

Just Laugh It Off:
Trademark Parody and the Expansion of User Rights

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Introduction

Balance and Bargains

In Canada, the concept of fair dealing has been described as a “user’s right,”¹ as have the other exceptions in the *Copyright Act*.² In *CCH Canadian Ltd v Law Society of Upper Canada*, the Supreme Court of Canada explained that a non-restrictive interpretation of these rights is integral to maintaining a proper balance “between the rights of a copyright owner and users’ interests.”³ Previously, the Court recognised that such a balance is a fundamental element of copyright law, stating in *Théberge v Galerie d'Art du Petit Champlain inc* that there is a “balance between promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator.”⁴ Indeed, this balance has been a feature of copyright cases decided after *Théberge* and *CCH*.⁵ Thus, the conceptualization of the intellectual property rights in copyright operate within the context of the competing interests of creators/owners of works and those third parties who wish to use the works.

The idea of balance between owners of intellectual property and the public’s interests in using that property is not restricted to copyright. The Supreme Court has said that the “patent system is based on a ‘bargain’ ... the inventor is granted exclusive rights in a new and useful invention for a limited period in exchange for disclosure of the invention so that society can benefit from this knowledge.”⁶ Copyright and patent law offer a trade-off of sorts between the monopolies they grant and the public interest in using the fruits of those monopolies in some

¹ *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13, [2004] 1 SCR 339, at para 48 [*CCH*].

² RSC 1985, c C-42 [*Copyright Act*].

³ *CCH*, *ibid.* at [48]

⁴ *Théberge v Galerie d'Art du Petit Champlain inc*, 2002 SCC 34, [2002] 2 SCR 336, at para 30 [*Théberge*].

⁵ David Vaver, “Copyright Defenses as User Rights” (2013) 60:4 J.Copyright Soc’y USA 661, at 669.

⁶ *Teva Canada Ltd v Pfizer Canada Inc*, 2012 SCC 60, [2012] 3 SCR 625, at para 32.

way. Of course, there is tension between creators/owners and users because of this balancing act. This struggle led the Federal Court of Appeal to cite the nineteenth-century British case *Hanfstaengl v Newnes*⁷ with approval:

The protection of authors, whether of inventions, works of art, or of literary compositions, is the object to be attained by all patent and copyright laws ... On the other hand, care must always be taken not to allow them to be made instruments of oppression and extortion.⁸

Intellectual property law, then, must take note of those who use what it protects and should not extend beyond its prescribed boundaries.

We therefore have a tense balance and a bargain in intellectual property law. Fair dealing is an example of legislation and courts accounting for this fact. What is conspicuously absent from the law, however, is any express acknowledgement of user rights in trademark law. Trademarks are intellectual property, even if they are “something of an anomaly,”⁹ and they are often dealt with by third parties. Trademarks depicted by non-owners might appear in a number of ways, such as in paintings of a university football team,¹⁰ on union literature criticising an employer,¹¹ or even parodying a canned luncheon meat in a puppet film.¹² Yet, the law of trademarks does not explicitly recognise these dealings or uses as fair (or at least potentially fair) – there is no set of fair dealing provisions for research, parody, criticism, or news reporting¹³ in the *Trade-marks Act*.¹⁴ The absence of such provisions in the trademark realm is indicative of a lack of balance between the public interest and intellectual property owners’ rights. There is the

⁷ [1894] 3 Ch 109 (CA), at 128.

⁸ *Canadian Assn of Broadcasters v Society of Composers, Authors and Music Publishers of Canada*, [1994] FCJ No 1540, 58 CPR (3d) 190 (FCA), at para 13.

⁹ *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772, at para 21 [*Mattel*].

¹⁰ *The University of Alabama Board of Trustees v New Life Art, Inc, Daniel A Moore*, 683 F3d 1266, 1269–70 (11th Cir 2012) [*Moore*].

¹¹ *Cie générale des établissements Michelin - Michelin & Cie v CAW – Canada*, [1997] 2 FC 306, [1996] FCJ No. 1685 (FCT) [*Michelin*].

¹² *Hormel Foods Corp v Jim Henson Prods*, 73 F3d 497 (2d Cir 1996) [*Hormel*].

¹³ *Copyright Act*, *supra* note 2, s 29-29.2.

¹⁴ RSC 1985, c T-13 [*TM Act*].

potential for owners to attempt to extend their rights beyond “the purpose of distinguishing or so as to distinguish goods or services.”¹⁵ As Professor David Vaver has noted, maintaining a strong public domain benefits competition, innovation, consumer markets, and the public interest. Intellectual property protection must therefore be carefully circumscribed and should not extend beyond its specified limits.¹⁶ The lack of circumscription for trademarks invites overreach, including in the area of free expression, and the lack of acknowledgement of users creates imbalance. Consequently, it is time that Canadian trademark law recognise a form of fair dealing.

Trademark Parody & Expanded User Rights

Fair dealing user rights in copyright cover a range of allowable purposes under the *Copyright Act*. Section 29 of the *Act* includes fair dealing for the purposes of parody. The case of parody is perhaps also the clearest way to illustrate the need for expanded intellectual property user rights for trademarks. Trademark parody demonstrates how recognising specific rights for users of trademarks would assist in delineating the limits of owners’ rights and in limiting encroachment on freedom of expression, and would take greater account of the broader public interest beyond just the “consumer shortcut”¹⁷ role of a mark. The extension of user rights into this domain would encourage further balance between the public interest and public domain and the protection of creators’ and owners’ rights. Professor Vaver has described how cases of parody are an important example of intellectual property overreach:

Before the public is excluded from an activity, clear harm should first be found to the particular right-holder or the IP system as a whole. The often restrictive treatment of parody by trade-mark and copyright law – penalizing humorous comments on products or business activity – is an example of business interests

¹⁵ *TM Act*, *supra* note 14, s 2(a).

¹⁶ David Vaver, *Intellectual Property Law*, 2d ed (Toronto: Irwin, 2011) at 23 [Vaver, *IP Law*].

¹⁷ *Mattel*, *supra* note 9, at para 21.

being overly protected to the disadvantage of an effectively operating public domain.¹⁸

As such, the case of trademark parody is a key example of where further user rights are needed for certain intellectual property in order to ensure a proper balance in intellectual property law.

To fully address why and how user rights should be expanded, it will be necessary to consider parody as fair dealing or fair use, review the current legal framework in Canada and abroad, understand the rationale for extension of these rights, and propose appropriate changes to the current trademarks regime. In reviewing the ways in which trademark parody has been and is dealt with in Canada and elsewhere, the need to develop a more explicit balance between owners' and users' rights is apparent.

Parody

One must understand why the right to parody something is important and why it is in the public interest; it is a form of criticism or review, and should therefore be protected. Consequently, it also engages the issue of freedom of expression. In Canada, the importance of parody to intellectual property users has been recognised, though only recently. In 2012, “parody or satire” was added to the fair dealing exceptions in the *Copyright Act*.¹⁹ It should therefore be understood in the same light as criticism or review, news reporting, research, private study, and education. That is, it is fundamental to the balance in copyright and should be broadly interpreted.²⁰ If parody is important to users of copyright, it makes sense that it is important to those dealing with trademarks. After all, many a mark is protected by both copyright and trademark law and it is inconsistent that the public is only confident in their right to deal fairly with the work under one of those heads.

¹⁸ Vaver, *IP Law*, *supra* note 16, at 24.

¹⁹ *Copyright Modernization Act*, SC 2012, c 20 [CMA].

²⁰ *CCH*, *supra* note 1, at para 48.

While parody has not been defined in Canadian law, the United States Supreme Court has stated that “[t]he heart of any parodist's claim to quote from existing material is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's work.”²¹ In intellectual property law, its value lies in its critical role. In its seminal parody decision *Campbell v Acuff-Rose Music, Inc*, the United States Supreme Court held that “parody, like other comment or criticism, may claim fair use.”²² The Court thereby stated that parody is a form of criticism, which provides a strong rationale for its protection. Understood as a subset of criticism, parody is then entrenched in Anglo-Canadian copyright law. Fair dealing for the purposes of criticism existed in *The Copyright Act, 1921* in Canada²³ and in the United Kingdom’s 1911 legislation upon which it was modelled.²⁴ Moreover, even before the explicit introduction of a parody exception, the scope of “criticism” was understood to be broad: “criticism of any kind appears to be within the [fair dealing] subsection.”²⁵ Intellectual property law has thus long held criticism to be an exception to owners’ rights, so it follows that parody, as a form of criticism, has an integral role in balancing creators’/owners’ rights with users’.

The Law in Canada

Fair Dealing

Fair dealing has a lengthy history in Anglo-Canadian copyright law. Nevertheless, it is a right that exists only for copyright. Furthermore, it is restricted to the enumerated purposes in the *Copyright Act*.²⁶ It is more restrictive than fair use in the United States, which does not have a

²¹ *Campbell v Acuff-Rose Music, Inc*, 510 US 569 (1994), 114 S Ct 1164, at 569-570 [*Acuff-Rose*].

²² *Ibid*, at 579.

²³ S 16(1)(i), online: <<http://www.digital-copyright.ca/dcc-static/Copyright1921.pdf>>.

²⁴ *Copyright Act 1911* (UK), 1911 c 46, s 2(1)(i).

²⁵ *Sillitoe v McGraw-Hill Book Co (UK) Ltd*, [1983] FSR 545 (UK HC Ch) at 559 citing approvingly *Hubbard v Vosper*, [1972] 2 QB 84, [1972] 2 WLR 389 (UK EWCA Civ) at 88.

²⁶ *CCH*, *supra* note 1, at para 54.

closed list of purposes and extends, to some degree, to trademarks.²⁷ The recognition of fair dealing as a user right is important because it is indicative of an acknowledgement that intellectual property rights do not exist solely for the benefit of rights owners. As Professor Vaver has pointed out, doing what is permitted by the *Copyright Act* is not taking advantage of a loophole, it is “exercising a right inherent in the balance the *Copyright Act* strikes between owners and users.”²⁸ The takeaway, then, is that users of intellectual property have rights as well. Having been recognised in copyright, similar rights should be considered for other forms of intellectual property.

Trademarks

Trademarks differ from other forms of intellectual property. Unlike copyright and patents, trademarks do not fit easily into the conception of science and the useful arts and there is no explicit exchange between the trademark owner and the public for the monopoly granted.²⁹ As previously noted, patent-seekers bargain disclosure of useful inventions for a time-limited monopoly and copyright gives creators control over their works in exchange for the “encouragement and dissemination of works of the arts and intellect.”³⁰ A trademark’s purpose is as a “symbol of a connection between a source of a product and the product itself”³¹ and so it provides consumers with a reliable indication of the quality and other characteristics of a product, based on its source. Justice Binnie described this very utilitarian exchange of trademark protection for consumer benefit in *Mattel, Inc v 3894207 Canada Inc*: a mark’s “claim to monopoly rests ... on serving an important public interest in assuring consumers that they are

²⁷ 17 USC § 107; 15 USC § 1125.

²⁸ Vaver, *IP Law*, *supra* note 16, at 215.

²⁹ *Mattel*, *supra* note 9, at para 21.

³⁰ *Théberge*, *supra* note 4, at para 30.

³¹ *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65, [2005] 3 SCR 302, at para 39.

buying from the source from whom they think they are buying and receiving the quality which they associate with that particular trade-mark.”³²

As will be explored later, this commercial purpose of trademarks sets out a very specific monopoly over use of a trademark for distinguishing products and services, which is explicit in the definition of “trade-mark” in section 2 of the *Trade-marks Act*. Given the nature of trademarks, legal protection should only extend so far as it protects this consumer “shortcut.”

In Canada, a trademark owner can certainly make the case that a parody infringes their rights. In making that case, they are likely to rely on section 22(1) of the *Trade-marks Act* “depreciation of goodwill”:

22(1) No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

In *Veuve Clicquot Ponsardin c Boutiques Cliquot Ltée*, the Supreme Court considered what “goodwill” is. The court concluded that it is “the good repute associated with a name or mark”³³ and the “reputation and connection ... which is identified with the goods distributed by the owner in association with the trade mark.”³⁴ Consequently, it is not difficult to see how a parody of a mark could run afoul of this provision. Since parodies are also criticisms, they have the potential to damage the value – or the goodwill – of a brand. Consumers who review criticisms and parodies may have their opinions lowered about a given mark, source, or product. Furthermore, the application of section 22(1) does not require confusion for a finding of infringement, the test is simply the likelihood of depreciating the goodwill attached to the

³² *Mattel*, *supra* note 9, at para 21.

³³ *Veuve Clicquot Ponsardin c Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 SCR 824, at para 50 [*Veuve*].

³⁴ *Ibid*, citing *Clairol International Corp v Thomas Supply & Equipment Co*, [1968] 2 Ex CR 552, 38 Fox Pat C 176, at para 41 [*Clairol*].

mark.³⁵ Therefore, a parody would not necessarily have to lead a consumer to believe it denoted the same source, making the provision even more attractive to overreaching owners.

The courts have acknowledged that section 22 could therefore be seen to be overly broad. Indeed, the court in *Clairol International Corp v Thomas Supply & Equipment Co* gave the example of a criticism in ordinary conversation in which the goods criticized are done so by reference to their mark. In the same decision, though, it was noted that the provision is restricted by the verb “use.” “Use,” the court said, means section 4 use.³⁶ This means the mark is used in association with goods or services – it is used *as a trade-mark*.³⁷ The court in *Veuve* confirmed that “use” means section 4 use.³⁸ Thus, many parodies should escape the purview of section 22, so long as they are not themselves used as a trademark. Other cases have highlighted this aspect of section 22 claims: they require *commercial* use for a finding of infringement.³⁹ The Canadian caselaw generally bears out this interpretation, but also shows that this dichotomy is not a fair way to deal with parodies.

Freedom of Expression

It must be noted that freedom of expression under the *Canadian Charter of Rights and Freedoms*⁴⁰ is broad enough to encompass “all expressions of the heart and mind, however unpopular, distasteful or contrary to the mainstream.”⁴¹ Criticism and parody are thus also fundamental freedoms and should not be unduly restricted. It is imperative to consider freedom of opinion and expression when analysing trademarks and parody. Trademark and copyright

³⁵ *Clairol, ibid*, at para 35.

³⁶ *Ibid*, at para 36.

³⁷ *TM Act, supra* note 14, s 4.

³⁸ *Veuve, supra* note 33, at paras 46-47.

³⁹ *Michelin, supra* note 11 at para 40; *British Columbia Automobile Assn v OPEIU, Local 378*, 2001 BCSC 156, [2001] 4 WWR 95, at para 153 [BCCA].

⁴⁰ *Canadian Charter of Rights and Freedoms*, Part I of the *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (UK), 1982, c 11 [Charter].

⁴¹ *Irwin Toy Ltd v Québec (Attorney General)*, [1989] 1 SCR 927, [1989] SCJ No 36, at para 41 [Irwin Toy].

laws are restrictions on freedom of expression – they limit what a person can say or do. However, since intellectual property law in Canada largely predates the 1982 *Charter*, the law does not necessarily reflect an appropriate balance between owners’ rights and freedom of expression.⁴² Legislation and jurisprudence that post-date the *Charter* have given more attention to balance and the rights of non-owners.⁴³ The recognition of a right of parody for trademarks would be in keeping with this progressing reinterpretation of intellectual property law, which is increasingly mindful of the rights of non-owners. As was noted in *Cie générale des établissements Michelin - Michelin & Cie v CAW – Canada*, “the threshold for prohibiting forms of expression is high.”⁴⁴ Providing such a right would further strengthen the balancing of freedom of expression with the rights conferred by intellectual property law.

That “copyright and freedom of expression are presently characterized as conflicting ideals” illustrates how owners’ interests clash with third parties’.⁴⁵ As has been discussed previously, intellectual property laws can allow for “oppression” by owners. However, as a fundamental freedom, freedom of expression provides a strong bulwark against encroachment onto the rights of users.⁴⁶ Recognition of users’ rights for trademark parody would therefore affirm the importance of freedom of expression in the balance and would aid in protecting users from rights-overreach by owners.

Trademark Parody Cases to Present

Despite having no provision dealing with trademark parody, Canadian courts have addressed the issue a number of times. Their treatment of these cases is instructive and highlights

⁴² Vaver, *IP Law*, *supra* note 16, at 46.

⁴³ *Théberge*, *supra* note 4; *CCH*, *supra* note 1; *CMA*, *supra* note 19.

⁴⁴ *Michelin*, *supra* note 11, at para 112.

⁴⁵ Carys J Craig, “Putting the Community in Communication: Dissolving the Conflict Between Freedom of Expression and Copyright” (2006) 56:1 UTLJ 75 at 114.

⁴⁶ Kent Roach & David Schneiderman, “Freedom of Expression in Canada” (2013) 61 SCLR 2d 429 at 429-430.

the areas where extended user rights could, in future, provide some clarity and certainty for both owners and users. The cases turn in large part on the commercial nature of the parody⁴⁷ – on section 4 “use” as applied to section 22. Further, several cases note the important role freedom of expression has to play in delineating intellectual property rights.

In *Michelin*, the court considered whether a union leaflet campaign that depicted the Michelin “Bibendum” crushing workers infringed Michelin’s trademark. Dealing with the section 22 claim, Justice Teitelbaum dispensed with the claim by finding that the defendants did not use the Bibendum or Michelin marks in a section 4 sense: “they have not ‘used’ the Plaintiff’s registered trademarks in the sale, distribution or advertisement of wares or services.” Instead, the marks were used as a campaign tool and the court found that that use did not have a deleterious effect on Michelin’s reputation *as a manufacturer*, merely as an employer. The lack of commercial context of this advertising also helped to keep it out of section 4 use.⁴⁸ Here, a theme is apparent that runs through many of these cases in Canada and elsewhere. Where a parody of a trademark has some commercial implications, it is less likely to escape section 22; where a parody is predominantly non-commercial, it is likely to be acceptable.

The centrality of commercial use to this sort of determination was further noted in another union-related case in British Columbia. In that case, the union depicted the plaintiff’s trademarks on their website and the plaintiff alleged, among other things, section 22 infringement. In finding for the defendant union on this point, Justice Sigurdson described how “the statute requires the offending use be a use in association with wares and services and that contemplates *an element of commercial use*” (emphasis added). The judge went on to note that the non-commercial provision of information to the public is not sufficient to amount to section 4

⁴⁷ Teresa Scassa, “Trademarks Worth a Thousand Words: Freedom of Expression and the Use of the Trademarks of Others” (2012) 53:4 *Les Cahiers de droit* 877, at 901 [Scassa].

⁴⁸ *Michelin*, *supra* note 11, at paras 40, 46-47.

use and that Parliament did not intend to prohibit the use of marks to identify an employer.⁴⁹ As in *Michelin*, depreciation of goodwill via successful argument in favour of a union cause is not the same as the depreciation of goodwill associated with a trademark. Consequently, it is clear that parody and similar uses rely on their non-commercial character to avoid infringing a trademark owner's rights. In law, third party users do not have a positive right to use marks in this way but instead must defend themselves by arguing that their use is not of the kind that infringes.

Therefore, cases in which there was a commercial element must be considered. Such cases are not common in Canada, but they demonstrate that courts are more often inclined to protect trademark owners' commercial rights than to allow parodies that actually sell something. In *Green v Schwarz*, the court granted an injunction where the defendant was marketing sweatshirts with the name "Rots" and a macabre beaver emblazoned on them. The plaintiffs were the owners of the iconic "Roots" trademark, which featured a very similar beaver in the logo. While acknowledging the "spoof," the court held that the defendant was trading on the goodwill of the Roots brand.⁵⁰ The idea that the defendant was "cashing in" on the plaintiff's goodwill shows that the court did not want to tolerate a parody that received some commercial gain from its relation to the original mark. Similarly, an injunction was ordered for "Sexual Pursuit" because it was "plainly and simply calculated to trade upon the goodwill and the commercial success enjoyed by [Trivial Pursuit]."⁵¹ Again, a parody that is designed to compete with or gain commercial advantage from its association with the original is seen to be problematic. Trademark law seeks to protect the "balance between free competition and fair competition,"⁵²

⁴⁹ *BCCA*, *supra* note 39, at para 153, 158, 167.

⁵⁰ *Green v Schwarz*, [1986] OJ No 1003, 9 CIPR 290 (Ont SC).

⁵¹ *Horn Abbot Ltd v Thurston Hayes Developments Ltd*, [1985] FCJ No 507, 4 CPR (3d) 376 (FCT).

⁵² *Mattel*, *supra* note 9, at para 21.

so this type of commercial use cannot be obscured behind a guise of parody or criticism. This rationale parallels to some extent that of fair dealing: a use is less likely to be fair where it is a way to “dress up infringement ... in the guise of criticism.”⁵³

The restriction of parody where it ventures into the commercial realm or seems to compete with the original mark is further evident in an injunction granted in favour of Perrier. The defendant in that case was selling water in bottles that resembled the iconic Perrier sparkling water containers under the name “Pierre Eh!” (a reference to the Prime Minister at the time). The court found that the marks were confusing and that Pierre Eh! depreciated the goodwill associated with the Perrier mark. Here, too, the defendant was understood to be attempting to cash in on the goodwill of the plaintiff’s trademark. The spoof was therefore seen to dilute the quality of the trademarks and harm Perrier’s business integrity. The court noted in closing that a parodist does not receive “a licence to impair the business integrity of the owner of the marks merely to accommodate the creation of a spoof.”⁵⁴ As such, the courts have treated trademark law as a limit on freedom of expression where it clashes with owners’ rights. As with other aspects of intellectual property law, a proper balance must be sought where such rights overlap.

Several of the above cases note the role of freedom of expression in the area of trademarks. This language is instructive in understanding where owners’ rights can be overextended. In coming to his decision in *British Columbia Automobile Assn v OPEIU, Local 378*, Justice Sigurdson agreed with the defendant that the plaintiff’s argument that a commercial connotation to the use of a trademark in the context of section 22 is unnecessary “would place an unwarranted restriction on free speech.”⁵⁵ The judge therefore highlights that the scope of trademark protection is limited by its focus on the commercial. In *Perrier*, the judge held that

⁵³ *Pro Sieben Media AG v Carlton Television Ltd & Anor*, [1998] EWCA Civ 2001, [1999] WLR 605 (UK), at 618.

⁵⁴ *Source Perrier (Sa) v Fira Less Marketing Co*, [1983] FCJ No 177, [1983] 2 FC 18 (FCT) [*Perrier*].

⁵⁵ *BCCA*, *supra* note 39 at para 153.

freedom of expression is limited by the provisions of the *Trade-marks Act*, including section 22.⁵⁶ In another trademark case *Canada Safeway Ltd v Manitoba Food & Commercial Workers, Local 832*, in the court of first instance, Justice Wright, was clear that trademark rights extended beyond their specific commercial context would represent a very significant restriction of free expression.⁵⁷ Consequently, the tension between the commercial protections of trademark law and users' rights to freedom of expression is evident in Canadian jurisprudence.

International Treatments of Trademark Parody

United States

In the United States, there has been some recent recognition of fair use in the context of trademarks. The *Trademark Dilution Revision Act of 2006 (TDRA)*⁵⁸ expressly carved out protection for non-commercial use of trademarks, including commentary and parody, where dilution and tarnishment are at issue – concerns similar to depreciation of goodwill in Canada. The Congressional hearings for the legislation saw concerns raised about the protection of free speech, which led to the inclusion of fair use language in the statute.⁵⁹ The resulting section 15 US Code § 1125 (c) therefore includes:

(3) The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

⁵⁶ *Perrier, ibid.*

⁵⁷ *Canada Safeway Ltd v Manitoba Food & Commercial Workers, Local 832*, [1983] 5 WWR 321, 19 ACWS (2d) 449 (Man QB), at para 10 [*Safeway*].

⁵⁸ *Trademark Dilution Revision Act of 2006*, HR 683, Public Law 109–312 (US).

⁵⁹ Dale M Cendali & Bonnie L Schrieffer, “The Trademark Dilution Revision Act of 2006: A Welcome—and Needed—Change” (2006) 105 Mich L Rev First Impressions 108 at 110.

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark. (Emphasis added)

Consequently, though it is somewhat restricted by the reference to famous marks, the American provisions address the major concerns seen in the Canadian cases: commercial nature and freedom of expression. The statute is therefore clearly cognisant of the limitations of trademark rights and their necessary submission to freedom of expression outside their particular commercial sphere of operation. It allows for parody to be considered fair use and that fair use may be a complete defence to infringement. It does not, however, extend the fair use defense where the infringing use is as a trademark.⁶⁰ It is consistent with the view that trademark law is protective of the commercial rights of a trademark owner. The provision resembles fair dealing in Canada – with carve-outs for parody, criticism, and news reporting. This resemblance indicates that trademark rights should be balanced with the public interest and public rights in a manner similar to copyright.

Cases prior and subsequent to the *TDRA* show that concerns about balancing owners' and the public's rights are prevalent, if not always explicit. The older cases are notably more favourable to owners. The cases share similar themes with the Canadian jurisprudence, though with more concern for free speech rights. The commercial concern is evident where the parodist is profiting from a spoof. As Justice Richard A. Posner has argued, dilution or depreciation of goodwill is an economic concern because any negative connotations associated with a mark might give pause to a consumer.⁶¹ This view resulted in an injunction being granted against an "Enjoy Cocaine" poster that closely resembled Coca-Cola's logo and slogan. The district court

⁶⁰ *Louis Vuitton Malletier SA v Haute Diggity Dog, LLC*, 507 F3d 252 (4th Cir 2007) (US).

⁶¹ Richard A Posner, "When is Parody Fair Use?" (1992) 21:1 JLS 67 at 75.

judge noted that the defendant was likely receiving “substantial” profit from the posters and stated that “[t]he soft drink industry is highly competitive. Many substitute products are available, so that even the slightest negative connotation concerning a particular beverage may well affect a consumer's decision.”⁶² In essentially finding depreciation of goodwill, the judge gave primacy to Coca-Cola’s commercial concerns. Similarly, an injunction was granted in favour of the Dallas Cowboys Cheerleaders against the producers of an adult film that featured their uniforms. The Court of Appeals for the Second Circuit upheld the injunction, holding that the association of the film with the cheerleaders would be unavoidable and that trademark law protects both an owner’s property rights and their product’s reputation. The court was quick to dismiss any First Amendment or fair use claims because of the lack of necessity in using those uniforms in the “sexually depraved film.”⁶³

Nevertheless, American courts also have a history of protecting parodies. These cases demonstrate that courts are wary of over-extending owners’ rights. Thus, when outdoor-goods retailer LL Bean sought to enjoin the parody publication “L.L. Bean 's Back-To-School-Sex-Catalog,” the circuit court judge found the relevant anti-dilution statute in Maine unconstitutional due to its overreach. Justice Bownes also acknowledged the importance of free criticism:

If the anti-dilution statute were construed as permitting a trademark owner to enjoin the use of his mark in a noncommercial context found to be negative or offensive, then a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct.⁶⁴

In that same vein, the Second Circuit allowed Jim Henson to parody the lunch meat SPAM in *Muppet Treasure Island*, even though Hormel Foods called Henson’s Muppet character “Spa’am” “evil in porcine form.” The case turned on Henson not being a competitor of

⁶² *Coca-Cola Co v Gemini Rising, Inc*, 346 F Supp 1183 (EDNY 1972) (US).

⁶³ *Dallas Cowboys Cheerleaders, Inc v Pussycat Cinema, Ltd*, 604 F2d 200 (2d Cir 1979) (US).

⁶⁴ *LL Bean, Inc v Drake Publishers, Inc*, 811 F2d 26 (1st Cir 1987) (US) [*LL Bean*].

Hormel's, the lack of evidence that the parody would cause any commercial harm, and that "the parody inheres in the product."⁶⁵ So courts have been mindful that a trademark only confers limited rights and that the trespass of those rights beyond their commercial scope must be guarded against.

American courts have more explicitly recognised freedom of expression as part of balancing of trademark rights. The courts have struck down as unconstitutional states' anti-dilution statutes where they allow owners to enjoin non-commercial uses of marks.⁶⁶ They have also been wary of restraining literary or spoken material without special circumstances and have noted that parody need not be tasteful to be protected speech.⁶⁷ The district court recognised the conflicting nature of trademark rights and free speech in *Yankee Pub Inc v News America Pub Inc*, in which Justice Leval explained that owners' rights will prevail where the offending mark is used as a trademark, but where the mark "is part of a communicative message and not a source identifier," the First Amendment will operate to protect the speech. The *Lanham Act* should therefore be construed narrowly in this regard.

Where the unauthorized use of a trademark is for expressive purposes of comedy, parody, allusion, criticism, news reporting, and commentary, the law requires a balancing of the rights of the trademark owner against the interests of free speech.⁶⁸

Thus, American courts have been cognisant, if not universally supportive, of the free speech balance necessary in dealing with uses of marks such as parody. This balance is something that may be accomplished in Canada with the explicit inclusion of user rights in the law of trademarks.

⁶⁵ *Hormel*, *supra* note 12.

⁶⁶ *LL Bean*, *ibid*.

⁶⁷ *Girl Scouts of US of A v Personality Posters Mfg Co*, 304 F Supp 1228 (SDNY 1969) (US).

⁶⁸ *Yankee Pub Inc v News America Pub Inc*, 809 F Supp 267 (SDNY 1992) (US) at 275-276 [*Yankee Publishing*].

Europe

Europe has also explicitly recognised a fair use right for parody of trademarks.

... Use of a trade mark by third parties for the purpose of artistic expression should be considered as being fair as long as it is at the same time in accordance with honest practices in industrial and commercial matters. Furthermore, this Regulation should be applied in a way that ensures full respect for fundamental rights and freedoms, and in particular the freedom of expression.⁶⁹ (Emphasis added)

In this way, the European Union has acknowledged that there is a balance between trademark protection and the public interest – the public has a right to use trademarks for non-commercial purposes, such as artistic expression. Moreover, there is a recognition of the importance of not overstepping into freedom of expression. This codification illustrates how such user rights may be acknowledged and that there is a balance necessary in trademark law.

South Africa

The South African Constitutional Court case *Laugh It Off Promotions CC v South African Breweries International* is perhaps the clearest example of a court having to balance the constitutional protections of free speech with the rights conferred by trademark law.⁷⁰ As such, it highlights the necessity of taking into account both owners' and user's rights when dealing with cases of parody. Moreover, there is an explicit commercial element to the parody, which makes it a less clear-cut non-commercial issue. South African Breweries (SAB) argued that Laugh It Off Promotions had infringed their mark through the South African equivalent of section 22 by producing t-shirts with designs that parodied SAB's Carling Black Label beer brand with the words "Black Labour." The court addressed both the commercial concerns and freedom of expression.

⁶⁹ *Regulation (EU) 2015/2424 of the European Parliament and of the Council*, 16 December 2015, at preamble (21).

⁷⁰ (CCT42/04) [2005] ZACC 7, 2006 (1) SA 144 (CC) [*Laugh It Off*].

Justice Moseneke explained that the depreciation of goodwill provision is designed to protect the “selling magnetism” of a mark; it is not there to protect its dignity. He went on to say that harm unrelated to the commercial value of a trademark does not fall within the statute and it would be an overreach of intellectual property rights to expand their scope in this way.⁷¹ In concurrence, Justice Sachs notes that the mere presence of a commercial element to the parody does not mean trademark rights will trump free expression rights.⁷² Thus, the justices were keenly aware of the necessary limitations of trademark rights, which ought to be confined to the commercial sphere. They were also clear that even where there is some commercial element to a parody, there is a balance inherent in intellectual property law that requires the court to consider the public’s rights as well as the owner’s. Freedom of expression, regardless of any moral or other censure, cannot be taken lightly, and the trademark provisions must be interpreted in that light.⁷³ Justice Sachs highlighted how the balancing of these rights should be taken into account:

The question to be asked is whether, looking at the facts as a whole, and analysing them in their specific context, an independent observer who is sensitive to both the free speech values of the Constitution and the property protection objectives of trademark law, would say that the harm done by the parody to the property interests of the trademark owner outweighs the free speech interests involved.⁷⁴

Significantly, this test does not automatically categorize commercial and non-commercial use as determinative factors. As with fair dealing, it involves a weighing of the interests involved. Therefore, *Laugh It Off* illustrates the importance of incorporating balance into trademark law in order to be fair to the competing rights of owners and users.

⁷¹ *Ibid*, at para 56.

⁷² *Laugh It Off*, *supra* note 70, at para 86.

⁷³ *Ibid*, at para 43 & 55.

⁷⁴ *Ibid*, at para 82.

Expansion Rationale

Throughout the existing law, several significant themes are evident. These themes are given different weight in different cases and jurisdictions, but taken together they provide a strong rationale for the expansion of explicit user rights into the realm of trademark parody and beyond. Freedom of expression, the limited scope of trademark rights, and the role of third parties and the public interest demand the further recognition of the balance inherent in intellectual property law.

Freedom of Expression

The intersection of intellectual property rights and *Charter* section 2(b) freedom of expression – which interacts with trademarks via government legislation in the form of the *Trade-marks Act* – demonstrates why clearly delineated user rights are necessary. Striking a balance between these rights is difficult, so having clear exceptions benefits both users and owners. The importance of free speech in this balancing should not be understated. As Teresa Scassa points out, “trademarks are inherently communicative. They are symbols which convey often complex messages. As such, their use is a form of expression.”⁷⁵ Given that free expression rights include virtually all forms of expression save for the most extreme,⁷⁶ any laws that operate to limit freedom of expression must be taken very seriously. Thus, limitations on how trademarks can be used should exist only to protect the specific rights trademark law sets out to ensure.

The conflict in the limitation that intellectual property law can put on freedom of expression is significant. As Stephen Fraser has argued about copyright in the United States, “[b]y allowing the removal of certain speech from the marketplace of ideas ... copyright appears

⁷⁵ Scassa, *supra* note 47, at 884.

⁷⁶ *R v Keegstra*, [1990] 3 SCR 697, [1990] SCJ No 131.

to fly in the face of the goals of the First Amendment.”⁷⁷ The law must therefore protect freedom of expression from any unjustifiable extension of intellectual property rights. If, as Professor Vaver states, intellectual property “[p]rotection should be confined to [its] ‘just’ merits,”⁷⁸ then expression rights should serve as a strong boundary on that protection. Canadian courts have discussed how this *Charter* right might operate as a limit on copyright protection⁷⁹ and how it can serve to delineate trademark rights.⁸⁰ However, where copyright has fair dealing, which codifies several “fair” expressions that can be made with copyrighted works, trademarks have no equivalent. Courts have had to rely on section 22 and section 4 “use” to deal with parodic expression. Actual fair dealing language would help courts to fully recognise the balance that must be struck between trademark protection and free expression. As Justice Wright stated when considering if trademark law could protect a mark beyond commercial or trade uses, “that law would represent a rather significant restriction on free speech and the circulation of ideas or opinions.”⁸¹ Consequently, clear user rights would provide the public with assurance that their free expression would not be unnecessarily trammled upon by trademark owners.

The freedom to deal with marks is very important, particularly in a market economy.

Consumers may express their frustration or disappointment with a product or service. Their freedom of expression in this respect is not limited to private communications intended solely for the vendor or supplier of the service. Consumers may share their concerns, worries or even anger with other consumers and try to warn them against the practices of a business. Given the tremendous importance of economic activity in our society, a consumer’s “counter-advertising” assists in circulating information and protecting the interests of society just as much as does advertising or certain forms of political expression. This type of communication may be of considerable social importance, even beyond the merely commercial sphere.⁸²

⁷⁷ Stephen Fraser, “The Conflict Between the First Amendment and Copyright Law and Its Impact on The Internet” (1998) 16 Cardozo Arts & Ent LJ 1, at 10.

⁷⁸ Vaver, *IP Law*, *supra* note 16, at 24.

⁷⁹ *Canadian Tire Corp v Retail Clerks Union, Local 1518*, [1985] FCJ No 1005, 7 CPR (3d) 415 (FCT), at para 13.

⁸⁰ *BCCA*, *supra* note 39, at para 167.

⁸¹ *Safeway*, *supra* note 57, at para 10.

⁸² *R v Guignard*, 2002 SCC 14, [2002] 1 SCR 472, at para 23.

Indeed, the freedom to express criticism is fundamental to the consumer and allowing trademark owners to curtail such criticism would run counter to the commercial purpose of trademark law. As discussed, parody is a form of criticism; being able to convey a message and identify a source in nuanced ways using a mark should therefore not be limited unnecessarily.⁸³ A trademark's purpose is twofold: it protects the integrity of an owner's identifier or brand, and it serves as a useful "shortcut"⁸⁴ to assist consumers in making decisions. To allow consumers to fully benefit from a mark, which is granted monopolistic protection in return, the law must allow consumers to criticise it as well. Allowing an owner to shield itself from criticism and commentary by restricting the operation of critical expression has negative consequences for the consumer, who may have no information about the associations with the mark save for what the owner wishes to be known.

It is also important that section 2(b) of the *Charter* is broadly interpreted.⁸⁵ Criticisms and parodies in the realm of trademarks should therefore be expansively protected, even where they are not necessarily deemed successful. As Justice Leval explained in *Yankee Publishing*, free speech "protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed."⁸⁶ Freedom of expression must therefore allow third parties to deal with trademarks for critical purposes, no matter how clumsy the attempt may be. So long as those allowances do not tread too heavily on the legitimate commercial rights of a trademark owner⁸⁷ – identifying goods and services in a commercial context – freedom of expression should prevail. By carving out user rights in this area, then, Canadian law would recognise the

⁸³ Scassa, *supra* note 47, at 885.

⁸⁴ *Mattel*, *supra* note 9, at para 21.

⁸⁵ *Irwin Toy*, *supra* note 41.

⁸⁶ *Yankee Publishing*, *supra* note 68, at 280.

⁸⁷ *Perrier*, *supra* note 54.

importance of protecting free expression from intellectual property rights creeping beyond their scope.

Justice Moseneke highlighted the importance of considering the role of freedom of expression in trademark law when he wrote “[i]n an open democracy valuable expressive acts in public ought not to be lightly trampled upon by marginal detriment or harm unrelated to the commercial value that vests in the mark itself.”⁸⁸ Criticism is certainly a valuable expressive act. It is even more so when considering the consumer-benefit purpose of a trademark. If a mark seeks to aid the consumer in making a choice and ensuring the expected quality of a good or service, then surely criticism and commentary implicating that good or service is equally valuable. It is because of this and the principle that trademark law must be understood through the lens of freedom of expression that codified user rights should be included in Canadian trademark law. User rights would operate to protect users’ free expression and criticism, which serve an important consumer benefit on their own.

The Limits of Trademark Rights

As can be understood from the foregoing examination of freedom of expression, trademark law confers certain rights on owners but those rights are specific and limited in scope. Nevertheless, cases such as parody demonstrate situations where those rights can overstep their traditional bounds.⁸⁹ As the above cases have illustrated, trademarks’ boundaries are typically established by the limits of their commercial nature. This limitation is a reason to create clear user rights; it would aid in defining the boundaries of protection and would limit trademark rights to their specific purposes. In *Mattel*, the Supreme Court confirmed that the legal purpose of a trademark remains as a guarantor of origin and, by extension, as an assurance of quality for

⁸⁸ *Laugh It Off*, *supra* note 70, at para 56.

⁸⁹ *Vaver*, *IP Law*, *supra* note 16, at 24.

the consumer.⁹⁰ Intellectual property laws should be interpreted as limited rights protecting only what is set out in the relevant legislation.⁹¹ Logically, then, any dealing with a mark that is not within the specified commercial rights of the owner ought not to be restricted. In *Safeway*, Justice Wright noted these significant limitations, stating that “I do not think [owners’ rights] prevent individuals, corporations, or even competitors from using the trade mark of another for purposes unrelated to protection for commercial or trade reasons.”⁹² Given the potential overreach of trademark owners displeased by a parody, carving out user rights would properly acknowledge the circumscription of trademark rights within the commercial sphere.

As the cases illustrate, courts have been somewhat successful in limiting trademark rights to their purposes where owners have attempted to over-extend them. However, those decisions are limited, especially in Canada, by their reliance on commercial use. By continuing to deal with trademark parody issues in this framework, courts may still be unable to give proper weight to users’ rights. The dichotomy between commercial and non-commercial use is too strict. Fair dealing in copyright, on the other hand, acknowledges that commercial use does not disqualify a use from being fair, it is simply a factor to weigh.⁹³ Scholars have noted that this commerciality distinction is highly problematic. Many trademark parodies will include some commercial element or expression – few “authors” write for free – and that should not be sufficient to enjoin the criticism.⁹⁴ For instance, “[s]ome forms of parody may be relatively ineffective if they do not reach consumers in the same commercial space occupied by the original mark.”⁹⁵ It is therefore insufficient to create a bright line around the space in which third parties can express themselves

⁹⁰ *Mattel*, *supra* note 9, at para 2.

⁹¹ *Vaver*, *IP Law*, *ibid*, at 23.

⁹² *Safeway*, *supra* note 57, at para 10.

⁹³ *CCH*, *supra* note 1, at para 54; *Harper & Row v Nation Enterprises*, 471 US 539 (1985), 105 S Ct 2218, at para 32.

⁹⁴ Thea Illsley, “How to tell a take-off from a rip-off: trade mark parody and freedom of expression in South Africa” (2006) 22 SAJHR 119, at 123-124.

⁹⁵ *Scassa*, *supra* note 47, at 902.

based on commercial connotation alone. As Justice Sachs argued in *Laugh It Off* while citing *Acuff-Rose*, a commercial element to the parody should not be determinative.⁹⁶

While a trademark owner's rights are commercial in nature, they do not extend to *any* use in the commercial realm. The Supreme Court has stated that trademarks help to protect fair competition.⁹⁷ Where a third party uses a mark for parody or artistic purposes in some unrelated marketplace, there is no danger of unfair competition with the original mark. For example, in *Moore*, the court was careful to give weight to free artistic expression where it does not impinge on the source identification purpose of a mark, even where that expression was sold.⁹⁸ Fair dealing-type user rights for trademarks would therefore provide users with more freedom because they would remove a simplistic limit on expression like "commercial/non-commercial." Such rights would be a codified representation of the limits of trademark owners' protections. They would recognise that trademark protection should only operate in a commercial context and that even within that context they are restricted to the relevant sphere of a given trade or market. Courts would have the freedom to consider the commercial nature of a use in determining its fairness without being restricted to the rather black-and-white analysis of section 4 of the *Trade-marks Act*.

Balance

Both freedom of expression and the commercial/non-commercial dichotomy illustrate the need to balance owners' rights with those of third parties. To achieve an appropriate balance, the public interest must be considered. Justice Binnie has stated that:

Fairness ... requires consideration of the interest of the public and other merchants and the benefits of open competition as well as the interest of the trade-mark owner

⁹⁶ *Laugh It Off*, *supra* note 70, at paras 84-86.

⁹⁷ *Mattel*, *supra* note 9, at para 21.

⁹⁸ *Moore*, *supra* note 10.

in protecting its investment in the mark. Care must be taken not to create a zone of exclusivity and protection that overshoots the purpose of trade-mark law.⁹⁹

The public has an interest in, or more appropriately a fundamental freedom to, not having their expression limited unnecessarily. Further, trademarks operate to protect the interest of the public *as consumers*. The *Trade-marks Act* is a form of consumer protection legislation.¹⁰⁰ Thus, where a mark protects a brand, it also assists consumers in making choices.¹⁰¹ However, the law also has the potential to “overshoot,” thereby depriving consumers of an informed choice. A proper balancing of intellectual property rights is required to prevent owners from limiting information that uses the mark in some way, such as in criticism or commentary about goods or services.¹⁰² To fulfill its dual purpose of owner and consumer protection, trademark law should explicitly allow for this sort of use of marks. Take, for example, the extensive world of online reviews. Reviews can be parodic, critical, or newsworthy. They serve an important function in assisting consumers in making decisions. A company is much less likely to inform the public about its product’s deficiencies; a user should have the right to share that information. Where a company can limit what is said about it, the balance of the law swings too far in favour of commercial interest.

When the balance in copyright law was being fully recognised in *Théberge*, it was explained that an integral part of that balancing is accounting for the limited nature of owners’ rights.¹⁰³ The same should be true in trademark law. Parody and other forms of criticism are generally outside the scope of the *Trade-marks Act* and courts have held that expression that was

⁹⁹ *Mattel, ibid*, at para 22.

¹⁰⁰ *Ibid*, at para 2.

¹⁰¹ *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, [2011] 2 SCR 387, at para 1.

¹⁰² See *LL Bean*, *supra* note 63.

¹⁰³ *Théberge*, *supra* note 4, at para 31.

not contemplated as being within the scope should not be restricted.¹⁰⁴ It is time to reconsider intellectual property rights in full view of free speech concerns¹⁰⁵ and the need to weigh the public interest against owners' rights. In Canada, a superficial balance may exist based on the commercial/non-commercial dichotomy, but it is a perilous balance.¹⁰⁶ The law must guard against any overbreadth in the reach of owners' protection. Giving appropriate weight to the public interest by acknowledging the rights of users in relation to trademarks can help to achieve a lasting balance in keeping with other areas of intellectual property law.

Proposals

“The fact that parody can claim legitimacy for some appropriation does not, of course, tell either parodist or judge much about where to draw the line.”¹⁰⁷ The need to create a proper balance in trademark law based on freedom of expression, the circumscription of owners' rights, and the public interest purpose of trademark law can be achieved by extending user rights. Setting up fair dealing beyond its traditional copyright boundaries requires similar provisions be added to the *Trade-marks Act*. By considering fair dealing in Canada as well as the language used in other legislation such as the *TDRA*, it is possible to propose certain additions to the *Act* that attempt to entrench user rights. Such language would assist both judges and parodists in drawing the appropriate lines. This approach may not be perfect; scholars have pointed out that it risks being under-inclusive and that it may be redundant with settled areas of trademarks jurisprudence.¹⁰⁸ Nevertheless, even where redundant, it offers explicit recognition of the importance of the user or third party in trademark law. It also acknowledges the difficult boundaries between intellectual property law and freedom of expression and the need to prevent

¹⁰⁴ *BCCA*, *supra* note 39, at para 167.

¹⁰⁵ Vaver, *IP Law*, *supra* note 16, at 50.

¹⁰⁶ Scassa, *supra* note 47, at 884.

¹⁰⁷ *Acuff-Rose*, *supra* note 21.

¹⁰⁸ Scassa, *supra* note 47, at 906-907.

overreach. Furthermore, the copyright jurisprudence insists on a broad interpretation of fair dealing in the *Copyright Act*. Similar provisions would therefore allow both users and courts significant discretion in this area.

Sections 29 to 29.2 of the *Copyright Act* offer a strong precedent for fair dealing provisions. Certainly, purposes such as “private study” or “education” may be less relevant in a trademarks context, but parody or criticism or review are very important. In structuring trademark fair use to reflect Parliament’s *Copyright Act* approach, the new provisions would create broad categories of fair dealing purposes that would eschew the overly-simple commercial/non-commercial dichotomy. Given that trademarks are a designation of source, it seems unlikely that citation practices as in sections 29.1 and 29.2 of the *Copyright Act* would be necessary. As such, a simple fair dealing section with the allowable purposes like section 29 would be appropriate.

Since there would not be any pre-existing jurisprudence on the matter, it would be worth considering the codification of non-exclusive fair dealing factors like those in *CCH*.¹⁰⁹ For instance, the commercial nature of a parody would be dealt with as merely another factor to weigh in the analysis. The courts would therefore not be restricted by the dichotomy produced by section 4 and would be able to make a determination by considering all the relevant factors, such as freedom of expression and the public interest. Giving users and the courts the ability to consider a use within its context would assist in a fair balancing of the relevant factors and stakeholders. This weighing of factors would also benefit owners, as it would prevent user rights going too far. Therefore, an explicit fair dealing provision with the possible inclusion of a set of factors would provide much-needed recognition of an owner-user balance in trademark law.

¹⁰⁹ *CCH*, *supra* note 1, at para 53.

Conclusion

Circuit Justice Gregory defined parody as “a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner.”¹¹⁰ This definition overlooks the importance of the role played by parody as a form of criticism in the trademarks realm. That role is one that should be protected by law as a form of fair dealing, much as it is in copyright. As the caselaw has demonstrated, trademark parody receives an uneven treatment in the courts, and “users” cannot be sure of the legal legitimacy of their respective spoofs. Canadian and international legislation and jurisprudence illustrates the challenges in balancing freedom of expression with the commercial rights conferred by trademark law, the difficulty in drawing lines around the commercial and non-commercial, and how and where a proper balance of rights might be achieved. The existing law also provides the rationale for the creation of trademark user rights: the need to fully acknowledge freedom of expression, the limits of protection, and the balance in intellectual property law between stakeholders’ rights.

Rather than relying on the commercial/non-commercial dichotomy that arises out of section 4 of the *Trade-marks Act*, Canada should expand its fair dealing provisions beyond copyright into trademark law as well. The existing *Copyright Act* language and fair dealing factors should serve as a template given copyright law’s express understanding of balance and user rights.¹¹¹ Doing so would explicitly recognise the place of freedom of expression in the trademarks field, the over-simplicity of the commercial/non-commercial dichotomy, the limited nature of trademark rights, and the fundamental balance that should be sought between the public interest and owners’ interests.

¹¹⁰ *PETA v Doughney*, 263 F3d 359, 366 (4th Cir 2001) (US).

¹¹¹ *Théberge*, *supra* note 4, at para 30; *CCH*, *supra* note 1, at para 48.

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