

## ABSTRACT

*The 21<sup>st</sup> century promises an era of globalization such as has never been seen before. The legal community responds with initiatives ranging from the establishment of a world judiciary to the harmonization of intellectual property.*

*This paper focuses on the role of branding and trade-mark law with respect to the social and political unrest brought on by globalization. Discussions on whether to limit or expand trade-mark rights assume it is solely a private conflict by focusing on the rights of trade-mark owners vis-à-vis competitors and consumers. What has often been neglected in these discussions are the rights of citizens – members of the public who are neither competitors nor consumers necessarily but need to use intellectual property as means through which dissent can be expressed and heard.*

*Should owners (e.g., celebrities, corporations, governments) be rewarded for the investment they made to build brand loyalty by having a monopoly on the use of their trade-marks? Should citizens be able to use trade-marks to protest transnational corporations that violate human rights and environmental laws overseas, or to protest political parties with respect to foreign policy and global security issues?*

*This paper argues that trade-mark protection for words and designs should not become a prohibition for citizens to use the same. In doing so, it discusses two cases of trade-mark infringement: a U.S. case which is still before the courts, and a Canadian case which was decided in 1996. The purpose is not to engage in a comparative analysis of the two countries' trade-marks laws or constitutional guarantees. The purpose is to illustrate how prevalent the conflict between trade-mark owners and citizens is: across international borders, in the past and in the present, involving the public and private sectors, as well as the pros and cons of relying on trade-mark laws and constitutional guarantees to protect free speech. It concludes by asserting that if speech for owners comes at the expense of speech for citizens, then trade-mark law ends up favouring one type of expression over another.*

## I. TRADE-MARKS AS SPEECH

Humans love to communicate. It is not enough to communicate face to face; the post office and telephone enable us to write, speak and text to those far away. It is not enough to communicate one on one; technology enables us to reach multiple recipients at once through radio, television, email, Facebook, Twitter and YouTube. Sometimes it seems that we do not even care if we are reaching anyone or to whom we are reaching, as long as we have expressed ourselves.

Given our love to express ourselves, it is puzzling that we would permit anyone to restrict us in this regard. Whether it is restricting the content of our expression or the form of our expression, trade-mark law is enabling owners to monopolize words and designs to the point of censoring citizens. What technology gives us, the law takes away.

A classic example illustrating the above is the State of Louisiana suing MoveOn.org Civil Action on March 14, 2014 for trade-mark infringement.<sup>1</sup> The marks in question are the PICK YOUR PASSION slogan and the LOU!S!ANA PICK YOUR PASSION logo, both of which are used to brand and promote Louisiana's tourism industry. MoveOn.org (a non-profit educational and advocacy organization) used the marks to criticize the Governor of Louisiana in a billboard, television commercial and YouTube video that stated, "LOU!SIANA Pick Your Passion! But hope you don't love your health. Gov. Jindal's denying Medicaid to 242,000 people."

The lawsuit stated that the government "is mindful of and respects the importance of the right of free speech secured by the First Amendment of the Constitution of the United States of America; however, the Billboard, the Television Commercial and the YouTube Video are each in violation of Louisiana and Federal Trade-mark laws, ..."<sup>2</sup> The lawsuit then asserted the government's "proprietary interest in the [marks], which is being infringed upon by MoveOn.org through the Billboard, the Television Commercial and the YouTube Video."<sup>3</sup> Therefore, the lawsuit asked the court to prohibit MoveOn.org from using the marks because it "is likely to cause confusion or mistake as to the origin of the Billboard,"<sup>4</sup> or "will most likely tarnish and dilute the [marks] and result in substantial and irreparable harm, injury and damages"<sup>5</sup>.

The lawsuit is still before the courts and undecided, but it raises questions that affect all citizens: How can trade-mark laws be used to restrict constitutional guarantees? How can proprietary interests stifle free speech? How can trade-mark owners censor citizens?

#### (a) Trade-marks as Non-Commercial Speech

It is interesting to note that before MoveOn.org even filed a defence, the government already admitted in its lawsuit that it "is mindful of and respects the importance of the right of free speech."

The first reason is probably because the First Amendment of Constitution of the United States guarantees that "*Congress shall make no law ... abridging the freedom of speech*"<sup>6</sup> and the U.S. Supreme Court extended its application to the state legislatures so that they are also prohibited from making such laws.<sup>7</sup> A government would be foolish not to acknowledge that its citizens have the right of free speech when the U.S. Supreme Court has made it clear that "the First Amendment means that government has no power to restrict expression because of its messages, its ideas, its subject matter or its content"<sup>8</sup> and that any

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<sup>1</sup> Case 3:14-cv-00150-SDD-SCR.

<sup>2</sup> Case 3:14-cv-00150-SDD-SCR at para. 20.

<sup>3</sup> Case 3:14-cv-00150-SDD-SCR at para. 21.

<sup>4</sup> Case 3:14-cv-00150-SDD-SCR at para. 23.

<sup>5</sup> Case 3:14-cv-00150-SDD-SCR at para. 29.

<sup>6</sup> U.S. Const. amend. I.

<sup>7</sup> *Gitlow v. New York*, 268 U.S. 652 (1925).

<sup>8</sup> *Police Dep't of Chicago v. Mosley*, 408 U.S. 92, 95-96 (1972).

“Government action that stifles speech on account of its message, or that requires the utterance of a particular message favored by the Government, contravenes this essential right. Laws of this sort pose the inherent risk that the Government seeks not to advance a legitimate regulatory goal, but to suppress unpopular ideas or information or manipulate the public debate through coercion rather than persuasion. These restrictions ‘rais[e] the specter that the Government may effectively drive certain ideas or viewpoints from the marketplace.’”<sup>9</sup>

The second reason is probably because the marks are being used in a non-commercial context. As it turns out, not all free speech is equal under the First Amendment. Non-commercial speech such as political, scientific and academic speech; news reporting, editorial commentary and consumer reviews; literature, art and entertainment; as well as dictionaries and other public discourse<sup>10</sup> has “high value” and receives “full protection” under the First Amendment.<sup>11</sup> Fortunately, a district court applied this reasoning to deny the State of Louisiana’s motion for a preliminary injunction on April 7, 2014 to prohibit MoveOn.org’s use of the marks.<sup>12</sup> The district court decided that “trade rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view”<sup>13</sup> because even though the “First Amendment may offer little protection for a competitor who labels its commercial [product] with a confusingly similar mark,”<sup>14</sup> the First Amendment does offer protection when a mark is used for the purposes of “communicating ideas or expressing points of view.”<sup>15</sup>

#### (b) Trade-marks as Commercial Speech

As implied from above, commercial speech has a “lower value” and receives “less protection.”<sup>16</sup> In fact, it was denied protection until 1976 when the U.S. Supreme Court finally decided that the First Amendment also applied to commercial speech.<sup>17</sup> In doing so, the U.S. Supreme Court explained that “a particular consumer’s interest in the free flow of commercial information ... may be as keen, if not keener by far, than his interest in the day’s most urgent political debate.”<sup>18</sup> The U.S. Supreme Court may even go further one day given the past comments about “plac[ing] too much importance on the distinction between commercial and noncommercial speech”<sup>19</sup> and that “there is no philosophical or historical basis for asserting that commercial speech is of lower value than noncommercial speech.”<sup>20</sup>

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<sup>9</sup> *Turner Broad. Sys. v. F.C.C.*, 512 U.S. 622, 641-42 (1994).

<sup>10</sup> Robert Post, *The Constitutional Status of Commercial Speech*, 48 UCLA L. REV. 1, 5 (2000).

<sup>11</sup> Geoffrey R. Stone, *Dialogue*, in ETERNALLY VIGILANT 9 (L. Bollinger & G. Stone eds., 2001).

<sup>12</sup> Case 3:14-cv-00150-SDD-SCR, Document 29, 04/07/14.

<sup>13</sup> *L.L.Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir. 1987).

<sup>14</sup> *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002).

<sup>15</sup> *L.L.Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir. 1987).

<sup>16</sup> *Ohralik v. Ohio State Bar Association*, 436 U.S. 447 (1978).

<sup>17</sup> *Va. State Bd. Of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976).

<sup>18</sup> *Va. State Bd. Of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 763 (1976).

<sup>19</sup> *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 424 (1993).

<sup>20</sup> *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 575 (2001) (Thomas, J., concurring).

Although there is ongoing debate as to when speech becomes commercial or if there should even be a distinction, it is settled that commercial speech is defined as “speech which does no more than propose a commercial transaction.”<sup>21</sup> While the definition sheds no light on the meaning of the word “commercial” itself, it is important to note from the definition that even speech that is for sale or for profit can be non-commercial. For example, price and product advertising is commercial<sup>22</sup> while political advertising is non-commercial even though it is also paid.<sup>23</sup> The 9<sup>th</sup> Circuit Court decided in 1997 that a book ridiculing the O.J. Simpson trial entitled *THE CAT NOT IN THE HAT! A PARODY BY DR. JUICE* and written in the style of Dr. Seuss was commercial,<sup>24</sup> then decided in 2002 that a song mocking the Barbie dolls entitled *BARBIE GIRL* and using the Barbie pink colour was non-commercial even though it was also for sale.<sup>25</sup> Likewise, a court decided that “sell[ing] T-shirts, buttons, bumper stickers, and other items, all emblazoned with the title *GAY OLYMPIC GAMES*” was commercial because it used the word *OLYMPIC* to induce the sale of products,<sup>26</sup> but another court decided that selling t-shirts and other novelty merchandise with the *WALOCAUST* and *WALQUEDA* marks was “parodic work [that] is considered noncommercial speech” even though it was also for profit.<sup>27</sup> One cannot help but wonder if perhaps the 1987 *GAY OLMPIC GAMES* decision would be decided differently today if used to protest Russia hosting the 2014 Sochi Olympic after it enacted laws criminalizing gay propaganda – especially in light of past comments confirming that the sale of T-shirts can be non-commercial in the same manner as sandwich boards and newspapers:

“The T-shirts [for sale] carry an extensive written message of social advocacy: they are the equivalent of the sandwich boards that union pickets sometimes wear. ... T-shirts are a medium of expression *prima facie* protected by the free-speech clause of the First Amendment, and they do not lose their protection by being sold rather than given away.”<sup>28</sup>

“To argue that the right of free speech is limited to cases in which speech is disseminated free of charge would amount to arguing that the City of Chicago could ban the sale of newspapers, ... [the T-shirts are to the seller] what the New York Times is to the Sulzbergers and the Oschses – the vehicle of [the seller’s] ideas and opinions.”<sup>29</sup>

### (c) Constitutional Guarantee of Speech

<sup>21</sup> *Va. State Bd. Of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976).

<sup>22</sup> *Va. State Bd. Of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 161-2 (1976).

<sup>23</sup> *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 266 (1964).

<sup>24</sup> *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.* 109 F.3d 1394, 1403-06 (9<sup>th</sup> Cir. 1997).

<sup>25</sup> *Mattel, Inc. v. MCA Records, Inc.*, 296 F. 3d 894, 905-07 (9<sup>th</sup> Cir. 2002).

<sup>26</sup> *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 535, 539 (1987).

<sup>27</sup> *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302, 1340 (N.D. Ga. 2008).

<sup>28</sup> *Ayres v. City of Chicago*, 125 F.3d 1010, 1014 (7<sup>th</sup> Cir. 1997).

<sup>29</sup> *Ayres v. City of Chicago*, 125 F.3d 1010, 1017 (7<sup>th</sup> Cir. 1997).

Of course not all trade-mark use is free speech protected under the First Amendment. For example, false or misleading advertising is not protected for the same reason as defamation.<sup>30</sup> Likewise, advertising for illegal products receives no protection along with speech inciting imminent lawless action.<sup>31</sup>

The Louisiana lawsuit is a classic example of the kind of trade-mark use that the First Amendment should protect because it involves government action to stifle non-commercial speech which is not for sale nor for profit, and which is not false nor illegal. This is exactly the kind of criticism and commentary that has “high value” and receives “full protection” under the First Amendment. So what does it mean for the future of democracy when a government asserts that this kind of speech is in violation of trade-mark laws?

The courts should send a strong and clear message to trade-mark owners and citizens alike that the First Amendment guarantees protection for this kind of speech. This will discourage owners from filing unnecessary lawsuits and assure citizens of their basic rights. Some may argue that there is no danger to democracy because any frivolous and unsubstantiated claims will be unsuccessful in the end. This ignores the reality that the threat of litigation alone can be enough to stifle speech.

First, the average citizen may not have the litigation experience to understand that a lawsuit (or the cease and desist letters that usually precede the filing of a lawsuit) is posturing when it states that the government “is mindful of and respects the importance of the right of free speech secured by the First Amendment of the Constitution of the United States of America; however, the Billboard, the Television Commercial and the YouTube Video are each in violation of Louisiana and Federal Trade-mark laws, ...”<sup>32</sup> Without studying trade-mark jurisprudence or engaging in a constitutional analysis, the average citizen may take the lawsuit at face value and voluntarily cease and desist from criticism or commentary. The danger is not that a dictator government will forcibly take away its citizens’ rights and impose a totalitarian society; the danger is that a “democratic” government may lull its citizens into “voluntarily” changing their behaviour under the guise of encouraging other social “advancements.” As explained by Professors Drahos and Braithwaite, “[t]he danger to basic rights posed by intellectual property regulation is not an obviously visible danger. Rather it is a danger based on the quiet accretion of restrictions – an accretion hardly visible because it is hidden behind technical rule-making, mystifying legal doctrine and complex bureaucracies, all papered over by seemingly plausible appeals to the rights of inventors and authors and the need to encourage innovation. We experience these restrictions not as a mass of individuals living in a totalitarian society, but as members of smaller communities who

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<sup>30</sup> *Gertz v. Welch*, 418 U.S. 323, 342-45 (1974).

<sup>31</sup> *Brandenburg v. Ohio*, 395 U.S. 444, 447 (1969).

<sup>32</sup> Case 3:14-cv-00150-SDD-SCR, para. 20.

find strands of intellectual property law settling on and changing the customary ways in which we have accessed and exchanged information.”<sup>33</sup>

Second, the average citizen may not have the time and financial resources to defend the right of free speech. Even if there were no trade-mark infringement or there were constitutional protection for criticism or commentary, it does not mean that the average citizen would be willing to pay the price of winning against frivolous and unsubstantiated claims. This is true even of corporations, so imagine how much truer it is of citizens who may not have the emotional patience, mental aptitude, physical energy and psychological fortitude to stomach a lawsuit. Such citizens are more likely to be threatened into “voluntarily” censoring themselves. This is a danger to democracy because “[t]he exchange, circulation and communication of information among people is fundamental to the way a democracy works. The more power over the price of information a society places in the hands of intellectual property owners, the more it checks its citizenry from informing itself.”<sup>34</sup>

Stifled speech is *not* free speech.

## II. TRADE-MARKS AS PROPERTY

Lest the term “citizens” misleads readers into thinking this conflict only arises with trade-marks owned by the government, the same conflict also arises with trade-marks owned by private owners such as corporations. Nevertheless, this paper will continue to use the term “citizens” because the employees of these private owners are using the trade-marks not on the basis of their employment rights but on the basis of their constitutional guarantees.

A classic example illustrating the above is a 1996 Canadian decision where Michelin sued CAW for trade-mark infringement.<sup>35</sup> The marks in question were the MICHELIN name and the MICHELIN MAN figure, both of which were used to brand and promote Michelin’s tires and automotive accessories, as well as its tourist guides and maps. CAW (a non-profit organization trying to unionize the Canadian employees of Michelin) used the marks on pamphlets and posters showing a MICHELIN MAN figure with his foot raised and ready to crush unsuspecting Michelin employees.

Similar to the trade-mark infringement arguments made in the Louisiana lawsuit discussed above, the Michelin case asked the court to prohibit CAW from using the marks because it was likely to

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<sup>33</sup> Peter Drahos and John Braithwaite, *Information Feudalism: Who Controls the Knowledge Economy?* (Earthscan, 2002), p. 4.

<sup>34</sup> Peter Drahos and John Braithwaite, *Information Feudalism: Who Controls the Knowledge Economy?* (Earthscan, 2002), p. 4.

<sup>35</sup> *Cie Générale des Etablissements Michelin-Michelin & Cie v. C.A.W.-Canada* (1996), 1996 CarswellNat 2297, 1996 CarswellNat 2711, [1997] 2 F.C. 306, 124 F.T.R. 192, 71 C.P.R. (3d) 348 (Fed. T.D.).

be “confusing”<sup>36</sup> or “likely to have the effect of depreciating the value of the goodwill attaching [to the marks].”<sup>37</sup> In addition, the Michelin case also claimed copyright infringement.

The Federal Court of Canada decided that there was copyright infringement, but no trade-mark confusion because the marks were not being used “to indicate the origin of the [products] or services”<sup>38</sup> and no trade-mark dilution because the marks were not being used “in the normal course of trade.”<sup>39</sup> Therefore, the court did not need to discuss the constitutionality of the trade-mark laws. Nevertheless, since the court still needed to discuss the constitutionality of the copyright laws, it suggested that it would also have applied the following constitutional analysis to the trade-mark laws if there had been trade-mark infringement: “the [employees’] right to freedom of expression was not restricted. The Charter does not confer the use of private property ... in the service of freedom of expression” and the use of private property on pamphlets and posters would be characterized “as unprotected and improper forms of expression.”<sup>40</sup>

The Canadian government responded by amending the copyright law to build in fair dealing exemptions from liability<sup>41</sup>, but did not make similar amendments to the trade-mark law. This is in keeping with the development in the U.K., where a court decided that conflicts between copyright law and constitutional guarantees will require it “to apply the Act in a manner that accommodates the right of freedom of expression,”<sup>42</sup> but did not take a similar approach with a trade-mark conflict.<sup>43</sup> This gain for copyright law comes at a loss for trade-mark law, as more intellectual property owners will see trade-mark infringement as the only avenue left and pursue it all the more aggressively, as is happening with the Louisiana lawsuit in the U.S. for the same reasons. Add on the fact that patents and copyright expire, while trade-marks can be renewed forever, and one can see why trade-mark law is being used increasingly to do what copyright and patent can no longer do.

The case did find there was no trade-mark infringement, and the government already responded by enacting exemptions from liability for copyright infringement, but it still stands as a warning to all citizens: Why should we expand private rights from which we have no constitutional protection? Why should private property restrict expression? Why should private owners monopolize and remove words and designs from the public domain?

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<sup>36</sup> *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 20.

<sup>37</sup> *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 22.

<sup>38</sup> *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 2.

<sup>39</sup> *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 4.

<sup>40</sup> *Cie Générale des Etablissements Michelin-Michelin & Cie v. C.A.W.-Canada* (1996), 1996 CarswellNat 2297, 1996 CarswellNat 2711, [1997] 2 F.C. 306, 124 F.T.R. 192, 71 C.P.R. (3d) 348 (Fed. T.D.), para. 79.

<sup>41</sup> *Copyright Act*, R.S.C., 1985, c. C-42, s. 29.

<sup>42</sup> *Ashdown v. Telegraph Group Ltd.*, [2001] EWCA Civ 1142, [2001] 4 All E.R. 666, [2002] R.P.C. 5, 98(33) L.S.G. 29, 145 S.J.L.B. 201 (CA (Civ Div) 2001).

<sup>43</sup> *L’Oreal SA v. Bellure NV*, [2002] EWCA Civ 535, [2010] E.T.M.R. 47, [2010] R.P.C. 23, 107(22) L.S.G. 17, 154(21) S.J.L.B 30 (CA (Civ Div) 2010).

(a) Trade-marks as Private Property

The Canadian Charter of Rights and Freedoms in the Canadian Constitution guarantees that “Everyone has ... freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication.”<sup>44</sup> And the Supreme Court of Canada has made it clear that it “is difficult to imagine a guaranteed right more important to a democratic society”<sup>45</sup> and that it is “fundamental because in a free, pluralistic and democratic society we prize a diversity of ideas and opinions for their inherent value both to the community and the individual.”<sup>46</sup>

One would think such a fundamental guarantee in the Charter would take precedence over a prohibition in the statute or common law subject to the Charter. Nevertheless, the court suggested that the Charter guarantee was no defence against trade-mark infringement with respect to private property. Therefore, it is necessary for us to examine the court’s assumption that the marks are Michelin’s private property.

The court’s own finding that there was no trade-mark infringement because the marks were not being used to indicate origin in the course of trade implies that “a trade-mark is not a piece of property but rather is protected only because of, and to the extent of, its capacity to identify source in the marketplace.”<sup>47</sup> Therefore, if Michelin used the marks to brand and promote its tires and automotive accessories, as well as its tourist guides and maps, then that is the scope of Michelin’s rights. Characterizing Michelin’s rights as property rights to the actual marks themselves instead of as commercial rights to use the marks opens the door to preventing other uses of the mark that have value to a democratic society. There is no basis in trade-mark law to permit an owner’s use of the marks in association with certain products and services to stop others from using the marks in association with different products and services, and even famous marks cannot expand their scope to monopolize all products and services.<sup>48</sup> So how can the employees be accused of using Michelin’s private property when using the marks in association with the completely different and non-commercial purpose of unionizing employees?

The scope of trade-mark rights is important in light of the U.S. expanding rights for famous marks (also known as well-known marks)<sup>49</sup> and Canada expanding rights for official marks (also known as prohibited marks).<sup>50</sup> These pieces of legislation at best reduce and at worst

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<sup>44</sup> *Canadian Charter of Rights and Freedoms*, Part 1 of the *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (U.K.), 1982, c 11, s. 2(b).

<sup>45</sup> *Edmonton Journal v. Alberta (Attorney General)* [1989] 2 S.C.R. 1326, 1336.

<sup>46</sup> *Irwin Toy Ltd. v. Quebec (A.G.)*, [1989] 1 S.C.R. 927, 968.

<sup>47</sup> Carys J. Craig, *Perfume by Any Other Name May Smell as Sweet...But Who Can Say?: A Comment on L’Oreal v. Bellure*, *Intellectual Property Journal*, Vol. 22, pp. 321-334, (August 15, 2010).

<sup>48</sup> *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22; *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23.

<sup>49</sup> *Lanham Trade-mark Act*, 15 U.S.C., s. 1125 (2006).

<sup>50</sup> *Trade-marks Act*, R.S.C. 1985, c. T-13, s. 9.



remove the limits currently in place, where rights are acquired by using marks to indicate origin in the course of trade. This is especially true of Canada's official marks, which prohibit any use whatsoever (regardless of the associated products and services). This could reduce the public space for dialogue by prohibiting citizens from using the official marks of the Royal Family<sup>51</sup> to protest the monarchy; the Red Cross<sup>52</sup> to protest the tainted blood scandal; the United Nations<sup>53</sup> to protest human rights violations; any university<sup>54</sup> to protest tuition hikes; or, even the Olympic<sup>55</sup> committee to protest Russia hosting the 2014 Sochi Olympic after it enacted laws criminalizing gay propaganda. Some may argue the aforementioned examples will never materialize because official marks only prohibit use "in connection with a business." This ignores the realities that the word "business" is not defined in Canada's *Trade-Marks Act*; it is increasingly difficult to determine what is "business" and what is not when for-profit corporations are sponsoring or co-branding with more and more non-profit organizations and charities; and, aggressive owners often ignore the "business" limitation when zealously defending their marks. For example, legislation gives the U.S. Olympic Committee the exclusive right to use the word OLYMPIC in the U.S.<sup>56</sup> Even though the legislation only prohibits others from using the word "for the purpose of trade", the committee still sent a U.S. social knitting group the following cease-and-desist letter during the 2012 London Games: "We believe using the name 'RAVELYMPICS' for a competition that involves an afghan marathon, scarf hockey and sweater triathlon, among others, tends to denigrate the true nature of the Olympic Games ... It is disrespectful to our country's finest athlete and fails to recognize or appreciate their hard work."<sup>57</sup> The knitting group changed the name to the RAVELLENIC GAMES. What is most interesting about this example is the fact that the knitting group composed of 2 million members, who took to social media to publicize this story. It raised such a public furor that the U.S. Olympic Committee had to apologize (not once, but twice). Yet, despite the two apologies to placate the public, the U.S. Olympic Committee never backed down from its cease-and-desist demands and the knitting group still had to change its name because it lacked the financial resources for litigation. If the U.S. Olympic Committee would apply its commercial rights to use the word OLYMPIC against social non-commercial groups (even under intense public protest), then what will stop official marks from being applied in a similar manner?

#### (b) Trade-marks as Public Property

Although the court's classification of the marks as Michelin's private property is in reference to the fact that they are not public property in the sense that they are not government property,

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<sup>51</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(b).

<sup>52</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(f).

<sup>53</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(m).

<sup>54</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(n)(ii).

<sup>55</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(n)(iii).

<sup>56</sup> *Amateur Sports Act*, 36 U.S.C., s 220506 (1978).

<sup>57</sup> Claire Suddath, "Why the U.S. Olympic Committee Cracked Down on a Knitting Group" (June 22, 2012), online: <<http://www.businessweek.com/articles/2012-06-22/why-the-u-dot-s-dot-olympic-committee-cracked-down-on-a-knitting-group>>.

it is interesting to note that the court assumes that only Michelin and no one else has rights to the marks.

There is an assumption that Michelin's investment of time and financial resources in the marks gives it certain rights to them. If investing in the marks results in rights to them, then citizens should also have rights based on current scholarship that an owner "must understand that the mark or symbol or image is no longer entirely its own, and that in some sense it also belongs to all those other minds who have received and integrated it. This does not imply a total loss of control, however, only that the public's right to use of the word or image must be considered in the balance as we decide what rights the owners is entitled to assert."<sup>58</sup> Owners can no longer claim nowadays that they developed their marks solely on their own; they cannot deny the public's contribution in popularizing the marks on social media or in parading the latest purchase emblazoned with the marks. So why shouldn't the public also have rights to the marks?

The ownership of trade-mark rights is important in light of the many cases expanding rights to descriptive marks once they become distinctive and even how one U.S. case expanded rights for the COKE mark.<sup>59</sup> These cases illustrate at best how the public received nothing in return for its investment and at worst how a public investment resulted in private ownership. This is especially true where the Coca-Cola Company was advertising its products in association with the COCA-COLA mark, but the public started referring to the products in association with the COKE abbreviation. When a competitor started using the COKE mark, the Coca-Cola Company persuaded a court that the COKE abbreviation deserved the same rights as the COCA-COLA mark, and to award the rights to the Coca-Cola Company (which had not invested in the mark) instead of to the public (which had used and popularized the mark). The same reasoning could prohibit citizens from using words and designs that used to be in the public domain. For example, the word OLYMPIC originally referred to Mount Olympos or to the town Olympia in ancient Greece, where the games originated.<sup>60</sup> Nonetheless, the U.S. Olympic Committee felt it had made the descriptive word distinctive and sent a Greek eatery in the U.S. a cease-and-desist letter. Even though the stand was selling Greek food (gyro) and the owner was of Greek ethnicity (Athens Voulgaridis), he spent an estimated \$6,000 to change the name of his signs and uniforms because he lacked the financial resources for litigation.<sup>61</sup> If a trade-mark owner decides to use a descriptive word as a distinctive mark, then does it not voluntarily assume the risk of having to share it with the public as a descriptive word?

### (c) Trade-mark Limit on Property

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<sup>58</sup> Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 975 (1993).

<sup>59</sup> *Coca-Cola Co. v. Busch*, 44 F. Supp. 405 (E.D. Pa. 1942).

<sup>60</sup> Online Etymology Dictionary, online: < <http://www.etymonline.com/index.php?term=olympic>>.

<sup>61</sup> Timothy Geigner, US Olympic Committee Forces 30 Year Old Philadelphia Gyro Restaurant to Change Its Name" (July 19, 2012), online: < <http://www.techdirt.com/articles/20120713/06513919689/us-olympic-committee-forces-30-year-old-philadelphia-gyro-restaraunt-to-change-its-name.shtml>>.

Although there is ongoing debate as to whether owners have property rights to the actual marks themselves or only commercial rights to use the marks, it is undeniable that these rights are expanding and adversely restricting expression.

The Michelin case is a classic example of the kind of trade-mark use that trade-mark law should exempt from liability because it involves private owners reducing the public space for dialogue by monopolizing words and designs as their private property. This is exactly the kind of criticism and commentary that should be exempted from liability under trade-mark law if a court is going to characterize it “as unprotected and improper forms of expression” under the Charter. Otherwise, what does it mean for the future of democracy if citizens may criticize their governments but may not exercise the same right with respect to their employers or corporations, which nowadays may have as much power and impact on their lives as governments?

The government needs to send a strong and clear message to trade-mark owners and citizens alike that trade-mark law exempts this kind of speech from liability. While legislation have expanded trade-mark rights for owners over the years,<sup>62</sup> there have not been any corollary trade-mark exemptions from liability for citizens. Some may argue that there is no danger to democracy because the employees could have express themselves without using the marks in question. This ignores the reality that “[w]e cannot indulge the facile assumption that one can forbid particular words without also running a substantial risk of suppressing ideas in the process.”<sup>63</sup>

First, some forms of expressions are superior to others. A protest sign with a picture of the MICHELIN MAN figure with his foot raised and ready to crush unsuspecting Michelin employees is worth a thousand words. It is memorable when seen by the public driving by or watching television. A protest sign with the sentence “Michelin employees feel like their employee is trampling on their rights to unionize” is not as pithy.

Second, some forms of expressions are necessary. “Boycott Michelin” may not be effective if the public switches to BFGOODRICH tires without realizing that Michelin is also the owner of those products. With corporations owning multiple subsidiaries, brands and marks nowadays, it is difficult for the public to know who to hold accountable for its dissatisfaction. This is especially true when marks change ownership or undergo re-branding. The public needs the flexibility to target the marks most effective for its dissent to be expressed and heard.

Third, some forms of expressions are intentional. In the Louisiana lawsuit, MoveOn.org’s used the Louisiana marks to express that “whereas, the Louisiana tourism campaign is

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<sup>62</sup> *E.g.*, Trade-marks Act, R.S.C. 1985, c. T-13, s. 9 on prohibited marks; s. 22 on depreciation of goodwill; s. 50 on licence to use trade-mark.

<sup>63</sup> *Cohen v. California*, 403 U.S. 15, 26 (1971).

promoting the State as a desirable place to visit, the State might be considered an undesirable place to visit because of its [health care policies].”<sup>64</sup> Likewise in the Michelin case, the employees used the marks to direct public attention towards its employer. What makes parody effective is the use of the very marks being criticized or commented upon, as noted by a court when it stated that “[t]o be considered successful, the alleged parody must both call to mind and differentiate itself from the original, and it must ‘communicate some articulable element of satire, ridicule, joking or amusement’.”<sup>65</sup>

Ownership should *not* amount to censorship.

### III. TRADE-MARKS AS SOURCE

The prevalence of conflicts between trade-mark owners and citizens is surprising. After all, trade-mark law deals with business, commerce, trade and unfair competition. This has nothing to do with citizens pursuing advocacy, educational, political and social goals. Even where citizens pursue such goals by criticizing or commenting on trade-mark owners, it should be clear that their use of the marks are in a non-business context, for a non-commercial purpose, not in the course of trade and not in competition with the owners. So how do these conflicts arise, and what are the solutions? The answer requires an understanding of how trade-mark rights have expanded over the years.

#### (a) Trade-marks used to prevent Confusion as to Source / Piracy of the Mark

In the beginning, trade-mark law served the dual purpose of protecting the public from confusion and the trade-mark owner from piracy.<sup>66</sup>

A U.S. Senate Report stated, “[t]he purpose underlying any trade-mark statute was twofold. One was to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its appropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.”<sup>67</sup> In fact, a U.S. court even went so far as to give priority to protecting the public by stating, “The law of unfair competition has its roots in the common-law tort of deceit: its general concern is with protecting consumers from confusion as to source. While the concern may result in the creation of ‘quasi-property right’ in

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<sup>64</sup> Case 3:14-cv-00150-SDD-SCR, Document 29, 04/07/14, p. 6.

<sup>65</sup> *Smith v. Wal-Mart Stores, Inc.*, 537 F.Supp.2d 1302, 1316 (N.D. GA. 2008).

<sup>66</sup> Frank I. Schechter, *The Historical Foundations of the Law Relating to Trade-marks* 20-21 (Lawbook Exch. 199) (1925).

<sup>67</sup> S. Rep. No. 79-1333, at 3 (1946), as reprinted in 1946 U.S.C.C.A.N. 1274, 1277.

communicative symbols, the focus is on the protection of consumers, not the protection of producers as an incentive to product innovation.”<sup>68</sup>

The Supreme Court of Canada stated the same theory that “[a]t a very early point in its development, the common law became concerned with the honesty and fairness of competition. For that reason, it sought to ensure that buyers knew what they were purchasing and from whom. It also sought to protect the interest of traders in their names and reputation. As far back as the 17<sup>th</sup> century, the courts started to intervene. Actions based at first on some form of deceit were allowed (see W.R. Cornish and D. Llewelyn, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (5<sup>th</sup> ed. 2003), at pp. 573-76; see also R.S. Jolliffe, “The Common Law Doctrine of Passing off”, in G.F. Henderson, ed., *Trade-Marks Law of Canada* (1993), 197, at pp. 199-201). The modern doctrine of passing off was built on these foundations and became a part of Canadian law. Its principles now inform both statute law and common law.”<sup>69</sup> As the Supreme Court of Canada explained, “Trade-marks thus operate as a kind of shortcut to get consumers to where they want to go, and in that way perform a key function in a market economy.”<sup>70</sup>

In this simple framework, there is no conflict between the trade-mark owner and the public because both benefitted from stopping the piracy that cheated the owner of its investment and caused the public confusion as to source. An example would be the Louisiana lawsuit asking the court to prohibit MoveOn.org from using certain marks because it “is likely to cause confusion or mistake as to the origin of the Billboard,”<sup>71</sup> or the Michelin case asking the court to prohibit CAW from using certain marks because it was likely to be “confusing,”<sup>72</sup>.

The first solution is to limit trade-marks rights appropriately by recognizing that “[b]oth free speech rights and efficient commerce would best be served if courts entertained trademark infringement claims only where either identical or exceedingly similar marks are used commercially in a trademark sense, on directly competing or closely related [products] and services.”<sup>73</sup> Requiring the marks to be used in indicate origin in the course of trade is in keeping with the basic foundation of trade-mark law and is the only way to “protect the integrity of trade symbols in order to prevent consumer confusion or deception”<sup>74</sup> without expanding trade-mark rights unnecessarily. This will enable a court to decide on claims of trade-mark confusion in the Louisiana lawsuit without engaging in a constitutional analysis, as was done by in the Michelin case.

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<sup>68</sup> *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 14, 158 (1989).

<sup>69</sup> *Kirkbi AG v. Ritvik Holdings*, 2005 SCC 65, para. 63.

<sup>70</sup> *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, para. 21.

<sup>71</sup> Case 3:14-cv-00150-SDD-SCR, para. 23.

<sup>72</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 20.

<sup>73</sup> Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 817 (2004).

<sup>74</sup> Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1719 (1999).

(b) Trade-marks expanded to prevent Dilution of the Source / Depreciation of the Mark

Over the years, trade-mark law shifted from protecting the public against confusion to protecting the trade-mark owner against piracy. U.S.'s trade-mark law did so by introducing the term "dilution"<sup>75</sup> to protect only famous marks against diminishing the distinctiveness. Canada's trade-mark law did so by introducing the term "depreciation of goodwill"<sup>76</sup> to protect any registered marks against the loss of goodwill. The result is that the following examples are violations of trade-mark law even though there is no confusion:

- Dilution by Blurring – Defendant used the EVISA mark for its multilingual education and information business, which was completely different from the plaintiff's use of the VISA mark for financial services. A U.S. court decided there was a "multiplication of meanings" because "the word becomes associated with two products, rather than one."<sup>77</sup> This means that citizens using a mark with a completely different and non-commercial purpose could be sued for impairing its distinctiveness, which how a non-profit church found itself being sued by a for-profit eatery.<sup>78</sup>
- Dilution by Tarnishment – Defendant used the PIERRE EH! mark on bottled water to lampoon then Prime Minister Pierre Trudeau. The Federal Court of Canada decided that "[t]he most liberal interpretation of 'freedom of expression' does not embrace the freedom to depreciate the goodwill of registered trademarks, nor does it afford a licence to impair the business integrity of the owner of the marks merely to accommodate the creation of a spoof."<sup>79</sup> This means that citizens using a mark for criticism or commentary could be sued for harming its reputation, which is how a t-shirt company engaging in social commentary for profit found itself being sued by a beer company.<sup>80</sup>
- Depreciation of Goodwill – REVLON used CLAIROL's marks on a colour comparison chart in order to claim that its hair dyes were just as good as CLAIROL's hair dyes. A Canadian court decided the comparative advertising resulted in "the direct persuasion and enticing of customers who could otherwise be expected to buy or continue to buy goods bearing the trade-mark."<sup>81</sup> This means that citizens using a mark to make a truthful statement in a price comparison chart could be sued for the comparative advertising. The

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<sup>75</sup> *The Trademark Dilution Revision Act*, 15 U.S.C., ss. 1125(c)(2)(B) and 1125(c)(2)(C) (2006).

<sup>76</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 22.

<sup>77</sup> *Visa Int'l Service Ass'n v. JSL Corp.*, 610 F.3d 1088 (9<sup>th</sup> Cir. 2010).

<sup>78</sup> Gene Quinn, "IHOP v. IHOP: House of Pancakes sues House of Prayer" (September 30, 2010), online: <  
<http://www.ipwatchdog.com/2010/09/30/ihop-v-ihop-house-of-pancakes-sues-house-of-prayer/id=12667/>>.

<sup>79</sup> *Source Perrier SA v Fira-Less Marketing Co.*, (1983) 70 CPR 2d 61 (FC).

<sup>80</sup> *Laugh It Off Promotions CC v Sabmark International et al* (2006) 1 SA 44 (CC).

<sup>81</sup> *Clairol International Corp. v. Thomas Supply & Equipment Co.*, 1968 CarswellNat 32, [1968] 2 Ex. C.R. 552, 55 C.P.R. 176, 38 Fox Pat. C. 176 (Can. Ex. Ct.), para. 42.

same reasoning means that citizens using a mark to catch a customer's initial interest only to resolve the confusion later could still be sued for the initial interest confusion.<sup>82</sup>

This expansion of trade-mark rights has enabled trade-marks owners to shift from defending against unfair competition to insulating against public criticism. The result is that owners then have property rights to the actual marks themselves instead of only commercial rights to use the marks, and "[t]he role of the law shifts from one of safe-guarding the public interest to protecting private property."<sup>83</sup>

In this complex framework, there is a conflict between the trade-mark owner and the public because "[t]he expansive power that is increasingly being granted to trademark owners has frequently come at the expense of freedom of expression. As trademarks are transformed from rights against unfair competition to rights to control language, our ability to discuss, portray, comment, criticize, and make fun of companies and their products is diminishing."<sup>84</sup> An example would be the Louisiana lawsuit asking the court to prohibit MoveOn.org from using certain marks because it "will most likely tarnish and dilute the [marks] and result in substantial and irreparable harm, injury and damages"<sup>85</sup> or the Micheline case asking the court to prohibit CAW from using certain marks because it was "likely to have the effect of depreciating the value of the goodwill attaching [to the marks]"<sup>86</sup>.

The second solution is to recognize trade-mark exemptions from liability, such as the copyright exemptions from liability in Canada's legislation<sup>87</sup> or the famous marks exemptions from liability in the U.S.'s legislation.<sup>88</sup> Carving out exemptions from liability will ensure that any expansion in trade-mark rights will be in keeping with the basic foundation of trade-mark law and is the only way to avoid "the overprotection of trademarks in terms of undesirable restrictions on both free competition and free expression."<sup>89</sup> This will enable a court to decide on claims of trade-mark dilution in the Louisiana lawsuit without engaging in a constitutional analysis, as was done in the Michelin case.

The third solution is to recognize constitutional guarantees to protect free speech uses of marks that have value to a democratic society, such as a U.K. court's recognition of the right

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<sup>82</sup> J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, s.23:6 (4<sup>th</sup> ed. 2010).

<sup>83</sup> Carys J. Craig, *Perfume by Any Other Name May Smell as Sweet...But Who Can Say?: A Comment on L'Oreal v. Bellure*, Intellectual Property Journal, Vol. 22, pp. 327-328, (August 15, 2010).

<sup>84</sup> Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1710-1711 (1999).

<sup>85</sup> Case 3:14-cv-00150-SDD-SCR, para. 29.

<sup>86</sup> Trade-marks Act, R.S.C. 1985, c. T-13, s. 22.

<sup>87</sup> Copyright Act, R.S.C., 1985, c. C-42, ss. 29-32.

<sup>88</sup> Lanham Trade-mark Act, 15 U.S.C., s. 1125(4) (2006).

<sup>89</sup> Carys J. Craig, *Perfume by Any Other Name May Smell as Sweet...But Who Can Say?: A Comment on L'Oreal v. Bellure*, Intellectual Property Journal, Vol. 22, p. 333, (August 15, 2010).

of freedom of expression with respect to copyright law.<sup>90</sup> Before a court assumes that a mark is private property and that constitution does not apply to its use, it should note that “[w]hat appear[s] to be private disputes among hucksters almost invariable touch the public welfare. [It] shall therefore be concerned to ask, when [protecting] trade symbols, whether [its] decisions further public as well as private goals.”<sup>91</sup> The reality is that the expansion of trade-mark rights and the recognition of copyright exemptions have created a double whammy making it difficult to rely upon “[t]he doctrinal limits of trade-mark protection (such as the need for a plaintiff to establish confusion in the marketplace, or the inability to control non-commercial or non-trade-mark uses) [to] do a decent job of drawing the boundaries around the registered owner’s rights.”<sup>92</sup> This would have enabled the Federal Court of Canada in the Michelin case to decide that constitutional protection for criticism or commentary would have been a defence against claims of trade-mark infringement, as was done in the motion for a preliminary injunction in the Louisiana lawsuit.

Defending against unfair competition must *not* become insulating against public criticism.

#### IV. CONCLUSION

The 21<sup>st</sup> century promises a world of changes such as has never been seen before. But one thing remains constant, and that is the citizens who make up that world. As the legal community responds to these changes, it should keep in mind that the law is a social construct for the benefit of its citizens. Of course, the citizens have competing interests and compromises must be made: Patent rights are exchanged for gifting the world with innovation. Copyright is exchanged for gifting the world with creativity. But what are trade-mark rights exchanged for?

If the answer is gifting the world with protection from confusion, then is that benefit enough to outweigh the harm to free speech? What if most citizens would rather run the risk of piracy than censorship? Can consumer rights regarding the source of a product or service compete with the basic human rights of freedom and democracy? And the benefit to be gained from compromise disappears in light of current scholarship that “[t]rademark law, which was once limited to protecting against consumer confusion, has increasingly taken on the character of a property right, with the result that trademark “owners” now have the right to prevent various kinds of uses of their marks, regardless of whether consumers be confused or search costs increased.”<sup>93</sup>

Therefore, future discussions on whether to limit or expand trade-mark rights should take into account the rights of citizens to use intellectual property as means through which dissent can be

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<sup>90</sup> *Ashdown v. Telegraph Group Ltd.*, [2001] EWCA Civ 1142, [2001] 4 All E.R. 666, [2002] R.P.C. 5, 98(33) L.S.G. 29, 145 S.J.L.B. 201 (CA (Civ Div) 2001).

<sup>91</sup> Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1167 (1948).

<sup>92</sup> Carys J. Craig, *Perfume by Any Other Name May Smell as Sweet...But Who Can Say?: A Comment on L’Oreal v. Bellure*, Intellectual Property Journal, Vol. 22, p. 333, (August 15, 2010).

<sup>93</sup> Mark A. Lemley, *Property, Intellectual Property and Free Riding*, 83 TEXAS. L. REV. 1031, 1042 (2004).



expressed and heard. Failure to do so will result in commercial speech for owners expanding at the expense of free speech for citizens, with trade-mark law favouring one type of expression over another.