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Public Domain at the Interface of Trade Mark and Unfair Competition Law - the case of Referential Use of Trade Marks

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Abstract:

The robustness of the public domain is an essential condition for creation and innovation. In particular, the public domain functions as a device within intellectual property law to allow certain uses of valuable signs, symbols, images and information, in both commercial and non-commercial speech. The public domain, articulated as limiting principles and doctrines in law also functions as limitations where the protection does not reach and the rights may not be asserted. In this sense, the concept of public domain is used as one way to balance the fundamental right of freedom of expression and protection of intellectual property. Focusing on the concept of the public domain in trade mark law, with the example of how referential uses of signs in both commercial and cultural context are regulated, this chapter explores changes in law that affect this balances. In particular, this chapter examines how the availability of signs to communicate to the public cultural meanings and the cultural experiences of the public is affected by the various impulses in trademark law to protect the investments.

Keywords: trademark, referential use, cultural references, public domain, intellectual property

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² *Douglas v Hello! Ltd* [2007] UKHL 21, [2008], Aplin, Tanya, 'Confidentiality and Trade Secrets', chapter 8 of this book,

³ See, Kur Annette, 'What to protect, and how? Unfair competition, intellectual property, or protection sui generis,' chapter 1 of this book.

⁴ See, Westkamp, Guido, 'Sui generis Rights and New Causes of Action,' chapter 3 of this book

1. Introduction

The distinction between the public and the private domain is central to any legal system and the rule of law. The balancing of the interests of the private and the public is perennial theme for decision-making and scholarship in intellectual property. In intellectual property, the public private distinction becomes more complex, as the law not only has to define the legal boundary of a private right, the law needs to construct and define the correlating object itself, without tangible boundary. Additionally, when the values are generated by associating with what have been previously accepted as the scope of a right, assigning rights to the claims over the values arising out of the association is also one important task of the law.

Two aspects of the laws in the distinction of the public and private spheres have been highlighted in the previous chapters in this book. First, the law may protect expressions, signs, images and information in private sphere against the harm from undue intrusion of the public, as in the case of privacy and confidence.² Although there are available alternative means of regulation and protection, such as contractual and technical self-help measures, the law provides a safety net of protection when such measures fail to protect. Secondly, not all the values arising out of intangible resources are to be attributed as rights and the law of intellectual property law delineates the boundary of the private property right. By doing so, intellectual property law not only clarifies the private property claims over the values arising out of the use of intangible resources but also preserve and protect the interests of the public. More specifically, the doctrines in intellectual property law on the categories of protectable subject matters and the limitation on the scope of rights function as a means to ensure the balance of the public and the private interests.

The aspect of law in the protection of the public interests become more crucial, when the interaction between the public and the private right holders generate values to the intellectual resources that are seen to be in the public domain. The previous chapters in this book have documented a general trend in intellectual property and unfair competition laws in Europe and elsewhere that more values attached to signs, images and information have lead to the claims for more protections. It was noted that there are budding corresponding rights of exclusion, as either a new breed of right, analogous to intellectual property right,³ or through extension of existing right or sui generis covering various uses of symbols, images and information.⁴ When the protection in law is either uncertain or unclear, private actors increasingly resort to self-help measures of contracts to protect their interests over the uses of valuable images and information against imitation. Pervasiveness of these measures and claims based on these measures challenge court and law makers with the decision if and to what extent, should the law give meaning to the measures of protection. In some jurisdiction, the legislative solution is sought through unfair competition prevention law which seem to

directly regulate the conduct of slavish imitation as such, without examining the creative or innovative qualities of underlying subject matters.⁵ In UK, the courts are seen to be imposing a duty of confidence to a third party to a contract, against the uses of misappropriated images and information for commercial gain.⁶ At European level, the Court of Justice of the European Union (ECJ) seems to acknowledge the claims of the trade mark holders to capture values arising out of nearly all aspects and uses of a sign.⁷

Against this backdrop, it is timely to revisit the status of the public domain at the interface of trade mark and unfair competition laws. In particular, at the interface of intellectual property, unfair competition and publicity claims, available signs including symbols, words, images and information for the public to create and communicate the meaning are seen to be shrinking. This chapter revisits the meaning of public interest and public domain in the context of expanding intellectual property and investment protection claims. As concrete problems arise and the courts need to solve the disputes with facts that do not necessarily respect the conceptual boundaries in laws, overlaps and convergences in the concepts in intellectual property law, unfair competition law and contracts are unavoidable. However, the convergences of legal concepts do not necessarily mean a uniform and expansive protection of the rights and claim holders. A broad concept of the public domain that articulates the interest of the public is often used as a tool to ensure the interests of the consumers, users and competitors.

The robustness of the public domain is an essential condition for creation and innovation. In particular, the public domain functions as a device within intellectual property law to allow certain uses of valuable signs, symbols, images and information, in both commercial and non-commercial speech. The public domain, articulated as limiting principles and doctrines in law also functions as limitations where the protection does not reach and the rights may not be asserted. In this sense, the concept of public domain is used as one way to balance the fundamental right of freedom of expression and protection of intellectual property. Focusing on the concept of the public domain in trade mark law, with the example of how referential uses of signs in both commercial and cultural context are regulated, this chapter explores changes in law that affects this balances. In particular, this chapter examines how the availability of signs to communicate to the public cultural meanings and the cultural experiences of the public is affected by the various impulses in trade mark law to protect the investments.

2. Interests of Public in the Regulation of Commercial Speech

In the context of copyright, the public domain is considered “the law’s primary safeguard of the raw material that makes authorship possible.”⁸ In other words, the public domain is where the limitation for a private claim is set and the claims of private rights do not reach. In other intellectual property rights, the public domain functions as a metaphor of a pool of resources where creative works, innovative ideas and symbols and signs that may be reserved for the

⁵ See, Tamura Yoshiyuki, ‘Protection of the first mover advantage – regulation against imitation of the product configuration in Japan,’ chapter 9 of this book.

⁶ *Douglas v Hello! Ltd* [2007] UKHL 21, [2008]

⁷ See for example, ECJ, case C-236-238/08, *Google v Louis Vuitton et al* [2010], E.C.R. I-02417 and ECJ, case C-487/07 *L’Oréal v Bellure*, [2009] E.C.R. I-5185, See also ECJ, case C-206/01, *Arsenal Football Club v Matthew Reed*, [2002] E.C.R. I-10273. See Van der Laan, Nicole, ‘The Use of Trade Marks in Keyword Advertising. Developments in ECJ and National Jurisprudence,’ chapter 10 of this book.

⁸ Litman, Jessica, (1990) ‘The Public Domain,’ 39 *Emory L. J.* 956 at 967.

benefit of the public against the private claims.⁹ While the concept itself is diverse and various explanations for its functions are found, there seems to be a consensus that certain subject matters such as “scientific mathematical principles, ideas, concepts and theories, words, names and numbers and symbols, information, facts, data and expired or unclaimed rights” are within the public domain.¹⁰

As an academic concept, the public domain is often seen to serve a function of safeguarding the interests of the public so that essential building blocks for creations and innovation remain available, accessible, and without being subject to the private claims. For example, scientific principles and mathematical equations, concepts, theories, discoveries as such are seen to be in the public domain as these subject matters are viewed as building blocks of innovation and creation, or as fundamental tools of commerce. Here, the public domain is seen to safeguard against the private ownership claims of these subject matters, because the inherent values of these resources are too great for the society to subject them to the private claims.

The doctrines in intellectual property laws that enshrine the concept of public domain operate in manners corresponding to the particular types of intellectual property right, such as the rules that define the duration of a right, excluded subject matters, and the scope of rights and allowed uses. As copyrights and patents are time limited, the public domain is a concept that is often temporarily tied to the duration of the right. All the works and inventions whose rights have expired would be in the public domain and would remain available in the public domain, in principle. Under the more conduct oriented regulations, such as unfair competition prevention laws, the definition of “harm” in the regulation is ultimately shaped by the underlying concept of the public interests and honest business practices, and thus, in a sense, though definition of harmful conducts¹¹ the concerns for the public domain are reflected in the law. In contrast, under the trade mark law where the rights are not necessarily subject to the temporal limit, the public interests represented by the public domain become operational through the limiting doctrines to protection and assertion of rights, such as the definition of the mark and the trade mark use doctrines. The public domain in this context functions as a tool that ensures intellectual property protection does not hinder fundamental freedom of expression and communication that are essential to the functioning democracy.

In contrast, in other cases, such as subject matters which are yet unclaimed, the public domain is perceived simply as a reservoir of subject matters which may yet to become subject to property claims later. A good example would be a sign which is considered inherently indistinctive and yet may become protected as trade marks if they acquire distinctiveness through use in relations to certain class of goods or services.¹² Such signs before use would be considered to be in the public domain and yet, when used and acquire distinctiveness and started to function as an indicator of origin, become subject to private claims of trade mark.

The public domain described in the above encourages uses. In contrast, the public domain is manifested through the concepts of public policy, and morality, sometimes functions to *restrict* the commercial and arbitrary uses of certain subject matters of intellectual property. One good example is enshrined in the paragraph 2 of the article 27 of the TRIPs

⁹ See for example, Rose, Carol M. (2003), ‘Romans, Roads, and Romantic Creators: Traditions of Public Property in the Information Age’, 66 *Law and Contemporary Problems* Vol. 66, No. 1/2, pp. 89-110.

¹⁰ See for example, Samuelson, Pamela (2006) ‘Challenges in Mapping the Public Domain,’ In: *The Future of the Public Domain- Identifying the Commons in Information Law*, eds by Guibault Lucie and Hugenholtz P Bernt. (2006) Kluwer Law International, pp 7-25.

¹¹ Ohly, Ansgar, ‘Interfaces between Trade Mark Protection and Unfair Competition Law – Confusion about Confusion and Misconceptions about Misappropriation,’ chapter 2 of this book. See also Westkamp, supra n. 4.

¹² For example, signs that may fall under Art.7(1)(b) and (c) Art.7(3) of the Community Trademark Regulation, Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark.

agreement which allows the member states to exclude from patentability “inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* or morality.”¹³ These excluded subject matters are in principle considered to be in the public domain, but here the concept functions not to encourage uses of the subject matter but rather as a way to prevent these subject matters from being exploited in ways that socially undesirable.

The public domain has yet quite different meaning and context in the discussion for the personality rights and publicity rights. For example, the very personal nature of the personal data may demand protection against the publication of the data and misappropriation from the concern for human dignity and fundamental freedoms.¹⁴ In the context of privacy and confidence protection, the public domain may imply the actual location and the place of the information that disqualifies the protection for confidence or privacy.¹⁵ At the same time, the publicity and the public aspect of the persons involved may yet call for a different manner and forms of protection than confidential information, as the values of the information arise out of the very public nature of the persons and the subject matters involved, and not from the non-disclosure.¹⁶ The very public nature of the public persona makes some information relevant for the public as open communication and transparency as well as the accountability of the persons holding public offices is crucial for democratic society. For this reason, the public may even demand an access to the personal information of public persona. The public’s access to information however needs to be balanced with the necessity to protect the privacy of the personal information. Recent scandalous and intrusive practices by journalists to collect information on celebrities¹⁷ highlighted the necessity to balance the freedom of expression including the right to information, as expressed the article 10 of the European Convention on Human Rights (ECHR) Convention¹⁸ with the necessity to protect confidence and privacy, as expressed as a right to respect for private and family life, in the article 8 of the ECHR.¹⁹

In contrast to the comparatively clear rationale for freedom of information and communication with privacy claims, the necessity to balance the investment protection with the freedom of the public to engage in the commercial expression and to compete may be less clear. The notion that the intellectual property should not hinder flourishing of democratic discourses and communication of idea is not alien in Europe.²⁰ In principle, various principles and doctrines in the law implements the idea that intellectual property rights should not hinder

¹³ WTO Agreement on Trade Related Aspects of Intellectual Property Rights, Article 27, para 2.

¹⁴ See Phillipson, G., ‘Transforming Breach of Confidence? Towards a Common Law Right of Privacy under the Human Rights Act,’ *The Modern Law Review*, No. 66, pp 726–758 (2003); Prins, Corien, ‘Property and Privacy : European Perspectives and the Commodification of our Identity’ in Guibault L, & B. Hugenholtz (eds) (2006), *The Future of the Public Domain*, Kluwer International pp223-257.

¹⁵ *Douglas v Hello! Ltd* [2007] UKHL 21, [2008] 1 AC 1, para 122 per Lord Hoffmann. See Phillipson, supra n.14, exploring the degree of publicity in the common law.

¹⁶ Griffith, Jonathan, ‘The Public Interest in the UK – Copyright and Celebrity Rights’ chapter 11 of this book See also Schmitt, Kerstin, ‘Commercial Exploitation of Persona: The German Experience’, chapter 6 of this book.

¹⁷ The scandal of phone hacking by the journalist of the News of the World has led to UK-wide Leveson Inquiry on the culture, practice and ethics of the press. See <http://www.levesoninquiry.org.uk/> (last-accessed on 12.11.2011).

¹⁸ European Convention on Human Rights (ECHR), signed in Rome on 4 November 1950.

¹⁹ See for example, *Mosley v News Group Newspapers* [2008] EWHC 1777 (QB).

²⁰ See, e.g. Sakulin, Wolfgang, *Trademark and Freedom of expression, An Inquiry into the Conflict between Trademark Rights and Freedom of Expression under European, German, and Dutch Law*, Kluwer Law International (2010), Griffiths Jonathan and Uma Suthersanen (eds.), *Copyright and Free Speech*, Oxford: Oxford University Press (2005) and Hugenholtz, P.B., ‘Copyright and Freedom of Expression in Europe,’ in Rochelle Cooper Dreyfuss, Harry First and Diane Leenheer Zimmerman (eds.), *Expanding the Boundaries of Intellectual Property*, Oxford: Oxford University Press (2001).

the exercise of core freedoms that are ensured by the Constitution in a democratic society. However, it is still contested whether a commercial speech (i.e. communicating for the purpose of commercial transaction) using protected signs and symbols and information need to be promoted under the rubric of freedom of expression such as the article 10 of ECHR.²¹

The question gets more clearly illustrated by exploring the referential uses of signs and the freedom of commercial communication. Referential use is particularly important in the context of the current popular culture, where the reference to various symbols and images is an important foundation for meaning making. Political and cultural discourse in a democratic society is often done through references. The scholars in media studies have long recognized the importance of meaning creation using symbols and images in “semiotic democracy.”²² In a semiotic democracy, the public as the consumers participate in the process of creation of meanings in a society actively using symbols and signs. As Madows observed, the consumers “recode” and “rework” the cultural and industrial commodities to “express meanings different from the ones intended or preferred by their producers.”²³ The “recoding” or “reworking” requires reference to known signs and symbols and images that represents the preconceived cultural and industrial commodities. The ability of the public as an empowered and active audience is viewed as core element of this concept of semiotic democracy and the capacity to refer is considered crucial. The impact of intellectual property rights on the capacity have lead to the debates to expand or restrict the intellectual property rights’ coverage of the creations and signs generated and derivatively used by the users and consumers.²⁴

A trade mark often represents the preconceived signs for a particular commodity and functions primary as a reference. A trade mark functions from three focal points: the sign (trade mark) as a signifier, the meaning that the sign represents (the signified), and the goods or service as a referent.²⁵ The function of a trade mark which forms the bases of the legal protection is often based on the first or secondary association as an origin indicator.²⁶ However as a sign, a trade mark may acquire a tertiary meanings as an index of a broader set of association.²⁷ When a trade mark acquires a meaning as an index in a class of a good or services that a sign represents, it would be considered to have become generic which may eventually lead to invalidation of the protection.²⁸ However when it becomes an index of a set of association in an unrelated context, a trade mark may validly coexist with the reference to this indexical meaning. For example, while the registered word trade mark Barbie may indicate the origin of a doll as a product from Mattel, the word Barbie also has now become

²¹ See, for example, Sakulin, supra n. 20 at 109-111.

²² Fiske, John, *Television culture* (1987), reprinted by Routledge (2010) 2nd edition at 238.

²³ Madow, Michael, ‘Private Ownership of Public Image: Popular Culture and Publicity Rights,’ (1993) *81 Cal. L.Rev.* 127at 139.

²⁴ See, for example, William M. Landes & Richard A. Posner, *The Economic Structure Of Intellectual Property Law* pp. 167-68; Compare, e.g., Madow, supra n. 23, Fisher, William W, ‘Promises to Keep: Technology, Law and the Future of Entertainment’ (Stanford University Press, 2004). See also, Beebe, Barton (2005), ‘Search and Persuasion in Trademark Law,’ *103 Mich.L.Rev.* 2020 at 2059-60, comparing two strands of expansionist and reductionist approaches and characterizing the perspective of active consumers as the “third way“ with a view of empowered consumer in the context of two opposing impulse of apologist and reductionist in trade mark law scholarship in the US.

²⁵ See Beebe, Barton, ‘The Semiotic Account of Trademark Doctrine and Trademark Culture’, in *Trademark Law and Theory: A Handbook of Contemporary Research*, Graeme B. Dinwoodie & Mark D. Janis eds. (Edward Elgar Publishers, 2008) pp 44-45.

²⁶ Secondary if a primary association is inherently non distinctive and a trade mark protection is based on the acquired meaning through use.

²⁷ Spence, Michael, ‘Restricting Allusion to a Trade Mark’ in *Trademark Law and Theory: A Handbook of Contemporary Research*, Graeme B. Dinwoodie & Mark D. Janis eds. (Edward Elgar Publishers, 2008) pp 338-39.

²⁸ Id.

an index for a particular type of a woman.²⁹ As an index, a trade mark function as a signal, a referent to another sign, and not as an indicator of source for goods and services.³⁰

The duality or plurality of meanings coexisting around one signifier and one referent raises the question of degree of protection - to what degree the right holder to the mark may control the use of the meanings in other contexts, even when the meanings were generated or created largely by the consumers. Both the public and the right holder (sign owner) participate in the creation of meaning and to be meaningful, the sign needs to be communicated to the public, either through referencing the sign directly or through referencing the goods or services bearing the signs. The conduct of using signs as references to communicate the information concerning another goods or services may be considered a conduct of “riding on coattails”³¹ of another or a conduct seeking the “truth in the market place.”³²

Referential use of the sign by the consumers beyond using the goods or service is also on the increase. Modern advertising practices of aspirational and lifestyle branding aggressively invite the consumers to participate and to communicate images and symbols as an indication of a life style so that “the brand” becomes more desirable.³³ To increase the value of a sign beyond the source indicator, the producers invest and engage in interactive marketing to attract potential consumers of their aspirational products. The public is not only the recipients of the primary referential meaning that trade mark aims to deliver, but also they are participants in the creation and additional values of the signs by using signs as a means of communication and creating secondary or tertiary referential meanings. Reputation created in this manner often is fed back to the value of the sign, as the trade mark with reputation will be protected more extensively.³⁴

In a commercial context, the interest of the public is manifested as the interest of the consumers and competitors who are recipients and provider of the information and expression in the course of trade.³⁵ However, the public is a group of individuals with heterogeneous interests and motivation. A consumer could be either “a sovereign” who makes economic decision to maximize utility with unbounded rationality or “a gullible fool” whose choices may be swayed and confused by the advertising.³⁶ As a consumer, the public may be seen to actively contribute to the creation of meanings and values³⁷ or may be seen to passively regurgitate the information and meaning fed to them.³⁸ If each consumer is a sovereign making free and rational economic choices, their interests are exercised by their choices of products or services bearing certain signs. As a corollary, the public interest in this regard is reflected in their legitimate choices. If a consumer who is an informed and empowered sovereign making rational choices, their interests may become manifested by their choices by

²⁹ In the US, the Ninth circuit had explicitly dealt with the indexical meaning used in parody. *Mattel, Inc. v. MCA Records, Inc.* 296 F.3d 894 (9th Cir. 2002), where a song “Barbie girl” was ruled allowed as it was a parody use of a trade mark.

³⁰ Dreyfuss Rochelle C., ‘Expressive Genericity: Trademarks as Language in the Pepsi Generation’, *65 Notre Dame L. Rev.* 397–424, 411 (1990).

³¹ *L’Oréal v Bellure* (2009), supra n.7 at para.49.

³² *L’Oreal SA & Ors v Bellure NV & Ors* [2010] EWCA Civ 535 (21 May 2010) at para.9.

³³ Englis, Basil G. and Michael R. Solomon, ‘To Be and Not to Be: Lifestyle Imagery, Reference Groups, and “The Clustering of America”’, *Journal of Advertising*, Vol. 24, No. 1 (Spring, 1995), pp. 13-28

³⁴ Paris Convention Article 6bis and, TRIPs Article 16(3), See in Europe, Art. 5(2) Trade Mark Directive and Art. 9(1)(c) Community Trade Mark Regulation. See among others, ECJ, *L’Oréal v Bellure*, supra n. 7 at para. 36. *Compare*, in Japan, Trade Mark Act Sec. 4(1)(x), (xv), (xix) and the Unfair Competition Prevention Act, sec 2(1)(i) and (ii).

³⁵ Ohly, supra n.11.

³⁶ See Brown, Ralph S. Jr., ‘Advertising and the Public Interest: Legal Protection of Trade Symbols,’ *57 Yale L.J.* 1165 (1948), at 1180. See also Beebe, supra n.24 at 2023-34.

³⁷ See also Litman, Jessica, ‘Breakfast with Batman: The Public Interest in the Advertising Age’, *108 Yale L.J.* 1717 (1999).

³⁸ Brown, supra n. 36 at 1187-88.

free election of goods and services bearing the signs. The function of the public domain for these consumers in making rational economic choices would then be that sufficiently exercised as long as the signs inform the recipient clearly. The protection of the signs, then should be such degree that the information should be truthfully communicated to the consumers and to the degree that the competitor's use of the signs are the only available means of truthfully communicating the information.

In contrast, if a "model" consumer of the law and regulation is the one who gets easily confused by advertising, regulations of using signs should be such that references to other signs should be strictly controlled to avoid confusion. Trader's freedom to inform the consumers of their products should be done in such manner that any imitation or reference to other signs that may create double meanings, association or reminding the consumers of the producers of other goods or services has to be minimized.³⁹

As consumers cannot be identical regardless which model that the laws and regulation adopt, there would be a gap as the actual consumers and their consumption do not match the model pattern of consumption. Similarly, traders-competitors may be uniformly seeking to manipulate the gullible consumers or to truthfully inform the knowledgeable or empowered consumers. The consumers and competitors use the sign as a means of communication and language regardless of whether the consumers may do so as an active empowered collaborator in the creation of value or not.⁴⁰ Perversely, if the public, as a consumer, participates more actively in the process of meaning creation and add diverse uses of a sign, it would increase more diverse perception of a sign. As the consumer perception is core concept in founding protection, this in turn may increase the likelihood of confusion and may justify the claims for more protection associated with the reputation of the sign. Furthermore, the rights are seen to be expanding through licensing practices by risk averse users and the feedback of the practices into the law, even without changes in the positive laws.⁴¹

In sum, the values and rights over the signs and words used in the commercial speech have a marked circular relationship. The law protects a sign, because it is a thing of value, representing the goodwill in connection to goods or services, but the sign itself independently may become valuable, because the law protects it as a thing of value.⁴² The value of a sign or a trade mark exists, as long as there is the goodwill that consumers associate the sign with. However it is valuable against the competitors as long as the law protects it as such. The more value is attached to it, the more claims may be made for the protection for the value arising out of using a sign. The circularity of protection becomes clearer in the protection of signs with reputation against unfair competition.⁴³ While unfair competition laws in various jurisdictions provide different approaches of regulation, the protection is often tied to what the law essentially prohibits as unfair conducts that harm the competition against honest business practices.⁴⁴ When business practices are forming using new technology, such as keyword

³⁹ See Tushnet, Rebecca. 'Towards Symmetry in the Law of Branding,' 21 *Fordham Intell. Prop. Media & Ent L.J.* 971(2011), arguing that over expansive protection based on broad consumer confusion may discourage the trade mark holder to control the quality of publicity.

⁴⁰ Litman, supra n. 37 at 1730.

⁴¹ Gibson, James, 'Risk Aversion and Rights Accretion in Intellectual Property Law,' 116 *Yale Law Journal* 882 at 907-926.

⁴² Cohen, Felix, 'Transcendental nonsense and the functional approach,' 35 *Colum. L. Rev.* 809, (1935) at 814-817. This circularity has been expressed as a thesis of "if value then right" thesis. See Dreyfuss, supra n. 30.

⁴³ Id. See also Kur, supra n. 3.

⁴⁴ See for example, the dilution like protection under the TRIPs agreement in Article 16(3) which applies the article 6bis of the Paris convention (1967) reads, 'Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trade mark is registered, provided that use of that trade mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trade mark and provided that the interests of the owner of the registered trade mark are likely to be damaged by such use.'

advertising, an honest business practice may not be stably defined and only with the interpretation of law holding it harmful, it becomes an unfair conduct which needs to be prohibited.

Protection against the referential uses of a trade mark with reputation in the trade mark law can be analysed in the same vein. When more references are made for a particular sign either in a cultural context or in commercial context as in advertising, rights holder may claim or demand license fees from the users based on the values generated through references. When the law gives legal meaning to the conduct of referencing by restricting or prohibiting the particular conduct, such as keyword advertising, new elements are added to the right and the conduct becomes part of a right. Thus a right to exclude others from taking the advantage of the reputation of a trade mark gets formed⁴⁵ and not just unfair conduct of free-riding, but “all free riding” on the reputation of a trade mark will be restricted.⁴⁶

Perversely, when all values and free-riding uses become attributed as part of the holder of trade marks with reputation, trade mark holders not only have a right to arbitrarily control the uses of sign, but also have a right to profit from even such uses that are initially deemed undesirable for them. In other words, while these undesirable uses are restricted to protect the investment the right holder has made on the reputation of the trade mark,⁴⁷ the trade mark holder may license such uses and gain financial profit from it.⁴⁸

3. Public Domain in Trade mark law and Referential Use

Public domain in trade mark law may consist of doctrines in the law that restrict the eligibility of protection, and that define and limit the scope of conducts including allowed certain uses. Referencing to trade marks may be limited or allowed through the operation of these doctrines that keep certain signs in the public domain or at least usable, so that references may be made both in commercial and non commercial context. However, the conducts of referencing, just as the conducts of imitating, are not uniform and thus are not treated uniformly in the law. Reference to a meaning often requires a reproduction or a description, comparisons of the referent of the signs. References may also be made by deconstructing elements of the sign and symbol and by recasting them in different context. For example, one may be making references to the known signs which are protected by trade mark by reproducing the signs substantively similar enough that the public could identify the protected mark, and yet in a different context. Parody, satire or political commentaries are often more effective when the signs including symbols and images are well known, as the communication of the meanings would be immediate. Reference in this regard could be done by using the identical or substantially similar signs or elements of a trade mark that can be easily recognized by the public with particular association.⁴⁹ Similarly, the artworks of pop arts such as Campbell’s Soup Cans by Warhol identically reproducing Campbell’s trade mark logo and symbols exemplify that creative works often make references to industrial commodity. In another instance, famous authors’ and artist’s names and the title of their works which become index of further meaning, may still need to be referred to in cultural context.

⁴⁵ *L’Oréal v Bellure* (2009), supra n.7 at para.41 and para 49, observing that a conduct which clearly exploits the marketing effort of another “must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.”

⁴⁶ *L’Oréal v Bellure* (2010), supra n.32 at para 49.

⁴⁷ See ECJ, case C-323/09, *Interflora v. M&S*, (2011), at para 98.

⁴⁸ See Tushnet, supra n.39.

⁴⁹ See for example, Green Peace “VW Darkside“ which combines the word mark symbol of VW trade mark to a face mask of the Darth Vader, as a political campaign against Volkswagen’s opposition of CO2 emission regulation. Images available <http://www.vwdarkside.com/en>. Last accessed on 1 March 2012.

In commercial context, references may also be made through goods or services in comparison to known goods or services identified by trade marks. Typically spare parts or replaceable parts for a product may be accurately described referring to trade mark of a product. In others, reference made also be made by describing goods or services using the trade marks of others. Typically, the quality of goods or services following technical standards such as WIFI may only be accurately described by referring to the trade mark for the technical standard certification.⁵⁰ When trade marks are consisted of actual geographical names, commercial speech may need to use them to describe the geographical location. Similarly, word marks may be referred to as part of slogans of competitors and competitors may also refer to goods or services in a comparative advertising. As explored earlier, the business model of internet keyword advertising builds upon the technical and legal possibility of referring another's signs and marks.⁵¹

Three types of typical references emerge among these various uses which may have implications in the public domain – 1) references to the public domain signs 2) references to protected trade marks in non-commercial speech (i.e. news reporting, cultural, political commentary, including parody or satire, religious communication), and 3) references to protected trade marks in commercial speech context (i.e. spare parts, comparative advertising, keyword advertising). Public domain signs include signs that are generally excluded from protection of trade marks, as well as signs that are not validly protectable as trade marks. Thus referencing to the public domain signs is a question concerning whether the sign that is used is protected or protectable under the trade mark law as a trade mark. In other words, it is a question of eligibility of protection and whether the sign is available to be used. In contrast, referencing to trade marks in commercial or non commercial communication is a question of scope of protection - whether a particular form of referencing is within the scope of trade mark or not, or a question whether the conduct of referencing is generally exempted from the protection of trade mark through doctrines in the trade mark law.

3.1. Reference to the signs in the public domain

Logically, referring to signs which are in the public domain would be outside the protection of a trade mark, as no reasonable trade mark claims may be made by the right holders on such signs, as such right would not exist. Trade mark laws in different countries often limit the eligibility of protection in two different aspects – by categorically excluding certain types of signs or by rejecting registration and protections for the signs which are inherently cannot serve the function of a trade mark. Categorical exclusions are often absolute in the sense that certain indications and signs would never become eligible for protection as a trade mark.⁵² In contrast, when a sign is rejected from protection because it fails to meet the function of a mark (i.e. distinctive to indicate the source, identifying the goods or services of one trader from others), the condition is often considered curable and relative, as the acquisition of distinctiveness through use may lead to protection.

Trade mark laws in different jurisdictions have different statutory requirements for eligible signs, some broader than others.⁵³ To a certain extent, WTO-TRIPs agreement has harmonized the definition of signs to include “any signs, or any combination of signs, capable

⁵⁰ <http://www.wi-fi.org/>

⁵¹ See Van de Laan, *supra* n. 7.

⁵² See for an international survey of national laws, WIPO Study on Misappropriation of Signs, [hereinafter WIPO Study] (2012), prepared and edited by Seftleben Martin, available on the internet http://www.wipo.int/edocs/mdocs/mdocs/en/cdip_9/cdip_9_inf_5.pdf, last accessed 23.3.2012 at 281.

⁵³ See generally, WIPO Report, *supra* n. 52

of distinguishing the goods or services of one undertaking from those of other undertaking.”⁵⁴ Additionally, the visual perceptibility is allowed to be used as a condition of registration.⁵⁵ Similarly, the Community Trademark Regulation provides that signs that are graphically representable to be eligible for registration.⁵⁶ Excluded from this would include such indications and signs as smell, sound and textures that can only be perceived through touch alone which may nonetheless distinguish goods and service of one business from those of others. In contrast, the US Lanham Act has a broad statutory definition without visible perceptibility requirement,⁵⁷ with the case law removing categorical distinction of the types of protectable signs.⁵⁸ As a result, shapes, sounds, scents as well as flavouring are all eligible as signs protectable with trade mark rights.

Admittedly, the market practices are such that firms and traders are using all types of experiences of consumers as indicators for the sources of goods or services that would lead ultimately form the image of brand.⁵⁹ Anyone who has been to an IKEA outlet or Abercrombie & Fitch store can attest, stores use simultaneously signs, sounds and smells through signature scents, music playlists, typical interior layout to create a certain ambiance for the consumers to identify their goods and services. Indeed, registration of the trade mark often forms only a part of the firms’ marketing and advertising strategies to generate brand experiences. Against this backdrop, maintaining the formalistic ontological categories of signs to identify sources may seem remnants of ancient marking practices where marketing and advertising were mainly done through text and visible perceptible media only. In sum, while reference to the signs in public domain would be logically outside the protection of trade mark, and despite the general persistence of the visible perceptibility requirement in various national laws, practices of using non traditional indicators to distinguish goods and services seem to shrink the public domain signs that remain available through the operation of definition of the signs.

This puts more emphasis on the doctrine that would reject the registration and the protection of signs. Certain type of signs are categorically ineligible for protection even if they may meet the quality of an eligible mark in the law and may be considered distinctive. One good example of this is provided as common patrimony signs in the Paris Convention. Article 6ter of the Paris Convention provides a standard to refuse registration of common patrimony signs such as state emblems, official hallmarks, and emblems of intergovernmental organizations.⁶⁰ National trade mark laws often provide further ground for refusal for signs which may be considered deserving respects such as signs of royal houses or for its authenticity or for signs whose object elements are particularly disparaging to particular group of ethnicity, either through specific statutes or based on public policy grounds.⁶¹ The

⁵⁴ TRIPs Agreement, Article 15.

⁵⁵ Id.

⁵⁶ Community Trademark Regulation Article 4.

⁵⁷ 15 U.S.C. § 1127, providing that “any word, name, symbol, or device, or any combination thereof... used by a person ...to identify and distinguish his or her goods ... from those manufactured or sold by others and to indicate the source of the goods.”

⁵⁸ Notably, in the US, *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995). See also Dinwoodie, Graeme B. ‘The Death of Ontology: A Teleological Approach to Trademark Law’, 84 *Iowa L.Rev.* 611 (1999).

⁵⁹ Michael Morrison, Sarah Gan, Chris Dubelaar and Harmen Oppewal, ‘In-store music and aroma influences on shopper behavior and satisfaction’, *Journal of Business Research* 64 (2011) 558–564

⁶⁰ The Paris Convention for the Protection of Industrial Property, signed in Paris, France, on March 20, 1883.

⁶¹ For example, in Korea, Korean Trade Mark Act, Art 7(1)(ii) and in Japan Japanese Trade Mark Act, sec 4(1) (vii). See also, JPO Trial (Rejection) no 2007-2079, rejecting registration for a mark that has an American flag on a humorous image, which was deemed disrespectful to American people. Text of the trial available on JPO’s searchable trial database, <http://www.ipdl.inpit.go.jp/Shinpan/shinpan.htm>, accessed 15.3.2011.

eligibility requirement in the definition of a mark is absolute in the sense that acquired distinctiveness does not cure the ineligibility of the protection. Similarly, the rejection of common patrimony signs is considered nearly absolute worldwide in the sense that these signs are not to be used as trade marks with few exceptional cases.

Conversely, the signs that are ineligible for protection would remain available for both commercial or non commercial communications. Indications that cannot constitute a sign such as smell, taste and sound would, for example remain available in countries where visibility perceptibility is required to constitute trade mark.⁶² Scent, sound and taste indications would fail to constitute eligible subject matter of trade mark protection. Thus referencing to the smell, taste sound indications in commercial speech would remain available for the public as well as for the competitors. Similarly, consumers and the competitors would be allowed to make references to descriptive and generic signs, images and terms as they would be available in the public domain for the consumers and the competitors to use even in the context of trade and referencing to these public domain signs would be allowed.⁶³ Likewise, even though word forms typical trade marks, both in Korea⁶⁴ and Japan,⁶⁵ catch phrases, slogans and popular one liners are considered to be ineligible for protection. Notably the Patent Court refused the trade mark registration of “Be the Reds!” which was a slogan used widely by Korean football supporters and football fan clubs and associations during the 2002 Korean World Cup.⁶⁶

However, office practices in various countries show that non traditional marks such as sound marks, scents marks are gradually allowed to be registered. For example, in Japan, there is a legislative initiative to revise the law to allow registration of moving images, hologram, single colour and sound marks.⁶⁷ For the purpose of registration, practices in Europe seem to suggest that sound marks may well be graphically represented by musical notes⁶⁸ and the scents may also objectively be represented by specific description such as “fresh cut grass” for tennis balls.⁶⁹ The pressure to remove the formal categories of signs is also found in the TRIPs-plus type bilateral free trade agreements which call for the parties to remove visible perceptibility requirement from the national law.⁷⁰ In sum, excluded signs that would be typically belong to public domain seem to be shrinking.

Furthermore, exclusion from registration does not always mean the signs would be available for the public. Some jurisdictions, in the implementation of the Paris Convention Article 6ter, not only prohibit the registration but also prohibit the use of these common

⁶² Id at 284.

⁶³ Id, at 281-284.

⁶⁴ JPO Examination Guideline , JPO Trademark Examination Guideline, http://www.jpo.go.jp/cgi/linke.cgi?url=/tetuzuki_e/t_tokkyo_e/tt1302-001.htm (English) last accessed on 15.10.2011, at Chap I Part 8.

⁶⁵ KIPO Trademark Examination Guideline, KIPO Trademark Examination Guideline, http://www.kipo.go.kr/kpo/user.tdf?a=user.html.HtmlApp&c=3071&catmenu=m02_03_03 (Korean), last accessed on 15.10. 2011 at Sec 7.

⁶⁶ Korean Patent Court, Decision of Oct 24, 2007, Case no 2007 Huh 6409 [Be the Reds].

⁶⁷ Smell mark is not included. See the Minutes of 22th Meeting of the Subcommittee on Trademark System, Industrial Structure Council, Intellectual Property Committee under Ministry of Economy, Trade and Industry, at p 16. (in Japanese only), accessible at JPO’s website, http://www.jpo.go.jp/shiryou/toushin/shingikai/pdf/t_mark22/t_mark_gijiroku22.pdf (last accessed Mar. 15, 2011).

⁶⁸ See for example, discussing the possibility, of graphically representing musical notes, in the Opinion of Advocate General Colomer of April 3, 2003, in case C-283/01, Shield Mark/Kist, para. 52

⁶⁹ See for example, Case R 156/1998-2, Vennootschap Onder Firma Senta Aromatic Mktg., 1999 E.T.M.R. 429 (CTM No. 000428870).

⁷⁰ See for example, Sec. 18.2.(1) Free Trade Agreement between the Republic of Korea and the United States of America, signed on 30.6.2007 http://www.fta.go.kr/pds/fta_korea/usa/eng/2E_all.pdf (last accessed Mar. 15, 2011)

patrimony signs.⁷¹ In this case, exclusion does not mean that they may be used in general. As national flags and state emblems are often subject to national regulations including criminal laws, the prohibition on referencing to this particular common patrimony signs could very well be based on such regulations. The exclusion of common patrimony signs from trade mark registration may also mean that the use of the signs may not be arbitrarily controlled by private right holders, but rather by the regulation of the national or inter-governmental organizations who are steward of common patrimony in a sense. In other words, restriction as the trade mark registration of common patrimony signs do not always mean that the signs are in the public domain and remain available.

Protection of the signs related to the Olympic movement illustrates this point well. International Olympic Committee (IOC) is not an inter-governmental organization but non-governmental not-for-profit organization.⁷² All Olympic properties including the Olympic symbol, flag, motto and emblem are owned by IOC.⁷³ The Charter of 2011 declares in its section 7, that:

“...All rights to any and all Olympic properties, *as well as all rights to the use thereof, belong exclusively to the IOC, including but not limited to the use for any profit-making, commercial or advertising purposes.* The IOC may license all or part of its rights on terms and conditions set forth by the IOC Executive Board.”⁷⁴

As a non-intergovernmental organization, the IOC does not benefit from the protection under the Paris Convention Article 6ter. However, the Olympic symbol is excluded from registration in many national trade mark laws.⁷⁵ In some instance, the prohibition from registration in national trade mark law was so strict that the Korean Supreme Court has once notoriously refused the registration by the IOC in 1997.⁷⁶ In some nations, the exclusion is found on the Nairobi Treaty of 1981 which reiterates the exclusion.⁷⁷ Article 1 of the treaty obligates the signatory states to,

“refuse or to invalidate the registration as a mark and to prohibit by appropriate measures the use, as a mark or other sign, for commercial purposes, of any sign consisting of or containing the Olympic symbol, as defined in the Charter of the International Olympic Committee, *except with the authorization of the International Olympic Committee.*”⁷⁸

History behind the conception of the Olympics and philosophy of the Olympic movement make the Olympics an iconic event of global common patrimony. Despite the strong symbolic value of the event, the authorization of use is strictly controlled by the IOC. In other words, the exclusion of trade mark registration, the signs of Olympics are far from being available. Often the national laws prohibits uses concerning nearly all aspects of the signs to the degree that the reference to the event thorough the use of the word “Olympics” in

⁷¹ For example, the Article 3 of the Korean Act on Unfair Comtititon Prevention and Business Secret Protection, prohibits the use of the signs belong to Paris Convention Art 6ter.

⁷² The Olympic Charter of July 2011, Sec.1. Text Available from Internet, http://www.olympic.org/Documents/olympic_charter_en.pdf, (Last Accessed Mar 15 2011)

⁷³ Id, Sec.7.

⁷⁴ Id. Italics added.

⁷⁵ See for example, UK Trademark Act Section 3(4) and Section 3(5) of the Trade Marks Act., Korean Trademark Act, Art7(1)(i)ter, Japanese Trademark Act Section 4(1)(vi). In the US, 36 U.S.C. §220506(a). See also U.S. PTO Trademark Manual of Examining Procedure, § 1205.01(d) (2011).

⁷⁶ Supreme Court Decision of Jun 13, 1997. Case no 96Hu 1774 [IOC], This situation is no longer true as the trade mark act article 7(1)(i)ter is amended to allow the registration by the famous international organization of their own marks.

⁷⁷ Nairobi Treaty on the Protection of the Olympic Symbol, 1981.

⁷⁸ Article 1, id. Italics added.

commercial communication and any association to the event are often strictly prohibited, either through trade mark law or through special legislations regulating the right to be associated with the event. IOC has been actively enforcing their mark right and the enforcement of the trade mark Olympics committee show that the protection was quite extensive to the degree that in the US, the Supreme Court ruled that the use of the word 'Olympics' was strictly subject to permission of the US Olympic committee so that if such permission was not given, the word could not be used even as a signal for other event such as the gay olympics.⁷⁹ In Japan, in 1988, a trade mark registration for a word mark 'Go-Rin (five rings)' was rejected. JPO held that the Japanese word 'Go-Rin' was used synonymous to the word Olympics in Japanese and thus the sign was considered conceptually similar to the famous Japanese word mark 'Olympic', which Japanese Olympics Committee (J.O.C) exclusively controls.⁸⁰ Similarly, in 1998, JPO rejected registration for a symbol mark of five interlinked apple shaped rings arranged in the manner of Olympic symbol.⁸¹ As there are heavy sponsorship of the Olympic event, not only the use of the sign, but the indirect associated uses are licensed and regulated sometimes based on the trade mark law doctrine that protect marks with reputation, but also through special legislations.⁸²

In sum, the references to the public domain signs i.e. the signs and indications that are excluded from the scope of trade mark registration, would be allowed and indications that are ineligible for protection would remain available. However, while the doctrines in law that safeguard the public domain signs through excluding indications from protection are still in place the very rationale that the public now communicates meanings through all sensory experiences seems to shrink the boundary of the public domain by expanding the protectable signs. This tendency of expansion seem to redefine the function of the public domain in trade mark law, as a reservoir for potentially registrable signs that are readily claimable, rather than a reservoir of signs and indication that shall remain available for the public to use.

Furthermore, the exclusion from the trade mark registration in the law does not mean that the signs are available for the public in general to use in any communications. As the near absolute protection of the signs related to Olympics shows, even in case where the interests of the public obviously manifest as in the common patrimony signs, the exclusion from registration does not mean that the sign will be generally available for the public or the trade to use or make references to, but rather to discourage socially undesirable association with these signs. The exclusion in the laws, thus may simply mean that a private individual may not claim the signs of common patrimony as trade marks. Nevertheless it may be owned and exclusively controlled by the public. In this context, the entity that controls the use and determines which uses are socially not desirable need to operate as the steward of the public interest. Ironically, a strong assertion of the right by the entity representing the interest of the public seem to result in a situation where an individual member of the public is deprived of the right to use and refer to the signs of common patrimony.

3.2. Referential Use of a Trade mark in Non-commercial Communication

In non-commercial communication, a trade mark may be referred to the communications without any purpose to conclude commercial transaction. A classic understanding on the trade mark as a trade device that indicates the quality of the goods or services by a trader, would put

⁷⁹ San Francisco Arts & Athletics, Inc. v. U.S. Olympic Committee, 483 U.S. 522 (1987).

⁸⁰ Japanese Patent and Trademark Office, Decision of Feb 25, 1988, Case Showa (58) no. 23669, [Go-rin (Five Ring)]

⁸¹ Japanese Patent and Trademark Office, Decision of Nov. 27, 1998, Case Heisei (9) no. 15155

⁸² For the emergence of right to associate with an event, see, Dana Ellis, Teresa Scassa, Benoit Séguin, 'Framing ambush marketing as a legal issue: An Olympic perspective', *Sport Management Review*, Volume 14, Issue 3, August 2011, Pages 297-308.

the reference to the trade marks outside the context of trade. When signs are protected as trade marks, the trade mark laws often contain doctrines that allow use of signs and keep signs nonetheless usable by the public. Most notably, the notion of use in trade one of the doctrines that are used to limit the assertion of trade mark right against references made in non commercial context. As a doctrine that defines the scope of a trade mark right as a right that allow the right holder to exclude other from using the signs only in the course of trade, the trade mark use doctrine leaves the trade marks available to be used outside the trade context.

National laws on the notion of use in trade differ. However, a generalised picture may be drawn based on the TRIPs agreement. The TRIPs agreement provides in the article 16, paragraph 1 that,

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using *in the course of trade identical or similar signs for goods or services* which are identical or similar to those in respect of which the trademark is registered where such use would result in a *likelihood of confusion*. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be *presumed*.”⁸³

The minimum rule on the scope of right that a right holder has is based on four elements – use in the course of trade, identical or similar signs, identical or similar goods or services, likelihood of confusion, which is presumed only in the case of double identity. However, the article does not provide any further indicia toward what each of the concept would be and the legislative examples related to the TRIPs article 16(1) are not uniform.

Among these elements, more relevant to the case of referential use would be the notion of use in the course of trade. Referential use of a trade mark in non commercial communication would typically include use such as private communication, news reporting, use in political commentary, parody and cultural context. Even when there is no concrete and explicit exception in the law allowing these uses in the national laws, the concept of use in trade and use as a trade mark may excuse these uses.

Despite the importance of the concept of use in the course of trade, national trade mark laws approach this concept with some variations. Furthermore, the use in the course of trade or its variant doctrine of use as a trade mark often distinguish the protected uses in trade from other uses through examining facts concerning the nature of the use (i.e. commercial or not) and facts concerning the modes and manner of uses (i.e. use in relation to goods and service, and in the function of a trade mark.) Some national trade mark laws have an additional requirement of use in the course of trade as a trademark or in the function of a trade mark.⁸⁴ Logically, where a trade mark is referred to in non commercial speech, the mark would not be used in the primary function as a source indicator. Focusing only on this so called primary function of a trade mark, referencing a trade mark in this regard in the cultural, political or religious context as well as description of the quality would fall easily outside the use as a trade mark.

In Europe, and in the US, focuses seems to be on the commercial nature of the use. ECJ has ruled that the use in the course of trade is a use “in the context of commercial activity with a view to economic advantage and not as a private matter.”⁸⁵ Accordingly, the use of a trade mark in strictly non commercial private communications would be outside the use in the course of trade. Similarly US Lanham Act adopts the expression “use in commerce”⁸⁶ and the case laws in the US also shows that the courts will not likely to find the defendant who does

⁸³ TRIPs Agreement, Article 16, paragraph (1), italics added.

⁸⁴ See for a survey, WIPO Report, supra n.52.

⁸⁵ See ECJ, *Google*, supra n. 7 at para. 50, and *Arsenal* supra n.7 para. 40.

⁸⁶ 15 U.S.C. §1127

not engage in commercial communication liable. For example, the courts have found such uses of trade mark as in the internet gripe sites or fan sites that do not engage in selling or advertising goods or services non-commercial.⁸⁷ In contrast, in Japan and Korea, the notion of use in trade focuses more on the trader, and statutory definition of use. The use in trade generally implied from the definition of signs eligible for protection, namely that a sign has to be connected to goods and services of the persons who engage in the business.⁸⁸ From this, the use in the course of trade is understood to mean habitual uses in the profession as a trader and thus non-habitual uses of the signs in private communication would fall outside the scope. However, notably in Japan, the definition of use now includes electronic display⁸⁹ and based on this definition, a Japanese court held a meta-tag use to constitute a use in the course of trade.⁹⁰ In contrast, Korean trade mark act does not include electronic display in the statutory definition of use and thus, the Supreme Court held using a trademark as part of the domain name was considered not as one of the elaborated uses in the course of trade, as long as there is no additional conduct such as selling identical or similar goods through the website.⁹¹

Based on this, a referential use of a trade mark in non-commercial and private communication is in principle may seem to be outside the scope of trade mark protection. However, the boundary of commercial and non-commercial communication get blurred and the commercial, when so called “private communication” is done through ubiquitous media. Even when a speech does not clearly propose commercial transaction, communications are often mixed. Notably, internet platforms that enable blogging and broadcastings often include advertisement and sponsorships that allow the users to use their services without fee. Referential use of trade marks in blogs as a blog post entry, or in the domain names griping particular products have raised some questions whether such use would constitute use outside the trade.⁹² While the griping or fan sites without any association of goods or services may be outside the trade may be viewed strictly a non commercial communication, sites may be supported by advertisement including those of the competitors who may indirectly benefit from the non commercial communications. Similarly, fan sites may market fan goods, make unavoidable references to the signs, symbols and images of the famous artists or creative works may raise similar questions. In social network sites, the users may associate a particular goods or service by becoming a friend or like a product of the official sites of the trade mark holder through re-post or re-twit. Further users may also associate with a goods by creating vanity urls based on user names such as @ferrari, or www.facebook.com/love.ferrari. As was the initial phase of domain name grabs, there are a mix of cybersquatting and genuinely uses by the fans or devoted customers.⁹³

Further, reputation of a mark may raise questions. The reputation itself makes it easier to use a sign with reputation to convey meanings more effectively and thus the traders and the consumers may more likely to use signs with reputation in commerce or in other context. Due to the reputation or a notoriety, some marks convey powerful impression and imagery to the public. For example, signs and images such as Mattel’s Barbie or Disney’s Mickey Mouse are often used to comment and critique certain aspects of the American culture. Likewise, to

⁸⁷ See, e.g., *TMI, Inc. v. Maxwell*, 368 F.3d 433, 437-38 (5th Cir. 2004).

⁸⁸ Japanese Trademark Act, Sec.2(3) and Korean Trademark Act, Art 2(1)(vi)

⁸⁹ Japanese Trademark Act Sec 2(3)(vii).

⁹⁰ Osaka District Court (2005) Decision of Heisei 17, Dec.8, Case no Heisei 16 (wa) 12032

[Metatag].

⁹¹ Korean Supreme Court (2004), Decision of Feb 13, 2004, Case no 2001 (Da) 57709 [Rolls Royce] allowing the domain name use, Korean text of the decisions are available on the searchable database of Ministry of Government Legislation, <http://www.law.go.kr/main.html>, (last accessed Mar. 15, 2011).

⁹² See generally, Lipton, Jacquelin, *Internet Domain Names, Trademarks and Free Speech*, Edward Elgar Publishing. (2010).

⁹³ See for example, Curtin, Thomas J, 'The Name Game: Cybersquatting And Trademark Infringement On Social Media Websites,' *19 Journal of Law & Policy* 353. (2010).

highlight the interests of the oil industry in the U.S. war against the Iraq, in 2003, Daily Mirror ran a cover page using well known marks of oil companies.⁹⁴

Such references uses of trade marks are not limited to famous or well known marks, nor limited to reference for political criticisms. Indeed, the function of the trade mark in creation and communication of meaning is highlighted to the degree that scholars claim that there are linguistic function in trade mark in addition to more traditional function of a trade mark that which identify a source for the goods or services.⁹⁵ For example, the consumers or the general public including the traders may use signs in cultural contexts (i.e. books and other creative works and expressions), in creation of fan and enthusiasts materials for products, in search results, in product reviews and critiques.

Furthermore, some of the signs of reputation is created based on the large inputs from the public. To organize a mega events such as Olympic games, the public may fund the event directly as taxpayers, but also as audiences and consumers of merchandises that privately finance and sponsor the events.⁹⁶ In a public sport event, such as the Olympic Games where the athletes compete under national identities, the public needs to participate in the event not only as a passive consumers of the events and spectacles, but also through communicating the experiences with other members of the public, and sometimes using the signs that are associated with these events.⁹⁷ Spectators and fans of a sporting event, amateur or professional, also relive their experiences or contribute to the creation of values associated with the event, by sharing images of the events. Recounting the event may take many forms and symbols, signs and images are often the most efficient ways to communicate and comment on the experiences and sometimes form an identity as supporters.

The value and visibility of social media sites of the trade mark holder similarly benefits from the participation of the consumers as friends and fans of their social media sites. Re-posting or re-twit of the official posting or tweet of the trade mark holder, by the consumers with large “followers” validly form word of mouth type product promotion which will increase values of the product. Further even when such uses may not implicate the trade mark infringement liability of the consumers or users in general, the site operators, and other platform providers do gain financial benefits from the users’ behaviour on these sites.

In sum, even when the trade mark law would allow strictly non-commercial and private referential uses, legality of such uses seem to be tied to the shifting boundary of commercial and non commercial, as well as private and public communication. Most of the prevailing communication on social media, in a strict sense is not a private dialogue and often not only the platform but also the bloggers themselves engage in indirect product advertisement. In this context, if the doctrinal touchstone is based on the concept of trade or commerce, it is not suitable to deal with these new referential uses.

3.3. Referential Use of Trade Marks in Commercial Communication

⁹⁴ Image of the cover can be retrieved <http://www.tedmills.com/images/dailymirror.jpg>, last accessed on 10. October 2011.

⁹⁵ See for example, Katz, Ariel, ‘Beyond Search Costs: The Linguistic and Trust Functions of Trademarks,’ *Brigham Young University Law Review* (2010) 1555.

⁹⁶ See for example, on the financing of the Olympics Preuss, Holger, *The economics of staging the Olympics: a comparison of the Games, 1972-2008*, (Edward Elgar Publishers, 2004).

⁹⁷ Case Reference I ZR 60/09; *Hartplatzhelden.de*, *Bundesgerichtshof*, 28 October 2010. See report of Clark, Birgit, ‘Bundesgerichtshof decides in Hartplatzhelden.de case’, *Journal of Intellectual Property Law & Practice* 2011, Vol 6. No. 4, pp 221-222. See also Ohly, ‘Hartplatzhelden.de oder: Wohin mit dem unmittelbaren Leistungsschutz?’, *GRUR* 2010, 487; Ehmann, Timo, Monopole für Sportverbände durch ergänzenden Leistungsschutz? *GRUR Int* 2009 pp. 659-664.

More controversial developments in trade marks laws for the last decades has been in the area of referential uses in commercial communication. Referential uses of another's trade mark typically include comparative advertising, descriptive and qualitative references for spare parts or interoperable products, satire or parody in commercial context. As explored in the above, using a trade mark in the course of trade is precisely the conduct that the trade mark law aims to regulate and national laws often have limited exceptions allowing referential use in commercial communication.

The article 17 of the TRIPS agreement allows members to provide "limited exceptions" for the rights "such as *fair use of descriptive terms*, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties."⁹⁸ However, it does not provide sufficient clarity for limitation nor the substantive ceiling for the restriction that may be imposed.⁹⁹ Although it mentions the "fair use of descriptive terms" which is typically found in national laws as an example of such exceptions, referential uses may go beyond this limited notion of a fair use.¹⁰⁰ More elaboration is found in the MPI TRIPS Amendment Proposal.¹⁰¹ The proposal suggests the amendment of the article 17 and it includes uses in the course of trades,

- "i) *for descriptive purposes*, like indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;
- ii) *in order to provide information* in connection with sales of goods or services that are legitimately commercialised on the market concerned;
- iii) *for other marketing purposes providing relevant information, in particular comparative advertising*;
- iv) *in a satirical or parodist manner*, or in other modes of use covered by rules applying to freedom of speech and/or freedom of art in the Member concerned;
- v) of a natural person's own name...."¹⁰²

Descriptive, informational, comparative and satirical or parodist uses are all examples of referential uses of trade marks in commercial communications. As argued in the above, a trade mark is a device that allows communication of meaning and due to its symbolic nature, trade marks are highly effective communication tool to provide information. For example, to inform the consumers of the nature of the products, such as smell-alike perfume, it would be easier to describe the smell with comparison list that the product X smells like the famous Y, rather than to describe the product by listing the elements and chemical qualities. The consumers may not be likely to be confused as they will see the reference to a well-known mark, not as an indication of a source or an indication that the producer of the famous Y endorsed the smell-alike perfume and would see the smell-alike product " for what it is and no more."¹⁰³

⁹⁸ Article 17, TRIPs Agreement, supra n. 13

⁹⁹ In this context, see Grosse Ruse - Khan, Henning and Annette Kur: 'Enough is Enough – The Notion of Binding Ceilings in International Intellectual Property Protection'. In: Levin, Marianne and Annette Kur (Eds.): *Intellectual Property Rights in a Fair World Trade System*. (2011), p. 359 - 407. See also Ramsey, Lisa P. 'Free Speech and International Obligations to Protect Trademarks' *Yale Journal of International Law*, Vol. 35, No. 405, (2010)

¹⁰⁰ See the Proposals for Amendment of TRIPs, jointly prepared by the Max-Planck-Institute for Intellectual Property and Competition Law and the Institute for Intellectual Property and Market Law at the University of Stockholm, [hereinafter MPI TRIPs Amendment Proposal], available on the internet, http://www.ip.mpg.de/shared/data/pdf/proposed_amendments_to_trips_20110504.pdf, Last accessed on 1 March 2012.

¹⁰¹ MPI TRIPs Amendment Proposal, supra n 100 at 16-17

¹⁰² Id. Italics are added.

¹⁰³ *L'Oréal SA v Bellure NV*, [2007] EWCA Civ 968, [2008] RPC 196, at para 63.

National laws include limitations to trade mark right or at least a defence against claims of trade mark infringement for these types of communication. For example, the US has a statute acknowledging fair use defence.¹⁰⁴ Accordingly, a fair use of a trade mark as a name, descriptive use of goods or service or geographic origin would benefit from this defence.¹⁰⁵ At the same time as the notion of use of a trade mark limits the liability, when the trade mark was not used “on or in connection with goods or services.”¹⁰⁶ Similarly, in Europe, the trademark directive provides exceptions, conditioned to the honest business practices, as to the use as a name or address, use as indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services, necessary indication of the intended purpose of a product or service, in particular as accessories or spare parts.¹⁰⁷ In Korea and Japan, similar exceptions are found.¹⁰⁸ Thus uses as an own name, common name or indication, descriptive indication, customary indication, or as an indispensable functional shape are exempted. In Korea and Japan, courts tend to rely on the principle of use as a trade mark to excuse the referential use that is necessary to communicate the information for selling the goods are allowed by case laws.¹⁰⁹ For example, Tokyo District court in Japan found no trademark use when ink cartridges for a Brother printer were marketed, bearing the label “for Brother printers,” as the word “for” makes it clear that the use is for reference purposes.¹¹⁰ Likewise the Supreme Court of Korea found that using a trademark relating to a computer program for a manual for that computer program¹¹¹ or using a trademark to indicate a technical or a quality standard¹¹² did not constitute trademark use, as these uses were made for reference purposes.

The above observation shows that while the concrete articulation of the exceptions in the statutes has the benefit of certainty, a catalogue of exceptions may hinder the application of the exceptions to new uses. Thus even when there are concrete exception are found in statutes, when new practices emerge such as comparative advertising and keyword advertising, the courts often either need to invent a new function of a trade mark right to restrict the use, or to search for elastic notion through interpretation of the law. Use as a trade mark which is tied to the core function of a trade mark, has been one such notion. Use as a trade mark may not only be used to limit the scope of right, when a court finds a new function such as “investment function,” when the use affects that aspect of a trade mark, the court could find infringement.¹¹³ Courts in Japan and Korea have sometimes used to extend the protection against a reference use.¹¹⁴ In other words, as judicially created doctrine, ‘use as a trade mark’

¹⁰⁴ 15 U.S.C. § 1115(b)(4)

¹⁰⁵ Id.

¹⁰⁶ See, e.g., *Bosley Medical Institute, Inc. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005).

¹⁰⁷ Also, Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising, OJ L 376 of 27th December 2006. See also, Ohly, supra n.11 and Van der Laan, supra n.7

¹⁰⁸ Japanese Trademark Act Sec. 26 and Korean Trademark Act Art. 51.

¹⁰⁹ *Brother Industries Ltd. v. OHM Electronics Inc & Dynic Corp*, Tokyo District Court (2004) Decision of Heisei 16, Jun 23, Case no. Heisei 15 (Wa) 29488. Korean Supreme Court, Decision of Oct 10, 2003, Case no 2002 (Da) 63640 [Windows]; Supreme Court, decision of Jun.10, Case no 2005 (Do) 1637 [Sony].

¹¹⁰ *Brother Industries Ltd. v. OHM Electronics Inc & Dynic Corp*, Id.

¹¹¹ Korean Supreme Court, Decision of Oct 10, 2003, Case no 2002 (Da) 63640 [Windows]; Supreme Court, decision of Jun.10, Case no 2005 (Do) 1637 [Sony].

¹¹² Korean Supreme Court, Decision of Jun.13, 2003, Case no 2001 (Da) 79068. [SCA]

¹¹³ *Interflora*, supra n.47

¹¹⁴ *Shinko Corp and others v. Shouei KK*. Osaka District Court (2005) Decision of Heisei 17 Jul 25, Case no. Heisei 16 (Wa) 8276, [Pump Spare parts], (spare parts); Osaka District Court Decision of Heisei 6 Feb 24, Reported in 1552 Hanji 1552 139 [MAGAMP K] (repackaging); Korean Supreme Court Decision of Apr. 11, 2003, Case no 2002 (Do) 3445 [Fuji Film]

may depend on facts of each use, and thus may not be provide predictable outcome.¹¹⁵ For most of the prevailing communication in internet and social media, to allow referencing possible, a general exception of such as “fair use” based on statutes,¹¹⁶ other than the use in trade or commercial use or trade mark use theory may provide both predictability and flexibility.

4. Concluding Remarks

From the lenses of intellectual property right, the public domain is the area where the private claims to the property ends and in this sense limits the claims of the private property, and the users may engage in the conduct of use of the subject matters that are considered to be within the public domain, without the authorization of the right holders. Framed in this manner, the legality of using words, signs, image and information would look closely on the nature of the objects and identity of similarity of these objects are those that are within the public domain. From the lenses of property then, whether a conduct of use is excused or not then depends on how similar the object is the public domain objects. In contrast to this, from the lenses of conduct oriented regulation, such as unfair competition Law, the public domain is where the law does not sanction the use of the resources as an illegal conduct as such, and thus extracting values from the conducts such as imitation and copying will not be perceived tortuous.

While this academic division of object of property and the conduct seems simple, this is often not the case in practice. In practice, any uses of valuable intellectual subject matters involve the question determining the nature of the objects and the conducts which are often conflated. As sketched in the above, and elsewhere in this book, this is more complex in cases where a new right is seen to be emerging or the values is seen to be protected by way of extending causes of action against non authorized use, regardless of the jurisdiction.

As the RT Jacob L.J has succinctly put, “truth in the market places matters – even if does not attract quite the strong emotions as the right of a journalist or politician to speak the truth.”¹¹⁷ Freedom to inform the consumers of the information related to the goods or services serves the foundation for a concept of the consumers who are sovereign who could exercise their interest through selection. When information are hidden or not communicated accurately, a rational decision making will not be possible. At the interface of intellectual property and regulation of unfair competition, an articulation of the public’s right to make references using signs and trade marks may ground the role of the public domain in promoting the truth in market place as well.

¹¹⁵ See, Dinwoodie, Graeme B. and Janis, Mark D., ‘Confusion Over Use: Contextualism in Trademark Law.’ *92 Iowa Law Review*, 1597, arguing the trade mark use theory need to be discarded. Compare, Lemley, Mark A. and Dogan, Stacey L., ‘Grounding Trademark Law Through Trademark Use’. *92 Iowa Law Review* 1669 (2007).

¹¹⁶ For this point, see Senftleben, Martin, ‘Overprotection and Protection Overlaps in Intellectual Property Law - the Need for Horizontal Fair Use Defences’, In: *The Structure Of Intellectual Property Law: Can One Size Fit All?*, A. Kur and V. Mizaras, eds., Cheltenham: Edward Elgar Publishing (2011).

¹¹⁷ L’Oréal v Bellure, supra n. 32 at para.9.