

THE LAWFULNESS OF CRITICIZING BIG BUSINESS: COMPARING
APPROACHES TO THE BALANCING OF SOCIETAL INTERESTS
BEHIND TRADEMARK PROTECTION

by
Katja Weckström*

Today, third parties that have not traditionally been subject to trademark law increasingly find themselves as defendants in trademark infringement law suits. Whether the sole culprit or not, strong international trademark protection has unevenly influenced national trademark regulation and the lack of emphasis and clear reference to limits on the acquired right has left courts struggling with how to balance conflicting interests in the use of marks. This Article goes back to the source, i.e. international trademark law, in an attempt to locate the limits of trademark law, expressed or implied, and ascertain whether there exists a common understanding of when trademark protection is legitimately afforded and when it is not.

After conducting a theoretical and practical comparison of alternative approaches to balancing competing rights, this Article argues that an international common core of trademark protection is inherent in existing international rules. However, this Article concludes that this common core mandates a re-evaluation of the traditional approach to trademark interpretation. The author introduces a systemizing tool designed to aid judges in securing the realization of no more and no less than the international common core of trademark protection in the national application of trademark law.

Re-evaluation is necessary to avoid the harmful results that the traditional categorical approach produces in relation to this new group of defendants, as well as to repair the doctrinal damage incurred from forceful attempts to fit these cases into existing doctrine. The proposed systemizing framework introduces the flexible analytical tools needed to service the global marketplace in striking an adequate balance between equally important conflicting interests in society.

I. INTRODUCTION672

* IP Fellow and Visiting Adjunct Faculty at Chicago-Kent College of Law, LL.D. Candidate at the University of Turku, Finland. The author would like to thank Graeme Dinwoodie, Sarah Harding, as well as the participants in the 4th Annual Intellectual Property and Communications Law Scholars' Roundtable at Michigan State University for valuable comments on this piece.

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I. INTRODUCTION

The recent regulatory developments on the international, regional, and national level have resulted in an expansion of the rights of trademark owners. At the same time, globalization and technological development has redefined the marketplace.¹ The internet as a medium crosses borders, but also blurs the line between non-commercial and commercial use.² However, traditional trademark law only applies territorially and in a commercial setting. Likewise, extended protection for famous marks against harm to the distinctive character or reputation of the mark expands trademark protection to non-competing

¹ Instead of a mere preference for protection, “effective international protection has become essential” in the global marketplace. Graeme B. Dinwoodie, *A New Copyright Order: Why National Courts Should Create Global Norms*, 149 U. PA. L. REV. 469, 478 (2000) [hereinafter Dinwoodie 2000].

² When the system is premised on searching a vast body of material with the aid of keywords or phrases, it inevitably clashes with a law that prohibits free-riding on the reputation of another. Non-commercial uses can easily and cheaply reach a wide audience, the impact of which is more notably felt by the trademark owner. The trademark owner is therefore more likely to suffer economic harm and take action to stop such use than before.

commercial uses.³ This tendency is in contrast with the traditional view, which contends that identical marks used on dissimilar goods can peacefully coexist.⁴

Consequently, trademark disputes today involve third party defendants that have not traditionally been subject to trademark regulation. For instance, a French court held a non-degrading and non-commercial use of a famous mark infringing, since the use of the mark in newspapers without referring to it as a trademark contributed to the degradation of the distinctive character of the mark.⁵ Similarly, depicting the famous wrapping paper for “PRESIDENT” cheese on an album cover constituted unlawful exploitation of another’s reputation, although the argument was made that the use was satirical.⁶ Countless examples of domain name disputes alone show favoritism of trademark owners in cyberspace.⁷

Absent immunity for their activities within the core of trademark doctrine, the defendants have instituted what might be called a constitutional⁸ defense to infringing behavior. Defendants have primarily argued that the scope of trademark owners’ rights should be interpreted so as not to conflict with the fundamental rights⁹ of others.¹⁰ Usually defendants in trademark cases do not

³ This form of protection is known as dilution protection in the United States as well as abroad and requires a level of fame that is less than that required of well-known marks. The equivalent provision in the European Union awkwardly refers to “trademarks having a reputation.” The rest of the world generally follows one or the other.

⁴ E.g., “CINGULAR” for mobile services and “SINGULAIR” for allergy medicine.

⁵ MARTINE BLOCH-WEILL ET AL., GROUP REPORT FRANCE, AIPPI REPORTS 2005, Q 188: CONFLICTS BETWEEN TRADEMARK PROTECTION AND FREEDOM OF EXPRESSION 127 (2005) [hereinafter GROUP REPORT FRANCE] (citing Tribunal de grande Instance de Paris [TGI Paris] [Paris District Court], *Caddie/Le Figaro*, First Chamber, 1st Section (Feb. 26, 1997)).

⁶ *Id.* at 127 (citing Cour de Cassation [Supreme Court], *Caddie/Le Figaro* (Jan. 3, 1996)).

⁷ Hannibal Travis, *The Battle for Mindshare: The Emerging Consensus That the First Amendment Protects Corporate Criticism and Parody on the Internet*, 10 VA. J.L. & TECH. 3, at *4–5 (2005).

⁸ This Note uses the terms “constitutional” and “constitutionalism” to refer to the international value system that is generally manifested in national constitutions without implying that all nations have written constitutions or constitutional bills of rights, nor that national constitutions operate the same way.

⁹ This Note uses the term “fundamental rights” to refer on a general level to rights recognized as inalienable human rights and manifested nationally as constitutional rights. The latter terms are only used when referring to them in a specific context that itself demands the use of the commonly known term. While constitutional rights necessarily include the concept of human rights, some countries afford additional protection of the recognized inalienable human rights. This Note, however, speaks of fundamental rights when operating within the minimum standard of human rights protection.

¹⁰ Association Greenpeace France v. SA Sté Esso, Cour d’appel [CA] [regional court of appeal] Paris, 14th ch., Feb. 26, 2003 (Fr.), *translated in* 35 IIC 342 (2004); SA SPCEA v. Assoc. Greenpeace et al., Cour d’appel [CA] [regional court of appeal] Paris, 14th ch., Feb. 26, 2003 (Fr.), *translated in* 35 IIC 342 (2004); Association Le Réseau Voltaire pour la liberté d’expression v. Sté Gervais Danone, Cour d’appel [CA] [regional court of appeal] Paris, 14th ch., Feb. 26, 2003 (Fr.), *translated in* 35 IIC 342 (2004); Laugh it Off Promotions CC v South African Breweries Int’l 2005 (1) (CC) (S. Afr.), *available at*

directly claim that a provision of trademark law with the effect of unlawfully restricting speech is invalid,¹¹ although it has been argued that exercise of freedom of expression should be an absolute defense to trademark infringement.¹² Until recently, defendants asserting a constitutional defense have not been successful.¹³ Regardless of outcome, this line of cases raises the question of whether the interests reflected and safeguards placed within trademark law itself are sufficient to protect the fundamental rights of these “new age” defendants.

The minimum standard of international trademark protection was fixed in the TRIPS agreement, ratified by 148 countries worldwide.¹⁴ Traditionally, international agreements on intellectual property rights only address exceptions and limitations of afforded rights when and to the extent that such exceptions are not allowed.¹⁵ The language regarding limitations of trademark rights in the TRIPS agreement allows for member states to make limited exceptions to afforded rights.¹⁶ However, the only explicit rule is a limitation on *that* right; i.e., a rule prohibiting the compulsory licensing of trademark rights.¹⁷ In comparison, the rights afforded to patent and copyright holders are subject to numerous exceptions.¹⁸ Therefore, the text of the agreement concerning trademarks may create an appearance that trademark rights are less limited than other intellectual property rights.

This view was rejected by a World Trade Organization (WTO) panel, which considered the allowed limited exceptions under Article 17 in relation to protection for geographical indications. The panel concluded that unlike the corresponding articles regarding patent and copyright, Article 17 “not only refers to the legitimate interests of third parties but treats them on par with

<http://www.constitutionalcourt.org.za/Archimages/3549.pdf>. To aid the reader in finding this case, the case number is CCT 42/04.

¹¹ Two unsuccessful attempts have been made in Canada. GROUP REPORT FRANCE, *supra* note 5, at 88 (citing Source Perrier S.A. v. Fira-Less Marketing Co., [1983] 2 F.C. 18, 70 C.P.R. (2d) 61 (Fed. T.D.)); Cie générale des établissements Michelin - Michelin & Cie v. CAW-Canada (1996), (sub nom. Cie Générale des Établissements Michelin-Michelin & Cie v. C.A.W.-Canada) 71 C.P.R. (3d) 348, [1997] 2 F.C. 306 (Fed. T.D.).

¹² Lamparello v. Falwell, 420 F.3d. 309, 313 (4th Cir. 2005); *Laugh it Off Promotions*, 2005 (1) (CC) at 39.

¹³ *Id.* Similarly, U.S. First Amendment theory has been criticized for being ill-equipped to handle conflicting claims to symbols with expressive content. Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 398–99 (1990).

¹⁴ Agreement on Trade Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299 [hereinafter TRIPS]. For information on current membership, see World Trade Organization Member List, www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e/org6_e.htm.

¹⁵ Dinwoodie 2000, *supra* note 1, at 516–17.

¹⁶ TRIPS, *supra* note 14, art. 17.

¹⁷ *Id.*, art. 21.

¹⁸ *Id.*, arts. 9, 12 and 13 (copyright), and 30, 31, and 33 (patent).

those of the right holder.”¹⁹ The panel stressed the importance of interpreting Article 17 on its own terms rather than relying by analogy on previous interpretation of Articles 13 and 30, addressing allowed limitations on copyright and patent rights respectively.²⁰ The panel held that a regulation denying trademark owners the right to prohibit the use of legitimate geographical indications constituted a limited exception that adequately took account of the legitimate interests of the trademark owner and that of third parties.²¹

The silence follows the tradition of the national trademark laws of some member states that do not include express limits on acquired rights in their statutes.²² However, the national statutes all include at least implied limits, and no country has instituted a system where the right in a trademark is absolute.²³ This Note seeks to identify these expressed or implied limits, and ascertain whether there exists an international common core of trademark protection, i.e., a common understanding of when trademark protection is legitimately afforded and when it is not.

The outcome of any examination of trademark law from a fundamental rights perspective depends on the starting point. How are rights in a trademark and freedom of expression valued? One approach could be to view freedom of expression as a superior right entering into the realms of trademark law.²⁴ An individual’s freedom of expression is viewed as absolute, meaning it cannot legitimately be restricted even by legislative enactment. In this scenario, the courts act as a post-enactment safeguard against the excesses of the legislature.

Another approach could be to view trademark law as a manifestation of constitutionally protected property, which by mere enactment trumps any concerns regarding freedom of expression.²⁵ This view shows great deference to the legislature. An extreme form of this approach views any trademark interest as constitutionally protected property. In a recent case before the European Court of Human Rights, it was argued that a trademark *application* created constitutionally protectable “legitimate expectations,” which must be protected against expropriation, even if registration is subsequently rejected due

¹⁹ Panel Report, *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, WT/DS290/R, ¶ 7.649 (Mar. 15, 2005) [hereinafter Geographical Indications Panel Report].

²⁰ *Id.* I have analyzed this decision more extensively elsewhere. See Katja Weckström, *When Two Giants Collide: Article 17 and the Scope of Trademark Protection Afforded Under the Trips Agreement*, 29 LOY. L.A. INT’L & COMP. L. REV. (forthcoming 2007), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=930646.

²¹ Geographical Indications Panel Report, *supra* note 19, ¶ 7.685.

²² Traditionally, civil law countries do not include express limits on acquired rights in the statutes. Christophe Geiger, *Fundamental Rights, a Safeguard for the Coherence of Intellectual Property Law?*, 35 IIC 268, 271 (2004); Dinwoodie 2000, *supra* note 1, at 517.

²³ Geiger, *supra* note 22, at 271; GROUP REPORT FRANCE, *supra* note 5.

²⁴ Tuomas Mylly, *Intellectual Property, Fundamental Rights (and Competition Law): Do They Interoperate?*, (Intellectual Property Beyond Rights, Int’l Conf. Oct. 2004), available at <http://www.iprinfo.com/tiedostot/bQyXluA0.pdf>.

²⁵ *Id.* at 5, 7.

to opposition by a third party with prior rights to the mark.²⁶ The court agreed that an application could create legitimate expectations that merit protection.²⁷ The majority, however, rejected that this could be the case when the registration was subsequently denied as a result of statutory opposition or cancellation proceedings.²⁸ The two dissents recognized the high economic value of the applicant's expectations and would have required the actions of the Portuguese government to be weighed against this property interest.²⁹

This Note argues for a third approach, taking as its starting point two competing rights—the property rights of the trademark owners and the constitutionally protected rights of defendants—that are inherently equal.³⁰ They are balanced against each other according to the factual circumstances of each case. Since no right is unlimited, the provisions of trademark law in this setting are a manifestation of a limited right that reflects the intent of the legislature to protect a specific societal interest.³¹ In the circumstances of a concrete case, the defendant's actions either more or less squarely fall within the realm of protection the legislature sought to afford. Conversely, other societal interests, including the freedom of expression of others, weigh more heavily the further away the actions of the defendant fall from the core of protection. Subsequently, this Note refers to the realm in which trademark protection operates as the international common core of trademark protection.

First, this Note argues in Part II that an international common core of trademark protection that preserves the *legitimacy* of international trademark law can be found within existing rules. Second, the author argues in Part III(A) that this core indicates a need to restructure the traditional approach to the interpretation of trademark rules. In Part III(B), the author presents a proposal on what different interests should be given weight and how the weight given should differ depending on the circumstances of each case. The proposal is designed to ensure the legitimacy as well as the *predictability* of outcomes under the rules of trademark law.

Before inquiry into whether an international common core exists or not, one needs to look at the framework in which international trademark law operates. Although substantial agreement regarding trademark norms exists on the international level, trademark laws are still inherently territorial in nature.

²⁶ Anheuser-Busch Inc. vs. Portugal, App. No. 73049/01, 44 Eur. H.R. Rep. 42, ¶¶ 33–37, 47 (2005).

²⁷ *Id.* ¶ 47.

²⁸ *Id.* ¶¶ 48–50.

²⁹ *Id.* ¶¶ 5–8 (Costa & Cabral Barreto, JJ. dissenting).

³⁰ ROBERT ALEXY, A THEORY OF CONSTITUTIONAL RIGHTS 397, 401, 405 (Julian Rivers trans., Oxford University Press 2002); Mylly, *supra* note 24, at 5–6. All fundamental rights are interdependent and their final concretization depends on the circumstances of each case. In addition to being substantive rights, the rights are objective principles or optimization requirements. Fundamental rights are also of inter-subjective character, i.e., depending on mutual recognition. Their basic function as principles is to serve as systematization and interpretation tools not necessarily in and of themselves producing a solution. *See also* Geographical Indications Panel Report, *supra* note 19, ¶ 7.649.

³¹ Mylly, *supra* note 24, at 19.

This point is significant for two reasons. First, each country has its own system of trademark protection, concretized differently in rules of unfair competition or trademark law.³² Consequently, some countries afford stronger protection than others. However, international trademark law only sets forth minimum standards of trademark protection. This Note, therefore, is concerned with the limits on trademark protection within the minimum standard, so to speak.

Second, concrete protection is afforded on the national level and it is also here that trademark law interacts with the rest of the legal system in the circumstances of a concrete case.³³ This fact implicates two interrelated questions: (1) How is the legitimacy of the international rules of trademark law preserved within the national legal systems; and (2) do other rules of international or national law implicitly or explicitly affect the interpretation of trademark rules in practice?

II. THE INTERNATIONAL COMMON CORE OF TRADEMARK PROTECTION

A. *The Inherent Relationship Between the Global Economy and Democracy*

The purpose of this Part is to analyze different concerns with preserving the legitimacy of international trademark rules in contemporary market reality and locate ways to define the content of international trademark law. Put differently, if we elevate the legislative power to non-democratic international fora, how do the rules put forth retain their legitimacy?³⁴ This Note is based on the premise that preserving legitimacy is a two-step process.³⁵ First, it includes the acceptance of international rules by the democratically elected national legislature.³⁶ Second, the rules need to be socially acceptable, i.e., indirectly

³² Although a trademark owner can file an international application, he is still the holder of several national trademark rights if the application is approved. Therefore, in the case of infringement the general rule is that a claim is brought and decided separately in each country where infringement has occurred. The claim is usually decided under the national trademark law of the country in which the action is brought. In this sense there is no such thing as an international trademark. *See also* Dinwoodie 2000, *supra* note 1, at 532.

³³ *See also* Dinwoodie 2000, *supra* note 1, at 528–29 (regarding copyright).

³⁴ *Id.*, at 484–85, 487 (The author discusses how the preferred distribution of power between the legislature and the judiciary might produce one answer in the national context and another in the international context. If the safeguards of the national legal system are not in place, the question of access and equal opportunity to influence the lawmaking process increases in importance).

³⁵ Consequently, this approach rejects the notion that adjudicatory processes in international institutions could legitimately perform the role of shaping international trademark law. *See generally* Dinwoodie 2000, *supra* note 1, for an extensive discussion on why such an approach is not durable. Nothing in this Note should be interpreted to suggest that these processes are illegitimate, when performing their prescribed functions.

³⁶ The second stage is a necessary check on the first, since the relationship between national, regional, and international developments is increasingly complex, and national laws risk becoming mere strategic tools to influence the direction of international development. *See* Dinwoodie 2000, *supra* note 1, at 499–501. The second stage serves as a practical check that keeps the actions of the first in tune with the rest of the legal system.

legitimized by the citizenry, as evidenced by how they operate in practice within the national legal system.³⁷ National courts play a crucial role as interpreters of international trademark law between the first and second step of this process. This in turn raises the question of how to preserve the legitimacy of the decision-making process. The latter question is discussed here. As a result of completing the two-step process, and thus retaining the legitimacy of international trademark rules with the aid of a fundamental rights framework, the remaining content of those rules is what is subsequently referred to as the international core of trademark protection.

The concept of intellectual property is premised on the property-based systems of the Western world.³⁸ These countries are market economies and democracies. Although all countries of the world are not premised on these same principles, the concept of intellectual property is. Therefore, for the purposes of this Note it is presumed that the international rules of trademark law are at least implicitly, if not explicitly, premised on how they operate in the aforementioned systems.³⁹

The Western democracies share a similar conception of fundamental values and system of fundamental rights protection. While this value structure demands a certain institutional structure and a specific interpretive methodology, it is sufficiently general to allow for national derogations.⁴⁰ Nonetheless, on a general level, constitutional systems are arguably converging towards a single dominant system which points very strongly to the existence of universal principles of law.⁴¹ Similarly, this Note focuses on resolving differences, such as instances where independent national decision-making in several nations reflects similar argumentation towards the same goal, despite national differences.⁴²

³⁷ Universal Declaration of Human Rights, art. 21(3), G.A. Res. 217A, at 75, U.N. GAOR, 3d Sess., 1st plen. mtg., U.N. Doc. A/810 (Dec. 10, 1948) ("The will of the people shall be the basis of the authority of government . . .").

³⁸ David Schneiderman, *Comparative Constitutional Law in an Age of Economic Globalization*, in *DEFINING THE FIELD OF COMPARATIVE CONSTITUTIONAL LAW* 237, 242 (Vicki C. Jackson & Mark Tushnet eds., 2002).

³⁹ After all, other countries cannot be expected to adopt broader protection for intellectual property than has traditionally been afforded in any industrialized nation.

⁴⁰ Lorraine E. Weinrib, *Constitutional Conceptions and Constitutional Comparativism*, in *DEFINING THE FIELD OF COMPARATIVE CONSTITUTIONAL LAW*, *supra* note 38, at 3, 4.

⁴¹ David Beatty, *Law and Politics*, 44 AM. J. COMP. L. 131, 141–42 (1996).

⁴² For example, judges in the civil law tradition (most notably in France) are traditionally reluctant to consider and apply constitutional rights in the framework of private litigation, while judicial review is natural to a judge in the United States. Nonetheless, instances where civil law judges break the historical pattern, as has been done in several trademark cases, are on the increase. The mere fact that this difference is gradually overcome reflects the need for replacing the lack of internal limitations with external ones. *See* Geiger, *supra* note 22, at 276–78. A prerequisite for reaching this goal is that the comparative analysis has a consistent connection to the value structure, interpretive methodology, and institutional roles inherent in any constitutional framework. Thus, the structure itself limits its application and interpretation. *See* Weinrib, *supra* note 40, at 22.

In developing interpretive techniques for the protection of rights, the twofold goal of fundamental rights protection should be kept in mind. Rights aim to protect the individual from acts of the government; however, the government is also the provider of freedom and the guarantor of individual rights from oppression by others.⁴³ This Note focuses on the government's role when performing the latter function. However, some guidance can be found by way of analogy when determining the scope of protection of an individual right. As Justice Sachs of the South African Constitutional Court noted in a concurring opinion finding gripe t-shirts permissible: there is no reason why a joke against the government can be tolerated, but not one against big business.⁴⁴

No Western democracy disputes the supreme value of fundamental rights in relation to the rest of the legal system. Nonetheless, great variances can be found in how these rights are manifested and enforced.⁴⁵ This Note, however, is not concerned with how and which rights are afforded, but rather on how fundamental rights affect interpretation of existing acts, namely trademark acts.⁴⁶ How should a conflict between two apparently competing rights be resolved? A universal principle of interpretation of conflicting rights mandates that a statutory provision be given a meaning which is least destructive of other entrenched rights.⁴⁷ In trademark cases today, this abstraction is necessary to force judges to ask the forgotten question of whether protection is necessary.⁴⁸

B. Retaining Legitimacy of International Norms in Interpretation

Few scholars have attempted to analyze the relationship between international market regulation and fundamental rights. Even less frequently has substantive international law been interpreted in light of a fundamental rights framework. Schneiderman has argued that there exists among constitutional scholars a "propensity to divorce questions of international

⁴³ Jean-Pierre Thérion, *A European Perspective: Economic and Social Rights in the French Constitution*, in *DEFINING THE FIELD OF COMPARATIVE CONSTITUTIONAL LAW*, *supra* note 38, at 231, 235.

⁴⁴ *Laugh it Off Promotions CC v South African Breweries Int'l 2005 (1) (CC)* at 63-64 (S. Afr.).

⁴⁵ Ernst-Ullrich Petersmann, *Theories of Justice, Human Rights and the Constitution of International Markets* 4 (European University Institute, Florence Working Paper No. 2003/17), available at <http://cadmus.iue.it/dspace/bitstream/1814/1880/1/law03-17.pdf>.

⁴⁶ Universal principles of law determine the constitutionality of a law, not the law's text. This is the only way to determine whether a government has met its obligations to protect individual rights. *See* Beatty, *supra* note 41, at 142.

⁴⁷ Vienna Convention on the Law of Treaties, *done* May 23, 1969, 1155 U.N.T.S. 331 (1980). *See Laugh it Off Promotions*, 2005 (1) (CC) at 30, for an example of this principle being applied nationally in a non-signatory state. For an example of this principle being applied in dispute settlement proceedings of the World Trade Organization, see Appellate Body Report, *India-Patent Protection for Pharmaceutical and Agricultural Chemical Products*, WT/DS50/AB/R (Dec. 19, 1997).

⁴⁸ Geiger, *supra* note 22, at 279.

power and authority from the content of local legal rules.”⁴⁹ However, quite the opposite view was put forth by Justice Mosencke of the South African Constitutional Court in the national and practical context, finding it “trite” that the provisions of trademark law should “be understood through the prism of the Constitution” in a constitutional democracy.⁵⁰ What then is the role of constitutionalism in framing international norms and the rules of international institutions associated with economic globalization?

Like Schneiderman, Petersmann views international market regulation and fundamental rights as inseparable, inevitable consequences of one another. “Effective protection of . . . human rights protects also the ‘market forces’ of individual demand and supply of scarce goods, services and job opportunities necessary for the enjoyment of human rights, and gives inevitably rise to spontaneous emergence of ‘equilibrium prices’ coordinating demand and supply.”⁵¹ He sees the emergence of international constitutional law as natural, following the long-lasting universal recognition of inalienable human rights and focuses more on the concept of legitimacy of and compliance with international norms.⁵²

Petersmann further argues that compliance results not from the *perceived legitimacy* of international rules, but from a government’s cost/benefit analysis on a larger scale as well as the practice of “internalization” of international rules into the domestic policy-making process and laws.⁵³ Values and policies of international economic law based on abstract notions of “welfare” and “economic efficiency” must be legitimized through individual consent, equal rights, and democratic procedures. Therefore, he contends that “justice” is and should be the only objective of national as well as international law.⁵⁴ The appropriate basis for national as well as international justice is found through respect for and protection of the inalienable core of fundamental rights.⁵⁵

Geiger also argues that fundamental rights act as a correcting restraint on governments.⁵⁶ The underlying premise of the argument is that national governments cannot assign their constitutional obligations by the creation of international bodies like the WTO.⁵⁷ The obligation instead is divided in two parts: governments are obligated to protect individual rights on both the national and the international level.⁵⁸ Cohen similarly argues that we should not create such a complex system of abstract norms so as to lose sight of the

⁴⁹ Schneiderman, *supra* note 38, at 238.

⁵⁰ *Laugh it Off Promotions*, 2005 (1) (CC) at 25.

⁵¹ Petersmann, *supra* note 45, at 20. Efficiency therefore depends on the proper assignment of different rights.

⁵² *Id.* at 1.

⁵³ *Id.* at 2.

⁵⁴ *Id.* at 2–3.

⁵⁵ *Id.* at 4.

⁵⁶ Geiger, *supra* note 22, at 275.

⁵⁷ Petersmann, *supra* note 45, at 7; Mylly, *supra* note 24, at 18–19.

⁵⁸ Petersmann, *supra* note 45, at 17.

framework in which it operates.⁵⁹ A rule is therefore not legitimate merely because governments or their courts enforce it; rather it should be acknowledged that every decision-maker engages in distributing economic wealth and power.⁶⁰ A rule can only be legitimate if the consequence of this distribution leads to a socially acceptable result, which is in tune with the prevailing values of society.⁶¹

Although Posner also uses the actual consequences of a decision as the starting point for any decision-making process, he rejects the notion that decision-makers are constrained by legal, moral, or political theories.⁶² Instead, he argues that the decision-maker in a democracy is influenced by the institutional and material constraints of the legal framework.⁶³ In order to avoid erosion of his own authority, the decision-maker acknowledges his own limits in rethinking settled issues.⁶⁴ Depending on the circumstances, a pragmatic approach might call for balancing competing interests or abstaining from balancing altogether.⁶⁵

However, Posner's approach is case-specific and practical, and concerns itself mostly with the role of the judiciary within a democracy.⁶⁶ Posner's criterion for whether a decision-maker should adhere to past decisions is the practical consequences of doing so now and in the future.⁶⁷ Systemic consequences, other than maintaining predictability, generality, and impartiality are irrelevant, since the decision-maker should reach a decision that produces the best consequences for the parties.⁶⁸ On a general level, Posner's theory shows great deference to other branches of government regarding the systemic consequences of legal norms.⁶⁹

On the other hand, Posner's considerations of democratic theory are limited to the realities of the United States' democratic system, which he views as elitist,⁷⁰ and directly and purely instrumental.⁷¹ Nevertheless, he acknowledges flexibility in his theory based on the level of regulation, the

⁵⁹ Felix Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809, 811–12 (1935).

⁶⁰ *Id.* at 816.

⁶¹ *Id.* at 833, 847.

⁶² See generally RICHARD A. POSNER, *LAW, PRAGMATISM AND DEMOCRACY* (2003).

⁶³ *Id.*

⁶⁴ *Id.* at 363.

⁶⁵ *Id.* at 364.

⁶⁶ *Id.* at 1.

⁶⁷ *Id.* at 6.

⁶⁸ *Id.* at 12.

⁶⁹ *Id.* at 14.

⁷⁰ See generally *id.* An “elitist” system exists where a self-interested political elite compete for the votes of a basically ignorant electorate. Compare to a deliberative system where voters and officials are public-spirited as well as politically engaged and informed.

⁷¹ See generally *id.* Contrast “directly and purely instrumental,” where decision-making should exercise restraint in relation to other branches of government, with engaging in improving the political character, or always acting on the highest level of moral and intellectual capacity of the citizenry.

varying value of things, and the position of the defendant in contemporary political reality. Therefore, the more local the rule, the greater deference should be given to the regulator, weighing the experimental value of flexible decision-making against the harm of a single wrongful decision.⁷² Second, although some things are considered more valuable than others in the abstract, it does not follow that one thing is more valuable and therefore should be given preference in all circumstances.⁷³ Finally, it does make a difference, as a matter of practical consequences for the parties, whether a defendant holds a majority or a minority view.⁷⁴

How then do the above-mentioned arguments apply in the context of international trademark law? First, instead of relying purely on the embodied rules and principles of international trademark agreements, they should be read in a broader context, i.e., in the context of existing international law and the national laws from which they were derived. Second, the nature and purpose of international rules should be borne in mind, and the process of defining the content of the law through interpretation should reflect the limited nature of all statutory rights. Third, any contemplated decision should be weighed against the concrete consequences for the parties, especially in relation to the fundamental rights of the defendant. Fourth, adequate consideration should be given to whether the defendant's interests were represented when the rule was set forth.⁷⁵

In conclusion, the global economy, as well as protection of fundamental rights, requires constant regulation and redistribution of rights to prevent market failure. This never-ending adjustment task cannot be tied to any one value in a constitution, but to the constitutional framework of democracy and a functioning market economy.⁷⁶

C. *A Practical Review of the Inherent Limitations on the Statutory Rights of the Trademark Owner*

1. *Limitations Within Trademark Law*

Common law countries explicitly regulate both causes of action and defenses. Civil law countries, however, rarely include express limitations in their trademark statutes. This does not mean that the afforded rights are intended to be unlimited.⁷⁷ For historical reasons, the civil law tradition is reflected in international intellectual property regulation.⁷⁸ The strong negotiating power of the United States in recent years, which has sought to mirror the substantive level of protection to that of its national laws, has greatly

⁷² *Id.* at 371.

⁷³ *Id.* at 374.

⁷⁴ *Id.* at 365 and 377.

⁷⁵ Dinwoodie 2000, *supra* note 1, at 576–78.

⁷⁶ Petersmann, *supra* note 45, at 38.

⁷⁷ Geiger, *supra* note 22, at 270–72.

⁷⁸ Until the end of the 1980s, the United States had not joined most international intellectual property agreements.

influenced international intellectual property regulation. In the United States, however, the interests of competition as well as the consumers are protected as entrenched constitutional rights. Thus, in a sense, they remain constant and equally present, regardless of the expansion of protection for owners of intellectual property. In contrast, civil law countries need to actively consider striking a balance, and then take appropriate action. When, as in trademark law, however, the statute is based on implied limitations, consideration has largely been neglected.⁷⁹

The implied limitations of trademark law can be found in the practice of restricting protection to instances of (1) use of a mark in the course of trade,⁸⁰ (2) use of a mark as a trade mark,⁸¹ and (3) use of a mark for commercial gain.⁸² However, in the era of strong protection for intellectual property rights, each of these exceptions has been interpreted narrowly by courts in favor of the trademark owner.⁸³ Furthermore, the weight and scope of these exceptions in relation to dilution protection is unclear.

2. *Limitations Outside Trademark Law—A Comparative Approach*

a. *Laying the Foundation for an Issue-Based Comparison*

Unfair competition rules as well as international and regional trade rules, impose restrictions on trademark owners' use of their exclusive right. Increasing reference to the fundamental right of freedom of expression—be it political or artistic—has occurred in trademark cases. As mentioned above, until recently, claims have not succeeded when the defendant's activities have been of a commercial nature. Below follows a brief comparative analysis of adopted approaches to balancing of fundamental rights in selected cases from France, South Africa and the United States.⁸⁴

Before looking more closely at the cases, a brief excursion into the law of freedom of expression is warranted. Although protected in all Western democracies, there are differences in how, to what extent, and to whom protection is afforded. This time, the dividing line can be drawn between European democracies and other Western democracies.⁸⁵ The European

⁷⁹ Geiger, *supra* note 22, at 273.

⁸⁰ When, for instance, the infringing user is a business seeking to use the mark to promote the sale of its products.

⁸¹ When, for instance, the infringer uses the trademark affixed to or in connection with a product.

⁸² When, for instance, the infringer uses the mark to gain financially. Compare to French cases below, where the trademark owner contends that the use is infringing because the defendant is a commercial enterprise. *See also* Travis, *supra* note 7, at *17–22.

⁸³ Geiger, *supra* note 22, at 273–74. The mere existence of a legal concept that could be interpreted as a safeguard is meaningless, if in practice it is interpreted to the detriment of the purported goal. *See* Cohen, *supra* note 59, at 815–17, 838.

⁸⁴ The decisions all find in favor of the defendants on account of their freedom of expression. A large number of cases all over the world find similar uses infringing. These cases do not balance fundamental rights, but find that the infringing use does not enjoy protection. Therefore, they are of no avail for the present purposes.

⁸⁵ New democracies around the world have generally adopted an American or European democratic model.

countries are governed by the European Convention of Human Rights, which affords protection for freedom of expression in Article 10, as well as authorizes limitations of that freedom: (1) in certain circumstances; (2) when necessary; and if so, (3) by legislative action. Limitations for reasons other than those expressly stated are not allowed.⁸⁶

For the purposes of this Note, it suffices to emphasize that freedom of expression includes the freedom to receive and impart information and ideas without interference, unless proscribed by law as necessary in a democratic society for the protection of the reputation or the rights of others. In its case law, the European Court of Human Rights has not balanced the right against the public interest of restricting it.⁸⁷ Rather, it has scrutinized the legislative action for sufficient reason to warrant interference with the protected right.⁸⁸ The principle of proportionality further commands that the interfering act is proportional to the aim sought. The nature and severity of the penalties imposed are relevant in this assessment.⁸⁹ Lastly, a norm cannot be regarded as “law” unless it is sufficiently precisely formulated, so that a citizen can reasonably foresee the consequences of a given action and thus is able to regulate his conduct.⁹⁰ National courts in Europe, however, are still not used to directly considering and applying substantive rights in private litigation even though such decisions are on the increase.⁹¹

By contrast, the United States’ legal system is infused by the concept of constitutional rights, and all courts can, and do, exercise judicial review, including the balancing of fundamental rights. As mentioned above, the defenses warranted by the First Amendment are expressly stated in the Lanham Act. Even so, until recently courts have been surprisingly reluctant to consistently allow a defense based on the right of freedom of expression in the digital environment.⁹²

Under the doctrine of “initial interest confusion,” the trademark owner can prevail regardless of consumer confusion, by the mere fact that the consumers, who ended up at the defendant had initially sought the plaintiff.⁹³ The original rationale targeted a form of free-riding that lured consumers to the defendant’s place of business by use of a confusingly similar mark in advertising.⁹⁴ When

⁸⁶ Convention for the Protection of Human Rights and Fundamental Freedoms art. 10, Nov. 4, 1950, 1950 WL 36092.

⁸⁷ See also H.R. REP. NO. 106-412, at 10 (1999); *Lamparello v. Falwell*, 420 F.3d 309, 319 (4th Cir. 2005).

⁸⁸ *Fressoz v. France*, App. No. 29183/95, 31 Eur. H.R. Rep. 2 (1999). See also *Anheuser-Busch Inc. v. Portugal*, App. No. 73049/01, 44 Eur. H.R. Rep. 42, ¶¶ 50–51 (2005); Roger Errera, *The Freedom of the Press: The United States, France, and Other European Countries*, in CONSTITUTIONALISM AND RIGHTS: THE INFLUENCE OF THE UNITED STATES CONSTITUTION ABROAD 71–74 (Louis Henkin & Albert Rosenthal eds., 1990).

⁸⁹ *Skalka v. Poland*, App. No. 43425/98, 38 Eur. H.R. Rep. 1 (2003)

⁹⁰ *Sunday Times v. United Kingdom*, App. No. 6538/74, 2 Eur. H.R. Rep. 245 (1979)

⁹¹ Geiger, *supra* note 22, at 277.

⁹² Travis, *supra* note 7, at *17–36.

⁹³ *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382 (7th Cir. 1996).

⁹⁴ See Travis, *supra* note 7, at *26–28.

extending this rationale to cyberspace, the use of trademarks or confusingly similar words in meta-tags and domain names has been enjoined.⁹⁵ In the digital environment, however, competitors, non-competitors and private citizens are indistinguishable if weight is not given to the context of the use of the mark.

This Note does not attempt to discuss whether the exclusive right in a trademark enjoys constitutional protection as property.⁹⁶ Rather, the focus is on drawing the line between when protection is warranted to the detriment of the rights of others, and when it is not. Inquiry into where the protection originally stems from does not further this goal, since any interest of the legislature in affording protection is already manifested in the trademark statute. Thus, giving the legislature's intent additional weight implies intent to raise this right above others, which is inconsistent with the principle of equality. Taking the statute as a starting point confines the reach of the limitation of the rights of others to its constitutional bounds, and consequently within the legislature's power. After all, a fundamental right can only be subject to the restrictions necessary for the protection of the rights of others.⁹⁷

b. France—Criticizing Exxon, Areva, and Danone

A French appeals court has approached the issue of balancing the trademark rights of Exxon, the French Atomic Energy Commission, and Danone against the right of freedom of critical expression by Greenpeace and the Voltaire Freedom of Expression Association.⁹⁸ While all uses in these cases occurred on the internet, Greenpeace had depicted alterations of the plaintiffs' marks on its website, while the Danone case concerned use of the plaintiff's mark in domain names in "I boycott TM"-format.⁹⁹ The court noted that it was

⁹⁵ *Id.*

⁹⁶ Furthermore, regardless of one's view on the matter, the question is not relevant. After all, constitutional protection of property, like any other constitutional right, is not absolute and is subject to limitation under the same rules as other rights. *Anheuser-Busch Inc. v. Portugal*, App. No. 73049/01, 44 Eur. H.R. Rep. 42, ¶¶ 48-53 (2005).

⁹⁷ Universal Declaration of Human Rights, *supra* note 37, art. 30; Convention for the Protection of Human Rights and Fundamental Freedoms, *supra* note 86, art. 10(2).

⁹⁸ *Association Greenpeace France v. SA Sté Esso*, Cour d'appel [CA] [regional court of appeal] Paris, 14th ch., Feb. 26, 2003 (Fr.); *Association Le Réseau Voltaire pour la liberté d'expression v. Sté Gervais Danone*, Cour d'appel [CA] [regional court of appeal] Paris, 14th ch., Feb. 26, 2003 (Fr.). The original decisions are available at www.juriscom.net. English translations of the summarized court opinions are available in 35 IIC 342-45 (2004). In the first two cases, the appeals regarded an interim injunction. In the main hearing of the *Areva* case, the District Court found the continuing systematic psychological association with the devil excessively critical and enjoined Greenpeace's use. *Sté AREVA c/ Association Greenpeace France, Association Greenpeace New Zealand et SA Internet FR*, Tribunal de grande instance [T.G.I.] [ordinary court of original jurisdiction] Paris, 3e ch., 2e section, (July 9, 2004). An appeal is pending. However, Greenpeace was victorious against ESSO, and ESSO's appeal was dismissed on November 16, 2005. *Esso c/ Greenpeace*, Cour d'appel [CA] [regional court of appeal] Paris, 4e ch., Section A (Nov. 16, 2005).

⁹⁹ Greenpeace had depicted alterations of the plaintiffs' trademarks on its website "STOP E\$\$O," and Areva's mark with horns of the devil on the A. The Danone case concerned the domain names jeboycottedanone.net and jeboycottedanone.com. Greenpeace had also used ESSO in the source code for its web-site.

obliged not only to evaluate the seriousness of the alleged acts, but also to determine whether the requested legal measures against the acts, in the present circumstances, were appropriate. Therefore, the court did not proceed to inquire whether the acts were infringing, but to what extent they were permitted. The court noted that although the freedom of expression is not absolute, the speaker is entitled to choose whatever form to denounce someone's activities it feels appropriate to the objective pursued. After emphasizing that this right can only be restrained to the extent necessary for the protection of the rights of others, the court went on to evaluate the actions of the defendant.

The Greenpeace court noted that the context of the use (1) clearly showed the intention to denounce plaintiff's activities, (2) without misleading the public about the identity of the author of the message, (3) and was clearly not intended to promote the goods or services of the defendant, (4) nor was the use otherwise normal in ordinary business life.¹⁰⁰ Furthermore, the court noted that the acts complained of could be the object of compensation after the proceedings, and therefore interlocutory measures were not required.¹⁰¹

The Danone court, like the Greenpeace court, made note of the four above-mentioned factors. In addition, the court noted that reference to the plaintiff's mark was necessary to show the political or polemical nature of the message and that the defendant had "established their activities within the framework of a strict exercise of their freedom of expression while respecting the rights of the [plaintiff], whose products were not disparaged."¹⁰²

c. South Africa—Parodying Carling Label Beer on T-shirts

Similarly, the Constitutional Court of South Africa reversed a judgment finding tarnishment of plaintiff's well-known trademark on account of the defendant's exercise of freedom of expression.¹⁰³ The plaintiff sold beer under the Carling Black Label Beer trademark and used the slogans "Enjoyed by men around the world" and "America's Lusty, Lively Beer" on its label. The defendant altered the logo to read "Black Labour" surrounded by "White Guilt," "Africa's lusty, lively exploitation since 1652," and "No regard given worldwide," and sold t-shirts bearing the altered mark.¹⁰⁴ The marketing took place on the internet.¹⁰⁵

The court found that the lower court incorrectly approached the case: inquiring first whether the acts amounted to infringement, and only after finding infringement asking whether the defendant's constitutional right of

¹⁰⁰ *Association Greenpeace France*, 35 IIC at 343. Note how the court refers to one of the implied limits of trademark law: use in the course of trade.

¹⁰¹ *Id.*

¹⁰² *Assoc. Le Réseau Voltaire pour la liberté d'expression*, 35 IIC at 345.

¹⁰³ *Laugh it Off Promotions CC v South African Breweries Int'l 2005 (1) (CC) at 40 (S. Afr.)*.

¹⁰⁴ *Id.* at 7–8. The defendant also sold t-shirts with similar alterations of other well-known marks such as Coca-Cola, Kentucky Fried Chicken, Shell, e-tv, Standard Bank, Diesel, McDonald's, Virgin, National Lottery, and Lego. Only Standard Bank had (unsuccessfully) litigated against the defendant.

¹⁰⁵ *Id.* at 7.

freedom of expression afforded justification for it.¹⁰⁶ The court held that a finding of infringement hinges on whether the expression at issue is constitutionally protected or not. If the expression is constitutionally protected, what is allegedly unfair or detrimental must be weighed against the competing claim of freedom of expression.¹⁰⁷ The trademark statute should be given “a meaning which is the least destructive of other entrenched rights”¹⁰⁸

The court noted that merely unpopular speech could not have been targeted by the trademark legislation, since this would amount to censorship of certain speech. Thus the speech itself and the common understanding of it do not constitute proof of harm for the purposes of dilution protection. The legislator must instead have intended to protect the selling power of the mark against economic detriment.¹⁰⁹ A party that wishes to restrict constitutionally protected expression must show a likelihood of substantial economic detriment.

The court declined to consider the issue of whether a parody constitutes fair use of a trademark, and expressly rejected United States’ First Amendment doctrine on that issue. Instead, the court emphasized that all speech is protected under the South African Constitution and may be restricted only in a way constitutionally authorized. No category of protected speech enjoys special protection.¹¹⁰

d. United States—Expressing Opposing Views to Those of Reverend Falwell

A shift in court practice in the United States is in the air as well.¹¹¹ The United States Court of Appeals for the Fourth Circuit recently reversed the judgment of the lower court that had found a gripe site infringing.¹¹² The defendant had created a website (www.fallwell.com) to respond to and criticize the views of a nationally known television minister, the late Reverend Jerry Falwell.¹¹³ Although other courts have dismissed similar claims on similar grounds,¹¹⁴ this case is significant because a shift in favor of free speech concerns is notable in the way the court construed its own precedents. The court also explicitly rejected the digital branch of “initial interest confusion” theory that had developed in some courts, contrary to what the Ninth Circuit

¹⁰⁶ *Id.* at 26.

¹⁰⁷ *Id.* at 26–27.

¹⁰⁸ *Id.* at 30.

¹⁰⁹ *Id.* at 34.

¹¹⁰ *Id.* at 40.

¹¹¹ Travis, *supra* note 7, at *38.

¹¹² Lamparello v. Falwell, 420 F.3d 319 (4th Cir. 2005).

¹¹³ *Id.* at 312.

¹¹⁴ See Travis, *supra* note 7, at *38–42 (discussing Bally Total Fitness Holding Corp v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998) (comparing the purposes of the different sites); Taubman Co. v. Webfeats, 319 F.3d 770 (6th Cir. 2003) (protecting speech no matter how critical of business, when there is no confusion); TMI, Inc. v. Maxwell, 368 F.3d 433 (5th Cir. 2004) (holding that dilution protection does not extend to non-commercial speech on the internet); Nissan Motor Corp., v. Nissan Computer Co., 378 F.3d 1002 (9th Cir. 2004) (protecting disparaging commercial speech on the internet)).

initially had intended in *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*¹¹⁵

The court held that an allegedly infringing use should always be examined “in the context in which it is seen by the ordinary consumer.”¹¹⁶ Similarly, “a court should not consider how closely a fragment of a given use duplicates the trademark, but must instead consider whether the use in its entirety creates a likelihood of confusion.”¹¹⁷ Like the South African court, the U.S. court emphasized that the mere fact that “speech is critical of a corporation and its business practices is not . . . sufficient . . . to enjoin the speech.”¹¹⁸

e. Comparative Conclusions

The South African Constitutional Court was the only court that actually engaged in comparative analysis on constitutional as well as trademark issues. All of the courts examined approached the issue from a balancing perspective, although the U.S. court was assessing the case in relation to the ordinary test of infringement, unlike the French and South African courts which found the fact that the use constituted constitutionally protected expression exceptional. The latter courts expressly indicated that a stricter test applied when protected expression was being restricted.¹¹⁹ It is hard to say if the U.S. court gave greater weight than they ordinarily would have given to the constitutional nature of the use, or if it was the resulting effect (or lack thereof) of the defendant’s use, that tilted each of the factors in the infringement test in the defendant’s favor.

Not surprisingly, the burden in the U.S. court seemed to be on the defendant to prove that its acts constituted constitutionally protected speech. The French and South African courts did not, however, directly address the issue. Rather they seemed to regard the question as one of law, which was to be determined by the court’s assessment of the facts of the case, not necessarily as presented to it by the parties.¹²⁰ Both approaches seem to leave adequate room for addressing constitutional issues in trademark cases. The U.S. approach, however, seems somewhat more vulnerable to undue restriction of a fundamental right, since the defendant’s failure to argue its case properly or persuasively might lead to the accordance of constitutionally undue benefit to the plaintiff. The systemic consequences of a series of decisions of this nature are felt today worldwide; when unchecked, expansive interpretation of

¹¹⁵ *Brookfield Commc’ns, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036 (9th Cir. 1999).

¹¹⁶ *Lamparello*, 420 F.3d at 316 (citing *Anheuser-Busch, Inc. v. L. & L Wings, Inc.*, 962 F.2d 316, 319 (4th Cir. 1992); *What-A-Burger of Va., Inc. v. WHATABURGER, Inc.*, 357 F.3d 441, 450 (4th Cir. 2004)).

¹¹⁷ *Lamparello*, 420 F.3d at 316 (citing *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001)) (emphasis omitted).

¹¹⁸ *Id.* at 318 (citing *CPC Int’l. Inc. v. Skippy, Inc.*, 214 F.3d 456, 462 (4th Cir. 2000)).

¹¹⁹ *Laugh it Off Promotions CC v South African Breweries Int’l* 2005 (1) (CC) at 26-27 (S. Afr.).

¹²⁰ *Id.* at 10, 12-13 (discussing the meaning of the message and the South African High Court’s inquiry into whether the message was disparaging).

trademark rights has led to encroachment on all other rights. Lastly, the courts seemed to agree that trademark protection is not intended to protect the dignity of the business, but the commercial value of the trademark in relation to their products.

D. National Courts as Necessary International Laboratories

Since the Universal Declaration of Human Rights of 1948, human rights have been reaffirmed in more than one hundred treaties by most nations worldwide.¹²¹ Petersmann argues that this history alone has turned human rights (at least the most frequently cited rights) into constitutional obligations on all 191 UN Member states.¹²² Substantive regulation of trademark law on the international level dates back to 1883, when the Paris Convention was signed.¹²³ However, the more recent TRIPS agreement, which is part of the agreements establishing the WTO, has had a far broader harmonizing effect in its 148 member states, due, in main part, to its efficient enforcement provisions.¹²⁴ As mentioned above, it should be noted, though, that Western democratic nations generally afford greater trademark protection than mandated by the minimum standards of international trademark law.

How then does the grant of a privilege in the form of an intellectual property right affect the state's duty or ability to promote recognized human rights? The UN High Commissioner for Human Rights' report argues that whatever the balance struck between public and private interests in intellectual property, the balance should not work to the detriment of *any* recognized human right.¹²⁵ Furthermore, the report recognizes two steps in determining whether the TRIPS agreement promotes human rights. First, the agreement itself "must be assessed for compatibility with a human rights approach," and second, "the implementation of the Agreement must be assessed . . . to determine the effects of the Agreement on human rights in practice."¹²⁶ While

¹²¹ Adopted and proclaimed by the Universal Declaration of Human Rights, *supra* note 37.

¹²² Petersmann, *supra* note 45, at 4. For current data on membership of the United Nations see <http://www.un.org>.

¹²³ Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, 21 U.S.T. 1583, T.I.A.S. No. 6923 (revised July 14, 1967), 1883 WL 18944. There are currently 169 signatory states as of Nov. 4, 2005. For current data on membership, see http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=2.

¹²⁴ TRIPS, *supra* note 14. See U.N. Econ. & Soc. Council [ECOSOC], Report of the High Commissioner, *The Impact of the Agreement on Trade-Related Aspects of Intellectual Property Rights on Human Rights*, at 4, E/CN.4/Sub.2/2001/13 (June 27, 2001) [hereinafter Report of the High Commissioner] (stating that the "comprehensive rules governing . . . protection . . . are subject to international legal interpretation and enforcement through an effective dispute settlement mechanism.")

¹²⁵ Report of the High Commissioner, *supra* note 124, at 5–6. It should be noted that the report argues for recognition of rights (right to health and right to development) that are arguably outside the inalienable core of human rights.

¹²⁶ *Id.* at 6.

the report focuses on the former, this Note focuses on the more indirect latter step.

Some general guidance for interpretation can be found in the objectives of the TRIPS agreement, which recognizes a need to balance competing interests in society and emphasize that nothing in the agreement is intended to allow for rights afforded to themselves become illegitimate barriers to trade.¹²⁷ Unlike agreements regarding other forms of intellectual property, the TRIPS agreement does not contain any explicit limitations on trademark rights (other than allowing for limited exceptions).¹²⁸ As discussed above, international agreements tend to focus on broadly defining what the member states must and cannot do.¹²⁹

The absence of specific guidance necessitates a higher level of abstraction. According to the Vienna Convention on the Law of Treaties,¹³⁰ all treaties are to be interpreted in good faith in light of their object and purpose as well as in a way so as to avoid conflict with other norms of international law.¹³¹ Thus, the international economic dimension could act as a conditioning framework for constitutionalism and vice versa.¹³² Since a treaty is to be interpreted narrowly and according to the ordinary meaning of its text, there is no room for *e contrario* conclusions in international law. The absence of expressed limits merely means that the issue was not addressed.¹³³ This in turn leads the interpreter to look to practices within member states.

Dinwoodie argues that development of international intellectual property rules on the national level—more specifically, through private litigation—is preferred to the development taking place in international fora.¹³⁴ National decision-making is fast, flexible, efficient, and thus more apt to keep up with technological advancement and social change. Furthermore, national courts are less likely to be trapped in a narrow trade-related frame of mind, since they naturally apply trade regulation as part of a complete legal system. Nor are cases in private litigation as likely to be affected by political interests.¹³⁵

¹²⁷ TRIPS, *supra* note 14, at art. 7.

¹²⁸ Geiger, *supra* note 22, at 271; Dinwoodie 2000, *supra* note 1, at 516–17.

¹²⁹ See Part I.

¹³⁰ Vienna Convention, *supra* note 47. Although not all members of the United Nations or WTO are signatories to the Vienna Convention, its provisions nonetheless apply to those members who are signatories of the Convention (Art. 3(c)). The Vienna Convention also codifies some rules of customary international law on interpretation of treaties that are binding on all nations, and its rules are frequently applied, for example, by WTO panels in dispute settlement proceedings. Some Western democracies are signatories to the Convention and are therefore bound by all of its provisions in interpreting the TRIPS agreement.

¹³¹ Vienna Convention, *supra* note 47, art. 31.

¹³² Petersmann, *supra* note 45, at 14.

¹³³ Dinwoodie 2000, *supra* note 1, at 516–17.

¹³⁴ *Id.* at 474–75; Graeme B. Dinwoodie, *The Development and Incorporation of International Norms in the Formation of Copyright Law*, 62 OHIO ST. L.J. 733, 735 (2001) [hereinafter Dinwoodie 2001].

¹³⁵ Dinwoodie 2000, *supra* note 1, at 474–75, 569, 577–79; Dinwoodie 2001, *supra* note 134, at 766, 772, 775, 781.

While the results of national courts are not formally binding on other nations, they function as international laboratories producing results that gain international legitimacy through the persuasiveness of the rule that is set forth. Each decision is tested by the force of its own argument in justifying the chosen approach.¹³⁶ It is imperative that this test occurs in the context of local analysis by another court.¹³⁷ Critical scrutiny of foreign decisions, including testing, analyzing, distinguishing, rejecting, and borrowing, is an essential part of the development of a legitimate body of international law.¹³⁸ Thus, rather than being binding, the developing body of international law is premised on the law of reason.¹³⁹

The level of persuasiveness depends on both the issue to be decided and the degree of conflict with international law. On the other hand, the lack of consensus on one issue of trademark protection does not preclude the influence of international law on another related issue.¹⁴⁰ National courts engage in an international dialogue that “neither undermines local authority nor disconnects legal analysis from its local origins”; on the contrary, the dialogue is essential to the authority of the rule itself.¹⁴¹ The analysis simply adds an international dimension to the national analysis—after all, international law and policy is the origin of the rules of national trademark law today. Awareness of the similarities and differences in the national systems is therefore essential to any endeavor seeking an international core of trademark protection.

As mentioned above, although formally recognized by all Western democracies, the concrete protection of fundamental rights within national legal systems varies greatly from one country to another. Some countries afford protection through various forms of judicial review; others afford protection passively relying on government bodies to secure the distribution of rights equally among its citizens. Still others allow for judicial review, but have no case law in practice.¹⁴² Does this mean that states without judicial review, where the scope of each right therefore is less refined, are less obligated to secure the ‘core’ human rights of its citizens?

This Note argues that the opposite should be presumed; absent an equally fundamental public interest against protecting fundamental rights in a specific

¹³⁶ Beatty, *supra* note 41, at 145.

¹³⁷ Sarah K. Harding, *Comparative Reasoning and Judicial Review*, 28 YALE J. INT’L L. 409, 427 (2003).

¹³⁸ *Id.* at 424–25.

¹³⁹ Dinwoodie 2000, *supra* note 1, at 550–52, 570.

¹⁴⁰ *Laugh it Off Promotions*, at 33.

¹⁴¹ Harding, *supra* note 137, at 464. Harding also states that “the point . . . [is] to broaden the scope of analysis on the use of foreign law, to understand the larger context of decision-making in which the use of foreign law is just a piece, and through such larger context to determine whether connected concerns about legitimacy, certainty, coherence, and utility are valid.” *Id.* at 461.

¹⁴² For a concise overview of judicial review in some Western democracies see Louis Favoreu, *Constitutional Review in Europe*, in CONSTITUTIONALISM AND RIGHTS: THE INFLUENCE OF THE UNITED STATES CONSTITUTION ABROAD, *supra* note 88, at 38; VICKI C. JACKSON & MARK TUSHNET, COMPARATIVE CONSTITUTIONAL LAW 490–91 (1999).

instance, citizens of the world are equally protected under international law. This approach allows for constitutionalism to serve the purpose of framing the rules and institutions associated with economic globalization without the requirement of specific unitary action of national governments.¹⁴³ Instead of being constrained by the text of a statute or the absence of an adequate rule, the judge is constrained by the international legal framework in seeking to strike an appropriate balance in accordance with the rules set forth by it.¹⁴⁴ There is no reason why the law should be helpless when society or conduct changes in an unpredictable way.¹⁴⁵ After all, fundamental rights are not unlimited in application.

Rather, on the international level, fundamental rights can be viewed as social obligations, as duties on national lawmakers to those they represent.¹⁴⁶ The product of the legislature—in this case a trademark act or provision—is thus tested against standards of necessity and consistency in view of alternative policies.¹⁴⁷ Thus, citizen-equality is the goal. The principle of rationality mandates that the lawmaker choose a means that interferes with individual rights no more than necessary in order to pursue a social good. The principle of proportionality, on the other hand, mandates the lawmaker to achieve an end that is consistent with how similar interests have been treated in the past.¹⁴⁸ Access to justice is thus guaranteed to minorities, who cannot exert influence in the political process on the international level.

However, when balancing fundamental rights against each other, rights can be viewed as optimization requirements. The standards thus take on the

¹⁴³ Schneiderman, *supra* note 38, at 240, 243.

¹⁴⁴ POSNER, *supra* note 62, at 363. This Note views the legal framework somewhat differently than Posner. First, Posner refers solely to the U.S. system and the judge's role in it. The judicial role worldwide differs remarkably from its U.S. counterpart. Rather than attempting to define the judicial role in a system, this Note merely argues that the judge is bound by the rule of law when applying international rules in a new, previously undefined setting. Second, Posner's theory is premised on judicial deference to the other branches of a democratic government. The international organs are, however, not democratic. Furthermore, the "legislative" branch, consisting of representatives of all nations that must reach consensus to take legislative action, is far too inefficient to serve as the corrective organ Posner envisions, where the democratic process works at its best. Third, Posner's theory presupposes the existence of a complex, but nonetheless unitary legal framework. This does not exist on the international level if the binding general principles of international (and national) law are not allowed to be given concrete effect in national courts. Posner also recognizes the exceptional nature of interest analysis when weighing constitutional rights; since the Constitution is so hard to amend, the consequences of a bad decision are therefore far graver. However, the primary focus should still be on the case-specific rather than systemic consequences, and the cost-benefit analysis should be based on long-run as opposed to short-run social costs and benefits. It should be noted that cost-benefit analysis is only used as a tool to the extent that it helps the judge identify and weigh the consequences of alternative decisions. *See also* Petersmann, *supra* note 45, at 2–4.

¹⁴⁵ POSNER, *supra* note 62, at 375.

¹⁴⁶ Beatty, *supra* note 41, at 147 (arguing that the focus should not be on a sphere of protection for individual rights).

¹⁴⁷ *Id.* at 147–48.

¹⁴⁸ *Id.* at 149.

form of negative criteria, which do not lead to answers, but rather to the exclusion of incorrect ones.¹⁴⁹ Some solutions present themselves naturally as a choice in favor of the Pareto-optimal.¹⁵⁰ Some present a true conflict that requires the assessment of (1) the degree of non-satisfaction of a right; (2) the degree of importance of the rights in question; and (3) their relationship to each other.

Alexy summarizes his point in two laws of balancing. First, “The greater the degree of non-satisfaction of, or detriment to, one principle, the greater must be the importance of satisfying the other,” and second, “The more heavily an interference in a constitutional right weighs, the greater must be the certainty of its underlying premisses [sic].”¹⁵¹ These laws reflect the twofold nature of fundamental rights; they serve both as a qualitative foundation and a framework for decision-making.¹⁵²

How then, and in what state of mind, should one go about balancing interests in international trademark law? Glenn identifies the starting point for our endeavor:

Multivalent thinking tells you to keep in mind the sources of conflict, that is, the large, inconsistent principles, the sources of alleged incommensurability. . . . Multivalent thinking tells you . . . that these opposing principles really only serve to define the field of play. They tell you where to find the middle ground, and there is always a middle ground. To find the middle ground you need more information. You need the detailed information which disintegrates boundaries (it’s just like quantum physics) It is an instrument which deals, not with the conflict of laws (they are disintegrated), but with the conciliation of laws, conciliation being a primary feature of multivalence.¹⁵³

III. THE NEED TO RESTRUCTURE TRADITIONAL THINKING

A. *Competing Interest Groups in the Market and Society’s Interest in Protecting Them*

Western democracies differ in their legislative approaches to trademark protection. Some countries, mainly common law countries, see trademark law

¹⁴⁹ ALEXY, *supra* note 30, at 398–99.

¹⁵⁰ *See id.* (discussing how Pareto-optimal is a decision that advances a goal to the detriment of no other).

¹⁵¹ *Id.* at 102, 401, 418.

¹⁵² *Id.* at 393–94 (“What is commanded by the constitution is constitutionally necessary, what is prohibited by the constitution is constitutionally impossible, and what has been left free by the constitution is on account of the constitution neither necessary nor impossible, that is, it is constitutionally merely possible.”). Constitutional discretion lies within the realm of the merely possible, and conversely the limits on that discretion are set by what the legislature is prohibited from doing and commanded to do. Compare to Beatty, *supra* note 41, at 147 (stating that courts pose no threat to legislative autonomy when invalidating a law on the basis that it infringes a fundamental right, since it is not within the discretion of the legislature to pass such laws).

¹⁵³ H. PATRICK GLENN, *LEGAL TRADITIONS OF THE WORLD* 360, 362 (2d ed. 2004).

as part of the larger field of unfair competition law, and clearly state all actions as well as their defenses in legislation. The civil law tradition is somewhat more complex, since it tends to generate specific fields of law around a single statute, each striking a balance between different policy considerations.¹⁵⁴ This approach creates a more fragmented legal system that is nonetheless reconciled through a method of statutory interpretation that emphasizes the same general principles of law throughout the legal system.

This Note focuses on evaluating how the constitutional interests of a new group of defendants—those using a trademark for informative purposes—are reflected in contemporary trademark law. For the purposes of this Note, informative use of a trademark is defined as referring to something using its known name. Informative uses bring questions of trademark law into play when businesses or private persons inform consumers. A business might utilize another's trademark when describing their product, its characteristics or use, or in the realm of comparative advertising. These uses are generally permissible as long as the use is in accordance with honest business practices.¹⁵⁵

As noted above in Part II(C), a relatively new form of informative use, where societal interest groups use trademarks in order to criticize the trademark owner's products or activities, has recently been subject to trademark litigation in several countries.¹⁵⁶ Unlike ordinary criticism, which is ordinarily exempt from the scope of trademark rights, it has been argued that these uses fall within the scope of trademark law since the users engage in economic activities, although not necessarily for profit. Likewise, expression, whether purely critical or artistic, by private individuals on the internet has been increasingly targeted by trademark owners. Some courts have extended the traditional doctrines of trademark infringement to accommodate these new forms of use, while others refer to the implicit limits of trademark law in refusing to do so.¹⁵⁷

How do these cases fit within the traditional framework of trademark protection? Where is the line between lawful exercise of an exclusive right (even if the defendant prevails) and abuse of an acquired right that is trademark

¹⁵⁴ Errera, *supra* note 88, at 63.

¹⁵⁵ Compare Lanham Act, 15 U.S.C § 1115(b) (2000) (statutory defense) with Council Directive 89/104/EEC, art. 6.1(c), 1989 O.J. (L 040) 1, 5 (EC) (on approximating the trademark laws of the Member States).

¹⁵⁶ See Travis, *supra* note 7, at *5–17; GROUP REPORT FRANCE, *supra* note 5, at 128.

¹⁵⁷ See Travis, *supra* note 7, at *17–36 for an overview of the case law in the United States regarding trademarks versus free speech interests in cyberspace. He lists four avenues of interpretive extension of trademark protection that courts have utilized in order to find infringement. First, the requirement of a finding of commercial activity has been eroded by, for example, finding that an offer to sell a domain name to a trademark owner constitutes commercial use. Second, loosening the standard of consumer confusion has allowed relief against momentary confusion without impact on any purchasing decision. Third, the flexible expansion of the theory of initial interest confusion to non-competing uses has allowed trademark owners to prohibit any attempt to gain the attention of consumers with the aid of trademarks in cyberspace. Finally, the dilution provision has been interpreted to prohibit creating any negative associations with a trademark.

misuse? The answers to these questions present themselves when reviewing what societal interest trademark statutes are designed to protect.

The societal interest behind the protection of trademarks and other intellectual property rights is to maximize wealth by producing what consumers want at the lowest cost. Hovenkamp, Janis and Lemley argue that the protection afforded to reach this economic goal sometimes generates unwarranted market power, which makes it possible to use the right to interfere with competition.¹⁵⁸ Antitrust law does not, however, reach trademark law, for example, as it counterbalances patents and copyrights through licensing restrictions. This is partially because trademark misuses do not as concretely and effectively affect the economic structures of the market.¹⁵⁹ Likewise, trademark misuse is generally future-oriented in the sense that it targets potential, not existing, competitors. Hovenkamp, Janis and Lemley recognize that the harms of trademark misuse merely target other dimensions of law and society not relevant or accessible through antitrust law. Furthermore, antitrust remedies, such as compulsory licensing, are incompatible with the basic function of trademark rights. The purposes of antitrust law and trademark law are contradictory in these circumstances.¹⁶⁰ Unfair competition law to some extent has tools to deal with trademark misuse; however, these avenues are hardly used in practice due to the climate of strongly protecting intellectual property rights.¹⁶¹

Landes and Posner, however, reject the notion that trademark protection, because it fosters product differentiation, creates deadweight costs on society, whether of monopoly or excessive competition.¹⁶² Kitch clarifies the economist's perspective on the inherent economic nature of trademark rights. "Trademarks, which protect the exclusive right to commercial identity, are much more difficult to characterize as a monopoly, since the ability of a firm to identify itself would seem to be an essential prerequisite for competition, not a limit on competition [However, w]hether a particular right, or combination of rights, confers an economic monopoly is an empirical question."¹⁶³ In line with this distinction, this Note argues that the increasing number of instances of trademark misuse, disguised under the veil of protection of current legislation,

¹⁵⁸ 1 HERBERT HOVENKAMP, MARK D. JANIS & MARK A. LEMLEY, IP AND ANTITRUST: AN ANALYSIS OF ANTITRUST PRINCIPLES APPLIED TO INTELLECTUAL PROPERTY LAW § 1.3 (Supp. 2007) [hereinafter HOVENKAMP ET AL.]. See also Travis, *supra* note 7, at *55.

¹⁵⁹ HOVENKAMP ET AL., *supra* note 158, § 3.5.

¹⁶⁰ *Id.* § 3.5.

¹⁶¹ But see Geiger, *supra* note 22, at 270, 272.

¹⁶² WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 173–74 (2003). Their theory is solely viewed from the point of view of increase or decrease in consumer search costs and presupposes that the infringing acts are performed by competitors or free-riders. See Travis, *supra* note 7, *108–119, *122 (critiquing this view).

¹⁶³ Edmund W. Kitch, *Elementary and Persistent Errors in the Economic Analysis of Intellectual Property*, 53 VAND. L. REV. 1727, 1730–31 (2000); see also *Id.* at 1731–32 ("It is also important to make a distinction between the issue of whether intellectual property rights confer an economic monopoly, . . . and the fact that intellectual property rights systems have costs—as does any system of property rights.").

warrants review of whether the benefits of the system still outweigh the costs.¹⁶⁴

Landes and Posner further argue that a common mistake in economic analysis of intellectual property rights is to reduce the discussion to a trade-off between incentive and access, and ignore the lessons learned in striking an appropriate balance between competing interests regarding physical property. This trend is particularly damaging to the analysis of trademark rights, because unlike copyrighted works and patented products, a trademark is not a public good.¹⁶⁵ The social value lies in its ability to designate origin. Thus, the social cost of protection as well as infringement varies in relation to the type of mark and the social benefit it produces.¹⁶⁶ For example, when the trademark owner creates an illusion of infringement where protection is not afforded, the social costs of infringement are not equal to instances of traditional trademark infringement. Quite the contrary, in this situation the social cost of protection rises. It is therefore not necessary to assume that trademarks can never create deadweight costs on society by the mere fact that protection is afforded.

We then turn to the trademark laws themselves to search for limits on trademark owners' rights. Unlike property ownership that is derived from possession of a physical object, the exclusive right in a trademark is an abstract legislative creation. In an attempt to regulate the free market and protect consumers, trademark legislation affords a negative right, the right to exclude others. Trademark rights are thus a legislative exception to the general rule of freedom of competition.¹⁶⁷ All trademark statutes contain implied limits, for example, by restricting the scope of protection to the economic sector, to use in commerce, and to competing goods.¹⁶⁸ The recent piecemeal expansion of trademark protection has, however, somewhat blurred the traditional function of trademark law. Court practice also suggests an absence of limits, since all traditional doctrines of limitation have gradually been interpreted to allow for protection against new forms of use.¹⁶⁹ Thus, the contemporary challenge for the trademark system is to restore its limits and enforce their application, so as not to cause market failure.¹⁷⁰

This leads us back to allowing fundamental rights to serve as a qualitative foundation when deciding issues that are of great importance to society.¹⁷¹ This

¹⁶⁴ *Id.* at 1732, 1738–41. *See also* Travis, *supra* note 7, at *36–37, *54–55 (giving examples of trademark misuse).

¹⁶⁵ LANDES & POSNER, *supra* note 162, at 172.

¹⁶⁶ *Id.* at 172–73.

¹⁶⁷ 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 1:3, 1:7 (4th ed. 2007).

¹⁶⁸ Geiger, *supra* note 22, at 271.

¹⁶⁹ *Id.* at 272–73. Travis, *supra* note 7, at *5–17.

¹⁷⁰ Geiger, *supra* note 22, at 278–280.

¹⁷¹ ALEXY, *supra* note 30, at 394. The systemic consequences of decision-making have long been ignored within trademark law, which has become increasingly elitist and separated from the rest of the legal system. Compare to Cohen, *supra* note 59, at 811, 814 (“Even in the most modern realms of legal development one finds the thought of courts and of legal scholars trapezing around in cycles and epicycles without coming to rest on the floor of

tool is particularly useful, since it is no longer possible or desirable to give categorical answers, but the line has to be drawn on a case-by-case basis. This raises the question of predictability.

B. From Good vs. Bad to Right vs. Right

In sum, the legislative compromise struck between different interest groups in the market at the international level arguably creates a paradox. It has allowed the field of intellectual property law to drift away from the safeguards of national legal systems, even though no equivalent safeguards are in place at the international level, since deference is traditionally shown to national legislatures on this issue. International norms and lawmaking, however, depend on the context of the national legal rules to work appropriately.¹⁷² It is quite clear that no one intended to elevate international intellectual property law as the supreme law of the world.¹⁷³

International intellectual property law allows for protection of one actor in the marketplace to secure the interests of another interest group: consumers. Securing the interests of a functioning market for other actors in the market is left to national legislators. It is also important to acknowledge the purposes and goals of international rules, which mainly aim to (1) prevent piracy, (2) allow for adequate enforcement against piracy and free-riding, and (3) secure a minimum standard of protection of intellectual property worldwide.¹⁷⁴ In contrast, the aim of national regulation is broader: to strike an adequate balance between the competing interest groups in the market: trademark owners, consumers, and competitors.

The avalanche of international rules focusing on the aforementioned two interests has resulted in an uneven emphasis in the national rules of market regulation.¹⁷⁵ The goal of this Note is to strengthen the third inherent pillar of international market regulation, which secures the societal interest in a functioning market by encouraging competition and fair trade. The issue is no longer the limitation of one right, but the balancing of competing rights.¹⁷⁶

When adding a new dimension to trademark interpretation one cannot simply try to fit the new data into the old two-dimensional formula. You need to create a new multi-dimensional formula, in which you insert the new and old data and calculate how several factors affect and relate to each other. Such a systemizing tool is needed to secure the realization of—no more and no less

verifiable fact Strange as this manner of argument will seem to laymen, lawyers . . . will accept this reasoning as relevant, material, and competent.”).

¹⁷² Petersmann, *supra* note 45, at 2; Schneiderman, *supra* note 38, at 240.

¹⁷³ Dinwoodie 2000, *supra* note 1, at 505.

¹⁷⁴ TRIPS, *supra* note 14.

¹⁷⁵ Mylly, *supra* note 24, at 8, 12.

¹⁷⁶ Laugh it Off Promotions CC v South African Breweries Int'l 2005 (1) (CC) at 50 (S. Afr.).

than—the international core of trademark protection in the national application of trademark law.¹⁷⁷

Since the societal interest behind trademark protection varies according to the use of the mark, it would be helpful to find a way to categorize the defendants into groups. There are three¹⁷⁸ levels of protection for trademark infringement and exercising a fundamental right can amount to a defense to all of them. First, the strongest protection is afforded against use of an identical mark on identical goods. The second level protects against use of an identical or similar mark on similar goods. The third level protects famous marks against use of an identical or similar mark on dissimilar goods.

This Note assumes that the severity of the available punishment reflects the societal interest in deterring behavior, and therefore lists and labels each category of defendants accordingly. Likewise, it assumes that the exercise of a fundamental right reflects a societal interest against unnecessary limitation. For the purposes of constitutional balancing, each category of defendants forms the target group of specific legislation.

¹⁷⁷ In accordance with TRIPS, *supra* note 14, art. 17; *see also* Geographical Indications Panel Report, *supra* note 19, ¶ 7.649.

¹⁷⁸ In addition, well-known marks—marks like Coca-Cola or Rolls Royce that are universally known—enjoy close to absolute protection against commercial exploitation. Trademark applications confusingly similar to these marks are *ex officio* rejected worldwide. Naturally, these marks also enjoy first, second, and third level protection.

Target group	Use	Remedy	Burden of proof	Aim of International TM law
Pirates	Counterfeit goods, Identical mark on identical goods, Cybersquatting	Criminally or heavily sanctioned	Presumption of harm	Core
Copcats/ Trespassers	Similar product/ marketing/ TM, Similar goods, Look-a-like products	Normal protection	Proof of likelihood of confusion	Main rule
Category I Free-riders	Use of identical or similar mark on dissimilar products	Injunction damages only when bad faith	Fame of mark/unfair advantage or detriment/ harm	Exceptional circumstances on the market
Category II Free-riders	Attempt to register identical or similar mark	Refusal of registration	Well-known mark	Exceptional circumstances on the global market
Border-liners	Non-trademark use or informative use of a trademark	Injunction, Expropriation	Inside or outside trademark law?	Exceptional circumstances on a non-traditional market

Moving away from the international core of trademark protection, three considerations should influence interpretation of the facts at hand. First, the burden of proof on the part of the plaintiff rises. Second, the relevance of other factors and the interests of other actors on the market grow stronger. Third, when moving from the norm towards an exception, narrow interpretation of the scope of protection should be presumed. The main goal of trademark protection

should be kept in mind: trademark rights are rights against misappropriation, which extend only to what cannot lawfully be used by others.¹⁷⁹

IV. CONCLUSION

Strong international trademark protection has unevenly influenced national trademark regulation, which has led to an increasing number of instances of misuse of trademark rights. Third parties that have not traditionally been subject to trademark regulation find themselves as defendants to claims of trademark infringement. Since traditional legislation lacks clear reference to limits on the acquired right, courts are struggling with how to balance conflicting interests in the use of marks.

Since categorical approaches tend to produce unsatisfactory results, judges need to approach these cases from a broader perspective placing trademark law in its proper legal framework. In so doing, it is necessary to take into account the purposes of societal interests behind international and national trademark norms. A forward-looking approach in tune with a fundamental rights framework will guide the judge in balancing trademark protection against the fundamental rights of others.

Since national trademark rules share a common source, national courts should look to prior decisions on the issue by other courts and engage in an international dialogue. Where independent national decision-making in several nations, despite national differences, reflects similar argumentation towards the same goal, the emerging network of decisions would set forth rules of international trademark law. This non-binding international lawmaking by national courts would be premised on the law of reason and would gain legitimacy through its level of persuasiveness.¹⁸⁰ At the same time these rules would serve to repair the current void in international trademark law that seemingly has no limits. Thus, a new body of law would develop that provides international trademark law with the flexible tools needed to service the global marketplace.

¹⁷⁹ See also *Laugh it Off Promotions*, 2005 (1) (CC) at 60; see also Cohen, *supra* note 59, at 817 (discussing some re-evaluating questions inspired by social and economic considerations that should be asked when the interests clash).

¹⁸⁰ Dinwoodie 2000, *supra* note 1, at 550–52, 558, 561–62, 564, 569, 570.