

LEGAL PROBLEMS ON PARODY IN TRADEMARK LAW*

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ABSTRACT

The problems with the infringement in the Intellectual Property are significant legal issues to be concerned. They are not only a problem for the victims but also a global issue in a broad picture. Trademarks are a type of intellectual property which serves as an essential tool in world trade, as it refers to the source of goods or services that the consumers use to trace back to the producers. The link between the consumers and producers is an important connection. The intellectual property law, therefore, aims to protect and maintain such connection and make it long-lasting.

As there are many brands of goods or services competing in the market. Each producer, hence, requires a part or share in the market for his/her own product. Parodying trademark may also be another way to attract attention to the brands.

However, the purpose of parodying is to convey a message from the parodist to the public, in relation with the subject of parodying and in the area of trademark, to take other person's trademark and use e.g. parodying may increase the risk of infringement claims. Trademark parody usually takes a significant part of the original mark to refer back to the senior mark.

Legal analysis is required on whether or not parodying trademark is an act of infringement? The studying on the parodying trademark is conducted through the reviewing law articles, cases from the foreign countries in comparison to Thai Laws and searching electronic databases.

Keywords: Trademark; Parodying Trademark; Trademark Infringement

บทคัดย่อ

ประเด็นปัญหาของการละเมิดทรัพย์สินทางปัญญาเป็นประเด็นในทางกฎหมายที่สำคัญ โดยประเด็นดังกล่าวไม่ได้เป็นเพียงปัญหาของบุคคลใดบุคคลหนึ่งแต่เป็นปัญหาของส่วนรวม เครื่องหมายการค้าเป็นทรัพย์สินทางปัญญาประเภทหนึ่งที่มีความสำคัญและมีบทบาทในเวทีการค้าโลก ซึ่งเป็นความเชื่อมโยงระหว่างผู้ผลิตสินค้าและบริการกับผู้บริโภค ความเชื่อมโยงนั้นเป็นสิ่งสำคัญที่กฎหมายทรัพย์สินทางปัญญามุ่งที่จะคุ้มครอง ในปัจจุบันมีแบรนด์สินค้าต่างๆเกิดขึ้นมากมาย ทำให้ผู้ผลิตสินค้าแต่ละรายต้องมีความพยายามในการที่จะหาส่วนแบ่งทางการตลาด การล้อเลียนเครื่องหมายการค้านั้นจึงเป็นหนึ่งในการกระทำที่เป็นการดึงดูดความสนใจได้เป็นอย่างดี

ทั้งนี้วัตถุประสงค์ของ “การล้อเลียน” นั้นเป็นการส่งสารจากผู้ล้อเลียนไปยังผู้รับสารซึ่งมีการอ้างอิงไปถึงต้นแบบแห่งการล้อเลียน ดังนั้นการล้อเลียนเครื่องหมายการค้าของผู้อื่นนั้นจึงมีประเด็นว่าจะเป็นการละเมิดเครื่องหมายการค้าหรือไม่ เนื่องด้วยหลักการ

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ของการล้อเลียนเครื่องหมายการค้านั้นจะต้องมีการนำส่วนหลักของเครื่องหมายการค้าต้นแบบมาเพื่อทำการล้อเลียน มิฉะนั้นการนำงานบุคคลอื่นมาปรับ เปลี่ยนแปลง หรือแก้ไข โดยไม่สามารถสืบทอดไปยังเครื่องหมายการค้าต้นแบบได้ การไม่สามารถอ้างอิงได้ว่าเป็นการล้อเลียนสิ่งใด

การล้อเลียนเครื่องหมายการค้านั้นจึงต้องอาศัยการวิเคราะห์ ขบคิด ในทางกฎหมายเพื่อที่จะตอบคำถามว่าการกระทำดังกล่าวเป็นการละเมิดเครื่องหมายการค้าหรือไม่ การศึกษาในประเด็นการล้อเลียนเครื่องหมายการค้า นั้น จะได้ศึกษาผ่านทางบทความทางกฎหมาย คติความของศาลต่างประเทศ ในทางเปรียบเทียบกับกฎหมายของประเทศไทย รวมทั้งการศึกษาจากฐานข้อมูลอิเล็กทรอนิกส์

คำสำคัญ: เครื่องหมายการค้า การล้อเลียนเครื่องหมายการค้า การละเมิดเครื่องหมายการค้า

Introduction

In case of trademark parody, has become an incident which has drawn attention of many scholars as a legal issue. In some countries, they recognize the exclusion of trademark's infringement or dilution by including parody therein, as parodying considered being free speech and protected by provisions of the law allowing the free flow of thoughts. In addition to the statutory law, there are cases that have been brought to court. And by interpretation of the court, they became the source of references to the parodying case.

In Thailand, the provision of the law relating to trademark does not clearly stipulate on what actions could be considered as an exception of trademark infringement. The legal issue on trademark parody is now being studied and researched because it is unclear by the provisions of the law in Thailand as well as the court's decisions.

Therefore, it is important for Thailand to seriously consider providing a statutory exclusion of trademark infringement on whether the parodying or other fair use action is an acceptable action or not. The scope of the parody exception should balance the rights of trademark owners and with the benefits to the public.

1. Overview of trademark

1.1 Definition of Trademark

A trademark is recognized as an intellectual property, which is generally categorized into the two major categories i.e. (i) Industrial Property and (ii) Copyright. Trademarks fall into the category of industrial property.

Each jurisdiction provides their own definition regarding trademarks as a guideline of what is protectable under their trademark law which mostly inferred to a distinctive “Mark” having connection with the goods or services.

1.2 Function of Trademark

A trademark is a mark that is associated with the exchange of goods and services. Its function is therefore related to commerce in designating the source of goods enabling the consumers to identify and distinguish the goods of one particular producer from other producers.¹

¹ Dr. Shoen Ono, *Overview of Japanese Trademark Law 1* (2nd ed., Yuhikaku Publishing 1999) available at http://www.iip.or.jp/e/e_publication/ono/ch1.pdf.

1.2.1 Indicate of origin function

This function allows the consumers to acknowledge the origin of the products as the mark is usually attached to goods or services serving the function in indicating of the origin and ownership of such goods or services. This function is based on the power of marks that the consumers will be able to recognize the origin or the producer of such goods.

1.2.2 Product differentiate function

This serves as a significant function to designate the origin of goods and services, it which would not be able to serve such function if all marks are similar or identical to each other. The understanding of consumers in relation with the mark to the producers is too difficult to be sought out. The confusion of consumers regarding a mark could occur and the designated function is most likely to fail when there is no difference between the trademarks.

1.2.3 Guarantee function

Rather than the indicating of original of the goods and services, the sellers or providers of goods or services will make efforts to maintain the quality associated with a mark, which is known as the “guarantee function”. The guarantee function is taken from the viewpoint of consumers, in contrast to indication of origin or ownership, which is taken from the viewpoint of producers.²

1.2.4 Advertising function

The function of a trademark is not limited to only the designation of a source and the creation of expectation that the identical marks ensure consistent quality of goods and services, but also it serves other functions. Another function of trademark is regarding advertisements and promotions of goods or services. Consumers may feel an attachment to goods or services carrying certain marks and as a result of producers of goods focusing more on the advertisement of marks rather than advertisement of the goods and services in which the marks are attached.³

2. Legal concepts related to trademark law

2.1 Likelihood of confusion

Protection of trademark intends to grant the protection to the mark owner from any unauthorized action against their exclusive rights and to prevent confusion among consumers as to the source of the goods indicated by trademark. Therefore the likelihood of confusion is needed to serve as a tool to identify the action whether it will cause or is likely to cause confusion to the consumers whom the provision of the law seeks to protect.

The word “likelihood” under the concept of likelihood of confusion means “probability,” and it is considered to serve as a higher standard than the word “possibility” regarding the confusion.⁴ A successful claim of infringement requires the likelihood of confusion, which refers to the probability that the public may understand the origin of goods or services altered from the actual circumstance. Under this legal concept, the actual

² *Id* at 37-38.

³ *Id.*

⁴ Steven M. Perez, *Confronting Biased Treatment of Trademark Parody under the Lanham Act*, 44 **Emory L. J.** 1487, 1451 1995.

confusion may not likely to be occurred. It provides the guide line to test an infringement action.

The likelihood of confusion may still occur even the public is able to distinguish between the marks themselves, they could believe that such goods or services originate from the same source or are economically-linked to each other.⁵

2.2 Dilution

Legal concept of trademark dilution was first introduced by Frank Schechter in United States, as he believed that trademark deserved protection more than what was provided by trademark law⁶ covering a remedy for the unauthorized use of well-known marks on non-competing products, even when there is no consumer confusion, because such uses diminish famous marks' value.⁷ Schechter mentioned at that time the law on intellectual property was focused on the prevention of unauthorized use of mark which constituted actual confusion to consumers; however, the brand could be harmful by any other way without the factor of confusion.⁸

Such harm has been referred to as "...whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods. The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used."⁹

Trademark dilution does not require the confusion factor from the part of consumers.¹⁰

3. Trademark parody

Traditional parody has its own value serving in the society as they are the foundation of entertaining, criticizing for a long period of time which may carry information, knowledge from the parodist to the audience. Therefore, "parody" could be found in any field not only on music, movie, ads, but also social, political, cultural or even intellectual property area. An effective parody could convey one or more messages with a powerful effect to the receiver which may be in a form of political statement, social commentary, commercial speech, a joke, ridicule of a brand name, criticism of commercialism, or just aim solely on humor.¹¹

⁵ *Id.*

⁶ Deborah R. Gerhardt, *The 2006 Trademark Dilution Revision Act Rolls Out a luxury claim and a Parody Exemption*, 8 **N.C. J. L. & TECH.** 205, 207 (2007) (citing Frank Schechter, *Rational Basis of Trademark Protection*, 40 **HARV. L. REV.** 813, 831.-32 (1926.-27).

⁷ *Id.*

⁸ Frank I. Schechter, *The Rational Basis Of Trademarks Protection*, 40 **Harv. L. Rev.** 825 814 (1926-1927).

⁹ *Id.*

¹⁰ David S. Welkowitz, **Trademark Dilution: federal, state, and international law**, The Bureau of National Affairs, 62, 2002.

¹¹ Gary Myers, *Trademark Parody: Lessons from the Copyright decision in Campbell v. Acuff-Rose Music, Inc.*, 59 **Law and Contemporary Problems** 181 (Spring 1996).

In the trademark law context, a parody is defined as a simple form of amusement conveyed by the irreverent representation of the trademark with the idealized image created by the mark's power.¹²

The most cited academic definition of parody is “a parody must convey two simultaneous-and contradictory-messages: that it is the original, but also that it is not the original and is instead a parody.”¹³ It could be inferred that the parody must inherently indicate that it is not the original but rather it is parody. This could be the challenge as parody trademarks shall employ the original mark; under that situation it is likely to confuse the consumers as to the source, sponsorship, or to what the scope of the law seeks to protect.¹⁴

The conflict between policy to protect the rights of the mark owner and the rights to the freedom of expression¹⁵e.g. parodying as stated under the provision of the law in the scope of freedom of expression which encourages the legal question on how the parodying take place in the area of intellectual property law which also aims to protect the rights of the trademark owner. Then the parodying of a trademark could be consider as the infringement or dilution under the provision of the law resulting from the nature of parodying i.e. the parodying is always taking the material of the original trademark and this lead to studying in balancing such policy.

3.1 Trademark Parody in the International Rules and Foreign Laws on Trademark

▪ The Paris Convention for the Protection of Industrial Property

The Paris Convention is the first convention on protection of Industrial Property in the broad scope, including patents, trademarks etc.

In relation to parody, the Paris Convention provides protection to trademark owners from actions leading to confusion as well as grants protection to well-known mark which is also adopted into Agreement on Trade Related Aspects of Intellectual Property Rights (“TRIPs”). The provision allows the competent authority of Contracting Parties to the Paris Convention to determine whether the protectable mark is established or not.¹⁶

▪ Agreement on Trade Related Aspects of Intellectual Property Rights (“TRIPs”)

¹² Corina I. Cacovean, *Is Free Riding Aided by Parody to Sneak Between the Cracks of the Trademark Dilution Revision Act?*, 31 **Hastings Comm. & Ent. L.J.** 441, 447 (2008-2009); (citing Andrew M. Gold, *Gold on Trademark Parody, Survey Evidence and Dilution by Tarnishment in Smith v. Wal-Mart*, 537 F. Supp. 2d 1302 (N.D. Ga. 2008), 2008 EMERGING ISSUES 2540 (citing Louis Vuitton Malletier v. Haute Diggity Dog, LLC, 507 F.3d 252, 260 (4th Cir. 2007)).

¹³ Eric Sonju, “*Likelihood of Confusion*” is confusing enough: *Why the concept of parody has no place in a likelihood of confusion analysis*, 38 **AIPLA Q. J.** 349, 366-367(2010); (citing Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, 886 F.2d 490, 494, 12 U.S.P.Q.2d (BNA) 1289, 1291 (2d Cir. 1989), *quoted in* People for the Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 366, 60 U.S.P.Q.2d (BNA) 1109 (4th Cir. 2001); *see also* Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1486, 4 U.S.P.Q.2d (BNA) 1216, 1219 (10th Cir. 1987).

¹⁴ *Id.* at 367.

¹⁵ Samuel M. Duncan, *Protecting Nominative Fair Use, Parody, and Other Speech-Interest by reforming the inconsistent exemptions from Trademark Liability*, 44 **University of Michigan Journal of Law Reform**, 219, 237 (2010).

¹⁶ Article 6 *bis* (1).

Through cooperation of The World Trade Organization or “WTO”, “TRIPs” provides its provision as the minimum standard that contractual parties shall implement the provision as their national level. The contractual parties may provide a higher provision standard but shall not contradict to the TRIPs statement.¹⁷

The protection of the mark therein not only focuses to the rights for the mark owner in the trademark area but under the provision of TRIPs, it provides the exception to the trademark infringement in the light of fairness.¹⁸ In Article 7 which stipulates that “*The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.*” It allows the contracting party to have their decision on imposing intellectual property protection in which promoting the information transfer in a manner that supports the public welfare. However, there is clarification by the scholar on the scope of exception under TRIPs to cover the parodying in the shade of fair use circumstance.¹⁹

▪ Trademark Parody in the United States

In the Federal level and, trademarks are not compulsory to be registered in order to grant protection under Trademark Act of 1946²⁰, also known as the Lanham Act. The Lanham Act provides two causes of action i.e. infringement and dilution claims, to holders of protectable trademarks to keep others out of using their marks without their authorized permission.²¹ Whereas infringement claims depend on the condition of likelihood of confusion by consumers, which could arise from the use of similar or identical unlicensed marks, dilution claims assert that the unauthorized use fundamentally changes how consumers understand the mark of trademark owner.²²

*Campbell, aka Skywalker, et al. v. Acuff Rose Music, Inc.*²³ is the landmark case in relation to the parody, which is based on the dispute of parodying of a copyrighted work; however, so many later cases in trademark law have followed the principles provided under this case. Although *Campbell* focused on copyright parodies, the case also provides some essential principles for analysis of parody in trademark law.

In the United States, the Court may have the different approaches to the case of parody; however, the landmark case *Polaroid Corp. v. Polarad Electronics Corp.*,²⁴ which divides the likelihood of confusion standard into eight factors, so called the “Polaroid test”. The factor refers to the standard of analyzing the likelihood of confusion.

¹⁷ Article 1.1.

¹⁸ Article 17.

¹⁹ เอกกรินทร์ วิริโย และ วุฒิ ศรีธีระวิศาล, การล้อเลียนเครื่องหมายการค้า: กรณีศึกษาเปรียบเทียบระหว่างสหรัฐอเมริกาและไทย, ดุลพาห 221, 226 กันยายน-ธันวาคม 2556 (Aekarin Viriyo & Wut Sritheeravisan, *Parodying Trademark: Comparative Study between United States and Thailand*, Dulpaha 221, 232 September-December (2013)); citing Lisa P. Ramsey, Free Speech and International Obligations To Protect Trademark, 35 Yale J. Int. L. 406 (2010)).

²⁰ § 1 (15 U.S.C. § 1051) et seq.

²¹ 15 U.S.C. §1051-1141

²² See *supra* note 15 at 224.

²³ (92-1292), 510 U.S. 569 (1994).

²⁴ *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961).

▪ Trademark Parody in the United Kingdom

In the United Kingdom, the provision of trademark law is absent on the case of parody; however, there was the lesson from the court on how the judge interpreted the provision of the law related to the case of parodying. Without a provision regarding this issue, the Court judgment came out with inconsistency.

4. Trademark Parody in Thailand

“Trademark parody” is for the purpose of humor, entertainment, criticizing or even expressing of opinions of the original trademark which the nature of parody commonly consist of the composition of the original trademark.²⁵ Parodying work is also having the transformative value in connection with the original mark whereas this is considered as a new created work.²⁶

In the context trademark law, it is a significant legal issue to be analyzed on the possibility of parody to be acknowledged or accepted by the provision of the law. The question regarding the trademark parody is to distinguish parody and infringement. As the nature of parody is to convey the message on the original mark, the parodied work therefore shall contain the substantial part of the original mark so that there will be the link between those two marks. There will be no cause for a parody action if parodied work could not be traced back to the original work. The main provision regarding to the infringement in which parodying could fall in to this criteria is Section 109.

Section 109 states that *“Any person who imitates a trademark, service mark, certification mark or collective mark registered in the Kingdom by another person in order to mislead the public into believing that it is the trademark, service mark, certification mark or collective mark of such other person shall be liable to imprisonment not exceeding two years or a fine of not exceeding two hundred thousand baht or both.”*

By analysis the provision, definition of imitation should also mean no intension no faking the trademark but intend to create a trademark similar to the origin trademark which could constitute confusion.

Recommendations

To adopt trademark parody with conditions seems to suit Thailand the most. Conditions according to the recommendation shall refer to the similarity in goods or services that the trademark parody has been used for the similar goods or services; it may lead to the confusion of consumers and then be considered as an infringement. To recognize without any condition could bring the difficulty to trademark owners and give a disadvantage rather than the advantage as the trademark owners may suffer from damages to their own trademark by the parodying beyond the scope that could be acceptable.

²⁵ เอกรินทร์ วิริโย และ วุฒิ ศรีธีระวิศาล, การล้อเลียนเครื่องหมายการค้า: กรณีศึกษาเปรียบเทียบระหว่างสหรัฐอเมริกาและไทย, ดุลพาห 221, 226 กันยายน-ธันวาคม 2556 (Aekarin Viriyo & Wut Sritheeravisan, *Parodying Trademark: Comparative Study between United States and Thailand*, Dulpaha 221, 226 September-December (2013)) ; (citing Michael Spence, *Intellectual Property and the Problem of Parody*, Law Quarterly Review, no. 114, 1998, page 594.).

²⁶ *Id.* at 225; (citing Esther Miline, Parody: Affective Registers, Amateur Aesthetics, and Intellectual Property, Cultural Studies Review, Vol.19 No.1, 2013, page 197.

Should parody be an exemption to the trademark infringement in the scope that the true trademark parody will communicate the message and by means of indicating that it is not the original mark. Then the parodist could claim that there is no intention of confusing the public. Moreover, trademark parody shall not be pointed out as the harmful conduct to the trademark. It should also be referred to as the promotion or even the advertisement of the trademark subjected to the parody. The trademark owners may be granted the benefit from the parodying of their own trademark in the way that the perception to their trademark will expand to the broader area through the parodying.

Parody exception in author's view refers to the protection of the use of trademark in good faith. An analysis has to be conducted carefully as to grant protection to trademark parody automatically, it could affect the rights of the trademark owners causing that their marks to be a target. The meaning of parody shall be defined in the precise way. The value of parody is not only to support the creativity, the trademark parody that has been transformed from the original trademark in the way that indicating the difference between the senior and junior marks also created a new work.

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