark, this use may be considered infringing.¹⁵⁰ Viewers of a parody often do not laugh at the parody itself, but rather at the humour created by the dislocation of the parody from the original mark.¹⁵¹

4.2 The problem parody creates for trademark owners

The more famous a mark becomes, the greater the chance it will be parodied. Well-known marks have become an important tool for parodists to engage in social commentary. The fact that parody involves a deliberate dislocation of the parodied mark from the original means that consumers are not likely to be confused by this type of use of a well-known mark. This makes it difficult for trademark owners to protest the unauthorised use of their well-known

¹⁴⁴ 510 U.S.S 569 (1994).

¹⁴⁵ J Deacon & I Govender ‘Trademark Parody in South Africa – The last laugh!’ (2007) 32(2) *JJS* at 38.

¹⁴⁶ *People for the Ethical Treatment of Animals v Doughney* 263 F.3d 359, 366 (4th Cir. 2001).

¹⁴⁷ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2006 (1) SA 144 (CC) at [77].

¹⁴⁸ *Op cit* at [76].

¹⁴⁹ M Spence (n3) at 611.

¹⁵⁰ T Illsley ‘How to tell a take-off from a rip-off: Trademark parody and freedom of expression in South Africa’ (2006) 22 *SAJHR* at 122.

¹⁵¹ *Op cit* (n7) at [77].

marks given that protection is also afforded to the parodist in the form of freedom of expression.

However, the parodist is in danger of engaging anti-dilution provisions when using a well-known trademark, particularly if the parody is considered to tarnish the reputation of that mark. Well-known trademarks have established an association in the minds of consumers that deserves to be protected from undue criticism or ridicule. Anti-dilution provisions aim to protect this association.

Parody is also possible in respect of trademark infringement cases that do not involve dilution, but that create a likelihood of confusion for the viewer. In cases like those, parody should be used as a factor in assessing whether a likelihood of confusion exists, and not as a separate factor of infringement.¹⁵² For example, in *Nike, Inc. v Just Did It Enterprises*¹⁵³ the court had to consider whether the Nike “swoosh” and the logo “Mike” would be likely to confuse consumers into thinking that the “Mike” products were actually those of Nike. The court held that parody is not a separate factor to be considered in the likelihood of confusion analysis, but is to be considered with other factors such as actual confusion, similarity of products and marketing channels.

4.3 Parody as a positive defence

Parody is recognised as a positive defence to trademark infringement in the US. It was first explicitly recognised in the Federal Trademark Dilution Act (H.R. 1295) (“FTDA”).¹⁵⁴ Section 3(4) of the Act provides for certain acts that are non-actionable as trademark infringement. Parody fell under the non-commercial use exception. The subsequent amendment of the FTDA by the Trademark Dilution Revision Act (H.R. 683) (“TDRA”) has resulted in parody being expressly included as a non-infringing act.¹⁵⁵

There is generally no controversy surrounding the use of this defence in cases of non-commercial expression. The difficulty in its application arises where a parody can be considered commercial expression. Under the FTDA no protection was afforded to a commercial trademark parody. It is submitted that this position has been retained under the TDRA and commercial speech in general is not excluded from the dilution provision of the

¹⁵² E Sonju ‘Likelihood of confusion is confusing enough: Why the concept of parody has no place in a likelihood of confusion analysis’ (2010) 38 AIPLA Q.J. at 350.

¹⁵³ 6 F.3d 1225 (1993).

¹⁵⁴ The Federal Trademark Dilution Act of 1995 (H.R. 1295).

¹⁵⁵ S 3A(ii) of the TDRA.

Act. However, the fact that this type of parody is not protected by the TDRA does not mean that it is completely excluded from First Amendment protection, albeit to a lesser extent than non-commercial speech.¹⁵⁶

Where commercial parody is used on non-related goods or services, and is not completely offensive or obscene, the commercial use of the parody should be allowed. Even if used on similar goods or services, commercial parody should theoretically be allowed under the TDRA, given that comparative advertising is excluded from acts considered infringement under the Act. However in such a case the parody will be subjected to stricter scrutiny to determine whether it qualifies for free speech protection.¹⁵⁷

Sometimes the nature of the parody can be considered a ‘mixed parody’, in that it combines elements of both commercial and non-commercial expression. Here the intention of the parodist is relevant. If the creation of the parody is solely motivated by profit, then the positive parody defence falls away, and the parodist must then rely on general First Amendment protection. The fact that the parodist gains substantial revenue from the expression of an idea should not affect their free speech rights in using the mark, and to find otherwise would have negative implications on free competition.¹⁵⁸

There is a host of US case law on parody as a defence to trademark infringement. In *Gucci Shops, Inc v R.H Macy & Co*,¹⁵⁹ the Court dismissed the parody defence in respect of the use of the mark GUCCHI GOO on diaper bags. It did not matter to the court that the product was intended as a joke. The use of the parody of the famous fashion house mark on diaper bags at the very least caused detriment to the repute of the mark. The defence however prevailed in the *Louis Vuitton Malletier S.A v Haute Diggity Dog LLC*.¹⁶⁰ The use of the word CHEWY VUITON on handbag shaped dog chew toys constituted a successful parody of the elitist lifestyle Louis Vuitton products seem to portray. The juxtaposition of the expensive handbags and a dog chew toy creates no doubt in the viewers’ mind that the toys are a parody and are not commercially related. These two cases illustrate how the same defence can have different

¹⁵⁶ J Deacon & I Govender (n5) at 35. Chapter 2 of this paper discussed the principles relevant to deciding whether commercial speech is protected under free speech provisions.

¹⁵⁷R Burrell & D Gangjee ‘Trademarks and Freedom of Expression: a call for caution’ (2010) University of Queensland TC Berne School of Law Research Paper No. 10-05. Available online at SSRN: <http://ssrn.com/abstract=1604886> <accessed 28 May 2013>.

¹⁵⁸ MA Naser ‘Trademarks and Freedom of Expression’ (2009) 40(2) IIC at 194.

¹⁵⁹ 446 F.Supp 838 (S.D.N.Y. 1977). HZ Horbaczewski ‘Parody Paradox’, online at <http://www.lexisnexis.com/community/copyright-trademarklaw/blogs/fashionindustrylaw/archive/2012/06/25/parody-paradox.aspx> <accessed 28 May 2013>.

¹⁶⁰ 507 F. 3d 252 (4th Cir. 2007). HZ Horbaczewski *op cit* (n20).

results on similar facts. The defence is not applied consistently, which is a thorn in the side of some writers.¹⁶¹ Although parody does not constitute an automatic defence to trademark tarnishment claims, there is a tendency in American jurisprudence toward the protection of parodies.¹⁶²

The UK does not provide parody as a specific defence to trademark infringement.¹⁶³ It provides the same protection to parodistic uses of a trademark as it does to other categories of expression under s 12 of the Human Rights Act.¹⁶⁴

4.4 Parody permeates South African trademark law

Parody in the trademark law context was considered in *Laugh It Off Promotions CC v SAB International*. This part of the analysis will focus on the portions of the judgments that relate to the possibility of relying on parody as a defence to trademark infringement.

The parody defence was raised in the SCA, not by the appellant himself, but by the FXI. The SCA held that a reliance on this defence was misconceived.¹⁶⁵ It did not reject the fact that parody plays a role in the balancing process between the two competing rights. It simply held that, when a defendant uses a mark contrary to s 34(1)(c), parody is a factor to be considered, along with other relevant factors, in determining whether this use is constitutionally protected.¹⁶⁶ The Court held that *Laugh It Off Promotions* using the Carling Black Label trademark to sell its products indicated a predatory intent to profit from the use of the altered mark, and the use was not purely polemical, in which case their freedom of expression rights would have outweighed the rights of the trademark owner. Instead, this amounted to use in the course of trade in relation to goods to the detriment of the mark without justification.¹⁶⁷

The approach followed by the SCA is in line with international legal developments regarding the application of the parody defence. The CC also acknowledged that parody is not a

¹⁶¹ E Sonju (n12) is one such writer.

¹⁶² M Rimmer 'The Black Label: Trade Mark Dilution, Culture Jamming and the No Logo Movement' (2008) 5(1) *SCRIPTed* at 111. Available online at <http://www.law.ed.ac.uk/ahrc/script-ed/vol5-1/rimmer.asp> <accessed 10 October 2013>; C Geiger (n1).

¹⁶³ It has been suggested that there is a move toward parody as an exception to copyright infringement in the UK – see <http://ipkitten.blogspot.com/2013/03/ipos-parody-report-towards-new.html> <accessed 29 September 2013>.

¹⁶⁴ This has been discussed in chapter 2 and 3 of this paper.

¹⁶⁵ *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2005 (2) SA 46 (SCA) at [37].

¹⁶⁶ *Op cit* at [37].

¹⁶⁷ *Op cit* at [41].

defence to trademark dilution *per se*.¹⁶⁸ Deacon and Govender are of the opinion that “[t]he position of parody in trademark law desperately needs to have a last laugh, once and for all”.¹⁶⁹ It is submitted that the law as it stands in South Africa neither provides for a positive statutory defence of parody, nor is this defence evident in case law. The position of parody in South African law is clear. It is worth briefly considering whether such a defence would be practical in a South African context.

4.5 The possibility of parody as a positive defence to trademark infringement

The possibility of freedom of expression as a positive defence to trademark infringement holds superficial appeal for many a freedom of expression advocate. The defence envisaged would be akin to the copyright “fair use” defence, or the defence provided by the TDRA under section 3A(ii). This would create the possibility of including various forms of expression as a defence to unauthorised use of trademarks. One such form would be parody. It is questionable, however, whether the parody defence as applied by the US courts, is appropriate in light of current South African law.

The first aspect of consideration is how South African courts interpret freedom of expression. Freedom of expression is interpreted broadly by the courts and includes varying forms of expression. To restrict this defence to parody would in effect exclude those other forms from protection.¹⁷⁰ The courts would need to apply ordinary freedom of expression principles to satirical uses of trademarks for instance, whereas parody would have its own standards of protection. The defence is further limited by the fact that it would only apply to non-commercial speech. This is based on the assumption that the defence is modeled on the parody exclusion in the US.

The general South African legal climate must also be taken into consideration. Trademark law is not the only sphere of litigation where freedom of expression concerns might arise. If parody is to be used as a positive defence to trademark infringement, one must also consider whether it could apply to the law of defamation, for example. However, ordinary free speech rights are weighed against competing rights of privacy and dignity in defamation cases. It is submitted that this is the appropriate and correct position in a trademarks context as well.

¹⁶⁸ *Op cit* (n7) at [81].

¹⁶⁹ J Deacon & I Govender (n5) at 43.

¹⁷⁰ R Burrell & D Gangjee (n16) at 20 refer to this as “isolated pockets of permitted conduct”.

The attractiveness of this defence is based on the US position. It must be kept in mind that the US has a robust free speech doctrine that has been in place since the drafting of the US Constitution in 1787. Freedom of expression litigation in South Africa is comparatively less pronounced in our fledgling democracy. This aside, the parody defence must comply with factors imposed by the TDRA as well as general First Amendment principles. Therefore, an ordinary freedom of expression enquiry should be sufficient to ensure that one right is not ousted in favour of the other without due consideration.

One must also consider that s 34(1)(c) of the Trade Marks Act has not been declared unconstitutional. As such it is a reasonable and justifiable limitation on the right to freedom of expression. The introduction of a separate defence where existing freedom of expression principles suffice would be redundant. One must also take heed of the principle of avoidance when considering the creation of a freedom of expression based defence.¹⁷¹

The parody defence is an attractive and at most, idealistic notion for free speech advocates. If the trademark principles are consistently and correctly applied through the lens of the Constitution, there is no need for the introduction of an additional defence to trademark infringement.

¹⁷¹ ZM Navsa 'Trademark Dilution: no laughing matter' (2009) 31(9) *E.I.P.R.* at 459 and fn56: The principle of avoidance provides that remedies should first be sought in the common law or in legislation, should be interpreted or developed as far as possible to comply with the Constitution, before one resorts to direct Constitutional remedies. It appears that Navsa is of the opinion that by resorting firstly to the Constitution in the dilution enquiry, the CC is ignoring remedies explicitly provided in the Trade Marks Act. He also then presumably agrees that the section is compliant with the Constitution.

Chapter 5: Conclusion

The preceding analysis has shown that the lines apparently dividing freedom of expression and trademark dilution are not and need not be sharply drawn. It is clear that both rights are deserving of a measure of protection. Trademarks are not “tenuous” and should not automatically be ousted by robustly championed freedom of expression rights.¹⁷² The courts must be wary of tolerating an “abuse of the right to freedom of expression,” or sacrificing “intellectual property law rights in the form of trade mark protection at the altar of fundamental human rights”.¹⁷³

When given the novel opportunity to decide on the treatment of these conflicting rights the Constitutional Court tipped the scales in favour freedom of expression. This decision has had the unfortunate effect of blurring principles of trademark dilution. The analysis showed that the decision can be likened to the outcome of *Moseley v V Secret Catalogue*, which also created uncertainty with regard to dilution principles in the US. Luckily, the confusion was (for the most part) rectified by the enactment of the Trademark Dilution Revision Act. Although required to follow the *Laugh It Off* decision, there seems no abatement in the frustration that both academics and practitioners feel when considering and having to apply the standard of proof now required by the Act. There is no indication of further cases of this type being instituted in the South African courts. The case has likely chilled the development of dilution principles in South African law.

However the case can be lauded for its analysis of the concept of parody, a new consideration in a South African dilution context. Sachs J questioned whether the law has a sense of humour.¹⁷⁴ In the context of dilution this is not necessary, considering that the success of a parody is not based on whether it is funny or not, but whether it can in fact be recognised as a parody. The analysis in this paper showed that to provide a separate parody defence in trademark infringement cases could essentially further limit the development of trademark dilution. It would be nigh impossible for a trademark owner to not only meet the evidentiary burden imposed by the Constitutional Court, but also to prove that the parody is purely of a commercial nature and thus not afforded freedom of expression protection. It would end litigation before it could even begin.

¹⁷² Sachs J states that the SCA allowed “tenuous property interests to outweigh substantial expression rights” in *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International* 2006 (1) SA 14 (CC) at [74].

¹⁷³ ZM Navsa ‘Trademark Dilution: No Laughing Matter’ (2009) 31(9) *E.I.P.R* at 459.

¹⁷⁴ *Op cit* (n1) at [70].

It is worth mentioning, from a practical perspective, that litigating trademark infringement on facts similar to Laugh It Off only serves to make a parody live on in infamy. Not every company that finds itself the target of parody chooses to institute action. While they simply wait for the proverbial storm to pass, other companies find themselves forever associated with the unfavourable message they went through pains to stop. Practically speaking, most trademark owners should simply laugh it off. This conflict between trademark rights and freedom of expression is not one that can ultimately have a single victor, but will be a constant balancing act between the two rights. Courts will need to ensure that this balance remains as fair as possible.

Total words: 14 556

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