

**IN THE CONSTITUTIONAL COURT OF SOUTH AFRICA  
HELD AT CONSTITUTIONAL HILL**

**CCT CASE NO: 42/04**

In the matter between:

**LAUGH IT OFF PROMOTIONS CC**

Applicant

and

**SOUTH AFRICAN BREWERIES INTERNATIONAL  
(FINANCE) B.V t/a SABMARK INTERNATIONAL**

Respondent

**THE FREEDOM OF EXPRESSION INSTITUTE**

*Amicus curiae*

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**HEADS OF ARGUMENT OF THE *AMICUS CURIAE***

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## TABLE OF CONTENTS

Heading / sub-heading	Para No.	Page No.
<b>PRELIMINARY</b>	1-5	3-4
<b>INTRODUCTION</b>	6-10	4-5
<b>THE CENTRAL ISSUE FOR ADJUDICATION</b>	11-19	5-7
<b>THE SCA JUDGMENT</b>		8
The flawed analysis of section 34(1)(c) by the SCA	20	8-12
The approach to the interpretation of the message of the T-shirts adopted by the SCA	21	12-18
Parody and the SCA's findings	22	18-24
Multiple competing interpretations	23	24
Commercial use	24	24-28
Relevance of applicant's own characterisation of the expressive act	25	28-29
The alternative avenues of expression test	26	29-31
<b>RELEVANT FOREIGN CASE LAW</b>	27	31-32
<b>THE UNITED STATES JURISPRUDENCE ON INTELLECTUAL PROPERTY PROTECTION AND FREEDOM OF EXPRESSION</b>	28	32-33
The purpose and scope of trademark protection	29	33-36
Fair use through parody	30	36-38
Parody in general	31	38-39
Parody in the 'Campbell v Acuff-Rose Music' case	32	39-41
The meaning and scope of the concept of parody	33	41-42
The test for parody	34	43-44
Commercial use no bar to parody	35	45
Parody and copying	36	46-48
Parody and market harm	37	48-49
Parody and trademark dilution	38	49-54
<b>UNITED KINGDOM AND EUROPEAN LAW</b>	39-50	54-58
<b>ANALYSIS OF THE FACTS IN THE PRESENT APPEAL IN THE LIGHT OF THE ABOVE PRINCIPLES</b>	51-74	58-66

**A. PRELIMINARY**

1. Before the Supreme Court of Appeal, the Freedom of Expression Institute ("FXI") made application for admission as *amicus curiae* in the above matter, and were granted leave by that Court to adduce both written and oral argument. This they did.
2. The applicant has sought special leave to appeal to this Court against the order of the Supreme Court of Appeal ("SCA").
3. The FXI accordingly has applied for leave to intervene as *amicus curiae* in these proceedings in accordance with Rule 10 of the Rules of this Honourable Court.
4. The applicant and the respondent (hereinafter referred to as "SAB") both gave their consent to the intervention of FXI in these proceedings.
5. On 18 February 2005, the Chief Justice gave the following directions:
  - 5.1. The application by the Freedom of Expression Institute (FXI) to be admitted as *amicus curiae* in the above matter which is set down for hearing before this Court at 10:00 on 8 March 2005 is granted.

5.2. The *amicus* shall lodge written argument in terms of Rule 10(7) not later than 28 February 2005 after which further directions will be issued on whether the FXI will be permitted to address oral argument to the Court.

5.3. In accordance with the above directions of the Chief Justice, the FXI submits this written argument.

## **B. INTRODUCTION**

6. This application for leave to appeal raises fundamental questions which are entirely novel in South African law regarding the constitutional right to freedom of expression in South Africa, and in particular its effect on the law of copyright and trade marks.

7. This was in effect recognised by the Supreme Court of Appeal in its judgment (“**the SCA judgment**”) where it held:

**“The problem ...is that the question of how far guarantees of freedom of the media and expression affect intellectual property rights, is, except for the USA, somewhat virgin territory.”<sup>1</sup>**

8. The SCA dismissed with costs the appeal on behalf of the applicant (the appellant before the SCA) against the order of the Court *below*,

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<sup>1</sup> SCA Judgment: para 11, p292

with some amendments to the order arising from the overbreadth of the order.

9. In the Court *below* SAB had obtained relief against the applicant for trade mark infringement under section 34(1)(c) of the Trade Marks Act, Act 194 of 1993 (“**the Act**”). The appellant’s activity which SAB successfully interdicted under the Act was the production and sale of certain T-shirts.
10. The details of the T-shirts concerned, and in particular their design and content, which has provoked challenge, appears from the various affidavits and annexures as well as from the SCA judgment.<sup>2</sup>

**C. THE CENTRAL ISSUE FOR ADJUDICATION**

11. This dispute revolves around the proper interpretation of Section 34(1)(c) of the Trademarks Act in the light of the Constitution, and in particular section 16 thereof.
12. The narrow issue for adjudication is the proper ambit of the formulation in section 34(1)(c) of the Act that the use of the mark in issue by the applicant:

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<sup>2</sup> Founding affidavit: paragraphs 11-14, p8; Annexure S7, p36; SCA Judgment: para 5, p290 and annexure P311.

**“... would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark. ...”<sup>3</sup>**

13. As stated by the SCA in its judgment, none of the further criteria set out in section 34(1)(c) of the Act is in dispute before this Court<sup>4</sup>.
14. The submissions of the *amicus* in these heads will be confined to the proper interpretation of the terms “*unfair advantage of*” and “*detrimental to*” in section 34(1)(c) of the Act in the light of the Constitution and in particular section 16, the right to freedom of expression.
15. Remaining issues, such as the “*likelihood of harm*” test under section 34(1)(c) which remain alive between the parties will not be addressed by the *amicus*.
16. In its judgment, the SCA recognised that:
  - 16.1. the terms “*unfair advantage of*” and “*detrimental to*” must be interpreted in the light of the right to freedom of expression enshrined in section 16 of the Constitution<sup>5</sup>; and
  - 16.2. that in the light of the Constitution, parody is a factor in determining whether a defendant’s use of a mark is

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<sup>3</sup> Act, section 34(1)(c)

<sup>4</sup> SCA Judgment: para 20, p297

constitutionally protected, although it is not a defence *per se*.<sup>6</sup>

17. Notwithstanding the above findings, the SCA found that the applicant's T-shirts do not constitute parody and that accordingly the applicant's reliance on parody as part of a defence is "**misconceived**" and that the applicant "**did not exercise its freedom, it abused it**".<sup>7</sup>
18. FXI submits that in reaching this conclusion the SCA failed to articulate, or alternatively erred in articulating, central principles and enquiries that are fundamental to the protection of the right to freedom of expression under our Constitution. In this respect, FXI first undertakes an analysis of the SCA judgment.
19. Furthermore, the FXI will submit in this regard that the jurisprudence of foreign jurisdictions, and in particular that of the United States, may be of considerable assistance to this Court, as it was to the SCA, in interpreting intellectual property rights against the backdrop of the Constitution. To this end, FXI undertakes an examination of some of the foreign jurisprudence relevant to these issues.

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<sup>5</sup> SCA Judgment: para 21, p297

<sup>6</sup> SCA Judgment: para 37, p306

<sup>7</sup> SCA Judgment: para 41, p309

**D. THE SCA JUDGMENT**

**20. The flawed analysis of section 34(1)(c) by the SCA**

20.1. In its judgment, the SCA rightly articulates the essence of the dispute as resting on the meaning of “*to take unfair advantage of*” or to “*be detrimental to*” in section 34(1)(c) of the Act. The SCA held, in this respect, that the interpretation of these terms in section 34(1)(c):

**“... must, obviously, be interpreted in the light of the Constitution and its application must be such that it does not unduly restrict a party’s freedom of expression. This requires a weighing-up of the freedom of expression and the trade mark owner’s right of property and freedom of trade, occupation or profession.”<sup>8</sup>**

20.2. This approach is in accordance with the proper approach to the interpretation of statutory provisions against the backdrop of the Constitution as has been articulated and now repeatedly affirmed by this Court.<sup>9</sup> In this respect it is

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<sup>8</sup> SCA judgment: para 21, p297-298  
<sup>9</sup> **The Investigating Directorate: Serious Economic Offences and Others v Hyundai Motor Distributors (Pty) Ltd and Others** 2001 (1) SA 545 (CC); **Govender v Minister of Safety & Security** 2001 (4) SA 273 (SCA) at para 11; **Carmichele v Minister of Safety and Security and Ano. (Centre for Applied Legal Studies Intervening)** 2001 (4) SA 938 (CC) at para 36.

important to bear in mind that constitutional rights must be generously interpreted.<sup>10</sup>

20.3. In particular, the scope of “unfairness” which qualifies the “*taking advantage of*” must be determined, at least in part, by the meaning and scope of the constitutional rights of the alleged infringer, and in particular, in this instance the right to freedom of expression. Use of a mark which falls within the sphere of protected activity under section 16 of the Constitution, even where the other requirements of section 34(1)(c) of the Act are satisfied, would not be “unfair” within the meaning of section 34(1)(c). This is what it means to interpret section 34(1)(c) in the light of the Constitution.

20.4. Certain activity that would have been considered to be unfair prior to the advent of the Constitution, insofar as it falls within the scope of protected activity under the Constitution, will now not be considered to be unfair. Logically, it is therefore necessary first to embark upon the enquiry as to what constitutes protected activity under the Constitution, and pertinently under section 16, prior to determining whether a

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<sup>10</sup> **S v Zuma & Others** 1995 (2) SA 642 (CC) at 650 H – 651I; **S v Williams & Others** 1995 (3) SA 632 (CC) 648-649 paras 51-54.

particular use of a mark in the context of section 34(1)(c) is “unfair” within the meaning of this provision.

20.5. Notably in this respect, the SCA in its judgment read into the meaning of “*detrimental to*” in section 34(1)(c) the qualification of “unfairness” even though such qualification does not expressly appear in section 34(1)(c) of the Act. The SCA held that:

**“... It is inconceivable that any detriment could suffice and it is implicit that detriment, in order to be actionable, has to be unfair in the sense that the relief sought may not unfairly or unduly encroach on the rights of others – including the freedom of expression.”<sup>11</sup>**

20.6. Accordingly, the meaning and scope of the right of freedom of expression under section 16 of the Constitution in accordance with the proper enquiry as set out by the SCA, is relevant both to the determination of whether a use “takes advantage of” and the disjunctive requirement under section 34(1)(c) that a use is “detrimental to” the distinctive character or repute of a trade mark. Moreover, such unfair advantage or detriment must be “likely”.

20.7. Notwithstanding the proper approach to be adopted in the interpretation of statutory provisions, and in particular section

34(1)(c) of the Act as enunciated by the SCA, the SCA does not in the end result in its judgment in fact adopt this approach to the interpretation of section 34(1)(c) of the Act.

- 20.8. Instead, the SCA first embarks upon an enquiry into the “proper” interpretation of the message of the T-shirts and an enquiry into the meaning of “unfair use” and “unfair detriment to” prior to considering the effect on the meaning of these terms of section 16 of the Constitution. The SCA then concludes at para 28, that:

**“I therefore find that the message on the T-shirt is materially detrimental to the repute of the trade marks concerned. This leaves for consideration the freedom of expression justification.”<sup>12</sup>**

- 20.9. The error in analysis is apparent from the above conclusion. The SCA reaches the conclusion that the message on the T-shirt is materially detrimental to the repute of the marks concerned prior to considering the meaning and scope of freedom of expression. As indicated above, the proper interpretation of the scope of section 16 and the sphere of protected activity which it encompasses is an enquiry that is relevant to, and necessary for the conclusion that a particular use takes “unfair advantage of” or “is materially detrimental

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<sup>11</sup>

SCA Judgment: para 23, p298

to” the repute of a particular trade mark. It is submitted, that the approach in fact adopted by the SCA to the interpretation of section 34(1)(c) was incorrect.

21. **The approach to the interpretation of the message of the T-shirts adopted by the SCA**

21.1. Throughout its judgment the SCA makes numerous findings concerning the “correct”, “proper” or “most plausible” interpretation of the meaning or the message of the T-shirts in question. The SCA reaches the following conclusion in this respect:

**“I find the interpretation contended for by counsel for the appellant and for FXI strained to say the least in that the interpretation contended for by Sabmark to be evidently the correct one. That leads to the next question namely whether a T-shirt with such a message is substantially detrimental to the repute of the marks ...”**<sup>13</sup>

21.2. In the first place, the above conclusion is further evidence that the enquiry into material detriment was undertaken by the SCA independent of and prior to the question of the proper ambit and scope of the constitutional right in question.

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<sup>12</sup> SCA Judgment: para 28, p301

<sup>13</sup> SCA Judgment: para 26, p300

21.3. Secondly, the SCA is fully prepared to, and does, enter into the interpretative fray and determines the “proper” interpretation of the T-shirts. The interpretation of the T-shirts contended for by SAB was that since time immemorial SAB has exploited and is still exploiting black labour and that it has or should have a feeling of guilt.<sup>14</sup>

21.4. The SCA appears to adopt the above interpretation of the T-shirt’s message notwithstanding its apparent articulation of a test for the proper approach of a Court placed in this position, which is that the message is:

**“.. a matter of interpretation through the eyes not only of the typical purchaser of such T-shirt but also through the eyes of those who are perforce exposed to the purchaser’s attire.”<sup>15</sup>**

21.5. It is submitted in respect of the above that:

21.5.1. the articulation by the Court of the “correct” or “proper” interpretation of the message on the T-shirts is an illegitimate and improper finding in the context of a political or artistic expression in the public domain under section 16 of the Constitution; and

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<sup>14</sup> SCA Judgment: para 25, p299

<sup>15</sup> SCA Judgment: para 24, p299

21.5.2. in any event, the test articulated by the SCA, as set out above, is the incorrect test for a Court to adopt where it is called to interpret political or artistic expression in the public domain, under section 16 of the Constitution.

21.6. It is submitted further that:

21.6.1. in order to interpret section 34(1)(c) of the Act in the light of the Constitution, and accordingly properly to adjudicate this dispute, it is necessary that this Court articulate the correct test to be adopted by a Court where complex or controversial messages of a political or artistic nature are expressed in the public domain; and

21.6.2. that the proper test to be adopted where competing interpretations of an expressive endeavour are possible is not that articulated by the SCA but rather the following:

**whether the interpretation is one for which a reasonable lay person might contend.**

21.7. In the context of the present matter the threshold test in respect of whether an expressive act does indeed constitute parody is:

**whether a reasonable lay person would perceive the parodic character of the activity or work concerned.**

21.8. The test contended for is in accordance with that adopted by the United States Court under the First Amendment. We consider this further below under the section on comparable foreign jurisprudence.

21.9. On the basis of the above considerations, the finding of the SCA in its judgment that:

**“... the interpretation contended for by counsel for the appellant and for FXI [is] strained to say the least and that the interpretation contended for by Sabmark to be evidently the correct one.”**

is an illegitimate finding for a court under section 16 of the Constitution.

21.10. The approach adopted by the SCA in this respect offends against fundamental values underlying the protection of freedom of expression in an open and democratic society based on dignity, equality and freedom.

- 21.11. This Court has previously pronounced upon the values underlying the protection of freedom of expression in our Constitution.<sup>16</sup>
- 21.12. These values entail that individual autonomy preserve the question of interpretation of public pronouncements, particularly in the sphere of political and artistic expression, for the independent judgment of individuals. This, in turn, is a necessary condition for individual autonomy and freedom. The protection of freedom of expression entails protection against having particular interpretations imposed upon individuals by the State or the Courts.<sup>17</sup>
- 21.13. Furthermore, protection of freedom of expression under section 16 of the Constitution ought to prohibit the State or our Courts from imposing moral judgments upon the expressive activities of individuals, except in defined and clearly circumscribed instances. This applies *a fortiori* where one private party seeks to impose moral or political reprobation upon other private individuals.

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<sup>16</sup>

**South African National Defence Union v Minister of Defence & Ano** 1999 (4) SA 469 (CC), 1999 (6) BCLR 615 (CC) at para 7; **S v Mamabolo** 2001 (3) SA 409 (CC); **Islamic Unity Convention v Independent Broadcasting Authority and Others** 2002 (4) SA 294 (CC); **Khumalo v Holomisa** 2002 (5) SA 401 (CC); **Phillips and**

21.14. In this respect, the Courts in the United Kingdom and Canada have consistently held that freedom of expression is equally applicable to ideas that offend, shock or disturb the State or any sector of the population, except in clearly defined circumstances, and that such an approach is a necessary condition of democracy.<sup>18</sup> That the constitutional protection of freedom of expression is not the sole preserve of those who would express lofty, noble or merely inoffensive sentiments has been endorsed by this Court.<sup>19</sup>

21.15. In this respect, the conclusions of a moral nature regarding the interpretation of the T-shirts reached by the SCA and contended for by SAB are illegitimate under section 16 of the Constitution. These include the Court's finding that:

**“It would be fair to pose the question whether the message is not likely to create in the mind of consumers a particularly unwholesome, unsavoury or degrading association with Sabmark’s marks. The answer must be Yes. Otherwise put, will anyone who has seen the appellant’s T-shirt be able thereafter to disassociate it**

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**another v Director of Public Prosecutions, Witwatersrand Local Division and others** 2003 (3) SA 345 (CC)

<sup>17</sup> See generally Chaskalson et al: **Constitutional Law of South Africa** (Juta Revision Service 5, 1999) p20-5

<sup>18</sup> See, for example, **Handyside v The United Kingdom** [1976] 1 EHRR 737 at 754; **Sunday Times v The United Kingdom (No. 2)** (1992) 14 EHRR 229, para. 50(a) at 241; and *R v Keegstra* [1990] 3 SCR 697 at 729. In the United States, see generally **Abrams v United States** 250 US 616 at 630.

<sup>19</sup> **Islamic Unity Convention v Independent Broadcasting Authority and Others** 2002 (4) SA 294 (CC) at para 28 citing with approval the dictum in **Sunday Times v United Kingdom** *supra*.

**from Sabmark's trade marks? The answer must be No.**"<sup>20</sup>

and,

**"On the same principle, unfair or unjustified racial slurs on a trade mark owner (even if not hate speech or approximating it) should in general not be countenanced, more so in a society such as ours."**<sup>21</sup>

21.16. If an expressive activity is found to be protected, the extent to which it may cause discomfort or appear morally outrageous to some is entirely irrelevant. To brand the message communicated by the T-shirts as a "racial slur" (even by implication) is to itself distort and caricature the complex message conveyed by the T-shirts concerned.

21.17. The necessary prior enquiry, therefore, must be whether the expressive activity is or is not protected. If the activity is protected, then the extent to which it may cause discomfort or be regarded as morally reprobate by some is irrelevant.

## 22. **Parody and the SCA's findings**

22.1. The SCA accepted that the parodical nature of an expressive act is a relevant factor in determining whether the use of a protected mark is fair within the meaning of section 34(1)(c)

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<sup>20</sup> SCA Judgment: para 26, p300-301

of the Act. However, it held that parody is not a sufficient condition for fairness.<sup>22</sup> This approach, is substantially in accordance with the approach of the United States' Courts, which is discussed further below.<sup>23</sup>

22.2. The SCA, however held, that what it termed “purely derisory” parody should not be entitled to protection.<sup>24</sup> The Court did not articulate what it meant by parody that is “purely derisory” nor did it clearly explain the basis for such an exception. Insofar as this Court may endorse the “purely derisory” test, it is necessary that the meaning of this exception be clearly articulated.

22.3. The SCA furthermore accepted the definition of parody as articulated in the leading United States case of **Campbell v Acuff-Rose Music Inc 510 US 569**. The FXI endorses this definition of parody.<sup>25</sup>

22.4. The essence of parody according to this definition, and the distinction between parody and satire as drawn in the United States' jurisprudence is that, in the case of parody, there is a

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<sup>21</sup> SCA Judgment: para 31, p303

<sup>22</sup> SCA Judgment: para 36, p305

<sup>23</sup> See: Section on US jurisprudence below, Section “E” p19

<sup>24</sup> SCA Judgment: para 33, p304

non-arbitrary relationship between the parodic work and its target.

22.5. The SCA, however, found that the message conveyed by the applicant's T-shirts did not constitute parody. This finding is informed at least in part by the approach that the Court adopted to the interpretation of the T-shirt's "message". This approach has been analysed above.

22.6. In this respect, it is submitted that the SCA's acceptance of the interpretation of the T-shirts contended for by SAB and its rejection of other possible interpretations, including the interpretations contended for by the applicant and the FXI, was misplaced.

22.7. The FXI, contends that contrary to the findings of the SCA and the submissions of SAB, on a proper analysis of the T-shirt, the expressive activity undertaken through the medium of the T-shirts by the applicant falls within the core meaning of parody. In any event, it is submitted that the parodic interpretation of the T-shirts is an entirely reasonable one and accordingly falls to be protected under section 16 of the Constitution.

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<sup>25</sup> This is discussed further under the United States jurisprudence below, Section E,

- 22.8. In order to understand the parodic nature of the T-shirts, it is necessary to understand the nature of the target. The target in question, namely the Black Label brand, is a carefully constructed brand, the identity and character of which in the marketplace attracts considerable expenditure on the part of SAB. This brand identity has been astutely and carefully crafted to present the product to the marketplace as “a working man’s beer” and a beer which is consumed by the worker after a hard day of labour.
- 22.9. It is SAB that has chosen to create the particular brand identity of its product and accordingly to appropriate for its product (and the associated trade mark) certain images, virtues and values in society. These images, virtues and values are in the public domain and open critique, ridicule and caricature. The licensee/manufacture should enjoy no special immunity from the spoofing and criticism that is generated by its own choice of branding.
- 22.10. This brand identity of the target product is critical to the nature of the humour and the message conveyed by the T-shirts. Furthermore, this brand identity would be one of which consumers in the target market for the product would

be aware because it is these consumers at whom the branding is directed. This aspect of the brand identity of the target product, it is submitted, was not fully appreciated by the SCA.

22.11. In this respect, it is submitted, the interpretation of the T-shirt's "message" that is contended for by SAB is insufficiently nuanced and does not capture the complexity of expressive aims of the T-shirt. The interpretation for which SAB contends is in this respect itself a caricature of the T-shirt's critical humour.

22.12. In any event, even if it were to be contended that the T-shirts are capable of other competing interpretations such as that contended for by SAB, and ultimately endorsed by the finding of SCA, the proper approach, in accordance with the proper test contended for above, should be whether the parodic interpretation suggested is one that in all circumstances is reasonably sustainable. It is submitted that there can be little doubt that it is. This depends upon a finding of a reasonable connection between the parodic activity and the target.

- 22.13. The finding by this Court as to whether there is a reasonable non-arbitrary connection between the expressive activity and the target product will be central to the finding of the existence of parody and accordingly critical to the outcome of the present appeal.
- 22.14. It is submitted, in this respect, that the United States cases relied upon by the SCA in the course of its judgment, and by SAB in its heads of argument before this Court, are distinguishable.<sup>26</sup>
- 22.15. In both the **Mutual of Omaha** case, and the **Anheuser-Busch** case, for example, the relationship between the expressive act and the target product was an entirely arbitrary and tenuous one.<sup>27</sup> The remainder of the cases relied upon by the respondent pertaining to the association of Coca-cola with cocaine<sup>28</sup>, American express with a brand of condoms<sup>29</sup> and Pillsbury trade character with pornography<sup>30</sup> are similarly inapposite.<sup>31</sup> In each case, it is

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<sup>26</sup> SCA Judgment: para 39, p308; Respondent's heads of argument: para 27  
<sup>27</sup> **Mutual of Omaha Insurance Co. v Novak** 836 F2d 397 and **Anheuser-Busch Inc v Balducci Publications** 28 F3d 769 (1994)  
<sup>28</sup> **Coca Cola Company v Gemini Rising Inc** 346 F.Supp.1183 at 1190-1191 (1972)  
<sup>29</sup> **American Express Co v Vibra Approved Laboratories Corp** 10 U.S.P.Q. 2d 2006 (S.D.N.Y. 1989)  
<sup>30</sup> **Pillsbury Company v Milkyway Productions** 215 U.S.P.Q. 124 (N.D.Ga 1981)  
<sup>31</sup> See, Respondent's Heads, para 25 *et seq.*

critical to analyse the nature of the connection between the expressive act, and the target brand.

**23. Multiple competing interpretations**

It is submitted, further, that where an expressive act is capable of multiple competing interpretations, then the proper approach is as follows. It is necessary to determine whether at least one reasonable interpretation falls within the sphere of protected activity. If it does, then to the extent of this interpretation, the expressive act should enjoy protection. This is consistent with the approach in defamation cases.<sup>32</sup>

**24. Commercial use**

24.1. The approach adopted by the SCA suggests that to the extent that the expressive act forms part of a commercial use, it is deserving of lesser protection under section 16 of the Constitution.<sup>33</sup> This is, furthermore, the approach contended for by the respondent before this Court.<sup>34</sup>

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<sup>32</sup> **Channing v South African Financial Gazette Ltd and other** 1966 (3) SA 470 (W) at 473C-D.

<sup>33</sup> SCA Judgment: para 30, p302

<sup>34</sup> Respondent's heads of argument: para 35.3 and 35.4

- 24.2. It is submitted that this approach should be rejected as it would have the consequence of suppressing valuable expression in an open and democratic society.
- 24.3. The first basis for rejecting this approach is a principled one. In the public domain today, competition for space to communicate is acute and often dominated and controlled by commercial interests. In this environment, it is usually the most well-resourced and most powerful who are in the best position to have their voices heard. Accordingly, the restriction of valuable communication to non-commercial endeavours would have a further chilling effect on alternative and competing voices in society.
- 24.4. The second reason is a practical one concerning the interpretation of section 34(1)(c) of the Act. Section 34(1)(c) already restricts infringements to those infringements caused by use “in the course of trade”. Accordingly, to undertake a further commercial use enquiry in interpreting the term “unfair” in section 34(1)(c) of the Act is to re-introduce the same enquiry for a second time in the same section. As it stands, the section provides that a non-trade use is sufficient for the use to be considered fair under the Act. The converse proposition, namely that use in the course of trade

is more likely to be unfair, is not to be found in the Statute. Accordingly, there is no basis for reading it in.

24.5. In this respect, the reliance by the SCA in its judgment, and the respondents before this Court<sup>35</sup>, on the inherent limitations within section 34(1)(c) for the protection of freedom of expression, under the Constitution is unsatisfactory.<sup>36</sup>

24.6. The construction of section 34(1)(c) adopted by the SCA in this regard, namely that a mark may be used in the course of trade but not in relation to goods or services, results in absurdity. It is difficult if not impossible to see how a use may be undertaken in the course of trade without it being in relation to goods or services. What trade is possible that is not connected to goods or services? The interpretation of the inherent limitations in section 34(1)(c) adopted by the SCA is therefore deficient. “Services” is intended to disambiguate the term “trade” in section 34(1)(c), i.e. it is meant to indicate that what the Legislature refers to is not just trade in connection with goods, but trade in connection with “goods and services”. In other words, it is intended to

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<sup>35</sup> Respondent’s heads of argument, para 5.3, 5.4 *et seq.*

<sup>36</sup> SCA Judgment: para 30, p302

indicate that trade in connection with services is not excluded. The qualification of goods and services in section 34(1)(c) is accordingly not a further limitation to the scope of section 34(1)(c) as the SCA appears to hold.

- 24.7. Accordingly, commercial use should not be considered a bar to protection under section 16 of the Constitution. This is the position under United States First Amendment jurisprudence which is further examined below.
- 24.8. In this respect, it is critical to distinguish between “commercial use” and “commercial speech” which has a technical meaning within the context of the jurisprudence of the United States. “Commercial speech” or “commercial expression” has been defined by the United States Supreme Court as **“speech which proposes a commercial transaction”**.<sup>37</sup>
- 24.9. The typical examples of “commercial speech” relate primarily to commercial advertising of goods or services for profit in accordance with the definition. It would be fundamentally incorrect to categorise the T-shirts as commercial speech in this sense. Rather, the T-shirts in addition to their other

purposes, do have a “commercial use” insofar as they are themselves sold for a profit.

24.10. The submissions of SAB are in this respect confused and oversimplified.<sup>38</sup> SAB seeks to contend that the applicant’s product is a T-shirt and that the Black Label mark is being appropriated for this purpose alone. It is submitted that in fact what is being sold is more abstract composite product. The product an idea. It is the brand criticism and the criticism of branding more broadly. T-shirts are merely the chosen medium for the sale of this product.

25. **Relevance of applicant’s own characterisation of the expressive act.**

25.1. In the course of its judgment, the SCA appears to place reliance on the deponent for the applicant, Mr Nurse’s, (whom the Court describes as the alter ego of the applicant) description of his own expressive endeavour as being “satire” rather than “parody”.<sup>39</sup> SAB persists in this approach in its submissions before this Court.

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<sup>37</sup> See, for example, **Central Hudson Gas and Electric v Public Services Commission** 447 US 557 at 562, 100 SCt 2343 (1980)

<sup>38</sup> Respondent’s heads of argument, para 35.3 and 35.4

<sup>39</sup> SCA Judgment: para 36, p306

25.2. It is submitted that it is fallacious to rely on an individual's own characterisation of the nature of his or her expressive act as a basis for determining the legal and/or constitutional status of that expressive act, and that accordingly the SCA erred in relying upon the deponent's *ipse dixit*. The manner in which an individual chooses to characterise his own expressive act can have no bearing on the legal, and *a fortiori* the constitutional, status of such acts. It is submitted, in this respect, that expression enjoys protection under section 16 of the Constitution even although the individual who is responsible for the expressive act may not know why or on what basis the expressive act enjoys protection.

26. **The alternative avenues of expression test**

26.1. The SCA has, in the course of its judgment and for the first time in our law, articulated the principle, derived from the Canadian and United States' jurisprudence, that where expression is limited this will not infringe the constitutional protection of freedom of expression where adequate alternative means of expression are available.<sup>40</sup>

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<sup>40</sup> SCA Judgment: para 30, p302

26.2. This test has a well-established pedigree in the jurisprudence particularly of the United States. The test, however, begs the essential question of what may constitute “adequate alternative means” of expression. It is necessary, in this regard, in the context of each case, to articulate the nature and adequacy of alternative means insofar as they are held to exist.

26.3. Although the SCA appears to rely on this test as a factor in reaching its conclusion, the Court presumes, without explaining in general or in particular what may constitute such adequate means. In this regard, the critical enquiry is as to the “adequacy” of any perceived alternative means.

26.4. It is difficult to apply the test in a non question-begging way. The SCA holds that:

**“The appellant may declaim the message about Black labour and White guilt from roof tops, pulpits and political platforms; and it may place the same words, without appropriating the registered mark’s repute, on T-shirts, and sell them. In other words, its freedom of expression is hardly affected.”<sup>41</sup>**

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<sup>41</sup> SCA Judgment: para 30, p302

- 26.5. This approach is sustained by SAB in its submissions before this Court. However, the adequacy of these alternative avenues is not analysed with any rigour.
- 26.6. Such means of expression do not afford the opportunity to convey the relevant message effectively. As previously submitted, in a crowded market place dominated by the well-resourced and their commercial or ideological interests, it is frequently necessary to compete commercially in order to convey a message effectively. Hence, by declaiming the message from rooftops, pulpits or political platforms, the applicant would not reach the same audience or do so as effectively as it has through the sale of T-shirts. Furthermore, the sale of the T-shirts affords modest resources to continue to convey the critical message.
- 26.7. Accordingly, it is doubtful that the alternative avenues identified are “adequate” for the purposes of the test. In any event, any suggested alternative avenues require careful scrutiny along these lines.

**E. RELEVANT FOREIGN CASE LAW**

27. It is submitted, that the jurisprudence of foreign jurisdictions may be of considerable assistance in approaching the interpretation of section 34(1)(c) of the Act in the light of the Constitution, and in particular the protection of freedom of expression under section 16. The treatment of foreign case law is placed before this Court expressly on the basis articulated by the SCA in its judgment, namely:

**“That it is done principally in order to illustrate or to compare. The different statutory setting of all these cases must always be kept in mind.”<sup>42</sup>**

(i) **THE UNITED STATES JURISPRUDENCE ON INTELLECTUAL PROPERTY PROTECTION AND FREEDOM OF EXPRESSION**

28. It is submitted that the jurisprudence of the United States is conceptually of particular assistance. This is because, as recognised in the SCA judgment, this is one of the few jurisdictions with a tradition of stringent protection of intellectual property rights as well as the protection of expressive rights under a supreme constitution where the effect of freedom of expression on intellectual property

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<sup>42</sup> SCA Judgment: para 19, p207

protection has been repeatedly considered by the courts. For this reason the approach of the US courts is considered in some detail.<sup>43</sup>

## 29. The purpose and scope of trademark protection

29.1. In the United States, the primary source of trademark protection is the Lanham Trade-Mark Act, 15 USC Section 1051 *et-seq* ("**the Lanham Act**"). The courts have adopted a narrow view of the purpose of the trademark protections as set forth in the Lanham Act.<sup>44</sup>

29.2. In the **MCA Records case**, the Court relying on the decision in **New Kids on the Block v News Am. Publishing Inc 971 F.2d 302, 305 (9th Cir. 1992)** stated:

**"A trade-mark is a word, phrase or symbol that is used to identify a manufacturer or sponsor of a good or the provider of a service ... It's the owner's way of preventing others from duping consumers into buying a product they mistakenly believe is sponsored by the trade-mark owner. A trade-mark 'inform[s] people that trade-marked products come from the same source'... limited to this core purpose - avoiding confusion in the**

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<sup>43</sup> For a recent and comprehensive treatment of the US jurisprudence see Michael K Cantwell "Confusion, dilution and speech: First Amendment Limitations on the Trademark Estate: An Update" **The Trademark Reporter** Vol 94 547

<sup>44</sup> **Mattel Inc v MCA Records ("MCA")** 296F.3d 894 (9th Cir.2002) *Cert. denied*. See also **Mattel Inc v Walking Mountain Productions** (9th Cir. unreported) 29 December 2003 at 18189. Kindly note: Although the reference is to the reported judgment, the page references to the MCA case in these heads refer to the court's own version which can be found on the website of the Court of Appeals for the 9<sup>th</sup> Circuit at [www.ca9.uscourts.gov](http://www.ca9.uscourts.gov).

**marketplace - a trade-mark owner's property rights play well with the First Amendment."**<sup>45</sup>

29.3. Adopting this narrow view of the purpose of a trademark, the U.S. Courts aggressively protect the rights of trademark owners within this core purpose, but have equally recognised the limits of this trademark protection, particularly in domains that enjoy constitutional protection. Thus the courts have unequivocally affirmed the principle that the trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function.<sup>46</sup>

29.4. In the **Mills Fund Group** case, the Court held at 301 that:

**"It is the source-denoting function which trade-mark laws protect, and nothing more."**

29.5. In the **MCA Records** case, the Court held:

**"The First Amendment may offer little protection for a competitor who labels its commercial goods with a confusingly similar mark, but '[t]rademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view.' Were we to ignore the expressive value that some marks assume, trademark**

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<sup>45</sup> **MCA Records**, 10487; *New Kids*, 305 n.2

<sup>46</sup> **MCA Records**, 10488 - 10489, citing with approval the dictum in **Anti-Monopoly Inc v Gen Mills Fun Group** 611 F.2d 296, 301 (9th Cir. 1979)

**rights would grow to encroach upon the zone protected by the First Amendment."**<sup>47</sup>

29.6. In the **Yankee Publishing** case the Court had held that when the unauthorised use of another's mark is part of a communicative message and not a source identifier, the First Amendment is implicated in opposition to the trade-mark right.<sup>48</sup>

29.7. The Court, in **Walking Mountain Productions**, citing with approval **MCA Records**, recently stated in this regard:

**"... When marks 'transcend their identifying purpose' and 'enter public discourse and become an integral part of our vocabulary' they 'assume a role outside the bounds of trade mark law'."**<sup>49</sup>

29.8. It is clear from the above that the United States Courts have recognised that there is an inherent tension with the right to freedom of expression in the trademark context, and that a mark, such as that which the T-shirts of the applicant embody, enjoys the protection of the right to freedom of expression especially where the mark has assumed an

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<sup>47</sup> **MCA Records**, 10488, citing with approval the decisions in: **L.L. Bean, Inc. v Drake Publishers, Inc.**, 811 F.2d 26,29 (1st Cir. 1987); and **Yankee Publishing Inc. v News Am. Publishing Inc.**, 809 F Supp 267, 276 (S.D.N.Y. 1992)

<sup>48</sup> **Yankee Publishing Inc.**, 276

<sup>49</sup> **Walking Mountain Productions** at 18190 Note: Since we are not in possession of a reported judgment in the Walking Mountains case we refer to an unreported copy which is obtainable from the website of the Court of Appeals of the 9<sup>th</sup> Circuit, [www.ca9.uscourts.gov](http://www.ca9.uscourts.gov) Follow links to "Opinions for December 2003." The page

expressive function beyond the mere identification of a product or service.<sup>50</sup>

30. **Fair use through parody**

30.1. Against the background set out above, in interpreting the relevant intellectual property legislation in the United States, the United States Courts have recognised parody as a basis for a defence of fair use in claims of alleged intellectual property infringement, both in the context of trademark and copyright.<sup>51</sup>

30.2. For the purposes of the present argument, the relevant intellectual property legislation to be found in the United States Code is the following:

30.2.1. Trademark: **Lanham Trade Mark Act 15 USC Section 1051 et seq;**

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reference in these heads of argument are to the Court's own official version which is published on the website.

<sup>50</sup>

**New Kids on the Block** at 306-308

<sup>51</sup>

**Campbell v Acuff-Rose Music Inc** 510 US 569; 114 S.Ct 1164; 127 L Ed 2d 500 (1994) ("**Campbell**"); **Mattel Inc v MCA Records Inc** 296 F 3d 894 (9th Cir. 2002) *cert. denied*, 123 S Ct 993 (2003); **Mattel Inc v Walking Mountain Productions** case no 01-56695 (unreported, 29 December 2003)

**Federal Trade-Mark Dilution Act  
("Dilution Act") 15 USC Section  
1125**

30.2.2. Copyright: **17 USC Section 105 et seq**

30.3. Although the doctrine of fair use is now codified in the United States (see 17 USC Section 107), as the United States Supreme Court notes in **Campbell**, prior to this codification in the 1976 Copyright Act "fair use remained exclusively judge-made doctrine" which was developed by the US Court in particular to give effect to First Amendment concerns.

In fact, the wording of the codification of fair use borrows the wording of the judgment in **Folson v Marsh 9 F CAS 342 at 348 (No. 4901)(CCD Mass 1841)**.<sup>52</sup>

30.4. In developing the doctrine of "fair use", it is the United States Courts themselves that have introduced and defined the concept of parody, as a species of fair use, under the pressure of the First Amendment.<sup>53</sup>

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<sup>52</sup> **Campbell, at para 19**  
<sup>53</sup> See, generally:**Campbell**

30.5. Accordingly, it is notable that parody remains in the United States entirely a judge-made doctrine, developed as a necessary incidence of the statutory protection of fair use against the background of a constitutional protection of free expression.

30.6. This protection of fair use is plainly analogous to the prohibition on “unfair use” contained in section 34(1)(c) of our Trade Mark Act.

### 31. Parody in general

31.1. As noted above, parody may claim fair use status under the relevant provisions of the United States Code, namely 17 USC Section 107.<sup>54</sup>

31.2. Parody does not constitute presumptively fair use of another's work.<sup>55</sup>

31.3. Not all parodies and satires are protected under the doctrine of fair use.<sup>56</sup>

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<sup>54</sup> **Campbell** *supra* In respect of parody generally, see: 17 United States Code Annotated Edition (USCA) Section 107 and in particular Note 98

<sup>55</sup> **Fisher v Dees** 794 F 2d 432

<sup>56</sup> **Dallas Cowboys Cheerleaders Inc v Scoreboard Posters Inc** 600 F 2d 1184

31.4. Classification of work as parody does not automatically immunise such work from a copyright infringement claim, but rather parody must be examined in light of the settled fair use factors.<sup>57</sup>

31.5. Parody in its proper role creates something new by drawing from old, but when it has the effect of re-fashioning or destroying the old, it is not protected as "fair use" of copyrighted work.<sup>58</sup>

## 32. Parody in the 'Campbell v Acuff-Rose Music' case

32.1. The first clear articulation by the United States Supreme Court of the concept of parody in the context of a defence to an intellectual property challenge in United States law is to be found in the opinion of Souter J delivered for a unanimous Supreme Court in the **Campbell** case cited above.<sup>59</sup>

32.2. As the Court in **Campbell** noted, prior to the hearing of **Campbell**, the Court had only once before even considered

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<sup>57</sup> **United Features Syndicate Inc v Koons** SDNY 817 F Supp 370  
<sup>58</sup> **DC Comics Inc v Unlimited Monkey Business Inc** 598 F Supp 110  
<sup>59</sup> **Campbell** *supra*

whether parody may be fair use and on that occasion expressed no final opinion.<sup>60</sup>

32.3. The Court went on to state that:

**"Suffice it to say now that parody has an obvious claim to transformative value, as Acuff-Rose itself does not deny. Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one. We thus line up with the Courts that have held that parody, like other comment or criticism, may claim fair use under Section 107 [the Copyright Statute]"<sup>61</sup>**

32.4. Although the above statement is made in the context of an intellectual property challenge under copyright, this, as well as the other general principles governing parody, apply to trademark challenges, as has since been affirmed.<sup>62</sup>

32.5. It is arguable that in the light of the narrow interpretation of the purpose of trademark, when read with the Constitution, as set out above, the general principles of parody apply *a fortiori*.

32.6. The Court in **Campbell** held in respect of the purpose of the fair use generally, and hence parody as a species of fair use,

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<sup>60</sup> **Campbell**, paragraph 31 referring to: **Columbia Broadcasting System Inc v Loewe's Inc** 356 US 43 (1958)

<sup>61</sup> **Campbell**, paragraph 31

<sup>62</sup> **MCA Records**, 10492

that it permits and requires Courts to avoid rigid application of the Copyright Statute when, on occasion, it would stifle the very creativity which that law is designed to foster.<sup>63</sup>

32.7. The Supreme Court noted that parodic use is not presumptively fair, and calls for a case by case analysis in the light of the particular facts. In this respect, the Court held:

**"... No workable presumption for parody could take account of the fact that parody often shades into satire when society is lampooned through its creative artifacts, or that a work may contain both parodic and non-parodic elements. Accordingly, parody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law."<sup>64</sup>**

### 33. The meaning and scope of the concept of parody

33.1. The Courts, through a number of cases, have defined the legal concept of parody drawing on the ordinary meaning of the word. In **Campbell**, the Court examined the etymology of the term and endorsed the following definitions drawn from the American Heritage Dictionary (3rd Ed 1992) and the Oxford English Dictionary (2nd Ed 1989):

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<sup>63</sup> **Campbell**, paragraph 27 citing with approval **Stewart v Abend** 495 US 207, 236 (1990)

<sup>64</sup> **Campbell** para 33

**"A literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule"**

and

**"Composition in prose or verse in which the characteristic terms of thought and phrase in an author or class of authors are imitated in such a way as to make them appear ridiculous"**<sup>65</sup>

33.2. The Court in **Campbell** concluded that:

**"The nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works .... Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing."<sup>66</sup> (Emphasis added)**

33.3. The Courts in developing the concept of parody, have emphasised that borrowing or using another's work is central to the concept of parody. As the Court in **Walking Mountain Productions** noted, in applying the dictum of **Campbell**, **"parody emerges from this joinder of reference and ridicule"**.<sup>67</sup>

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<sup>65</sup> **Campbell**, paragraph 32

<sup>66</sup> **Campbell**, paragraph 32

<sup>67</sup> **Walking Mountain Productions**, at 18182

34. **The test for parody**

34.1. The threshold question when fair use is raised in defence of parody, is whether a reasonable lay-person would perceive the parodic character of the activity or work complained of.<sup>68</sup>

34.2. The Court in **Campbell** stated in this respect:

**“Whether, going beyond that, parody is in good taste or bad does not and should not matter to fair use. As Justice Holmes explained, ‘It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work] outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learnt the new language in which their author spoke.’ ”**<sup>69</sup>

34.3. In the **Yankee Publishing** case the Court expressed this idea in the following way:

**“First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed.”**<sup>70</sup>

34.4. In **Walking Mountain Productions**, the core issue was whether the artist Forsythe's photos portraying a nude Barbie doll being attacked by vintage household appliances,

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<sup>68</sup> **Campbell**, paragraph 35

<sup>69</sup> **Campbell**, paragraph 35 quoting from **Bleistein v Donaldson Lithographing Co.** 188 US 239, 251 (1903)

<sup>70</sup> **Yankee Publishing**, at 280

constituted a violation of the trademark and copyright of Mattel Inc, who owned the relevant intellectual property. Mattel sought to offer into evidence a survey in which they presented individuals from the general public in a shopping mall with colour photocopies of the artists photographs and asked them what meaning they perceived. Mattel then sought to rely on the survey in asserting that only some individuals perceived the parodic character. The Court of Appeal declined to consider the Mattel survey in considering whether Forsythe's work could reasonably be perceived as a parody and stated:

**"Parody is an objectively defined rhetorical device. Further, because parody is 'a form of social and literary criticism' it has 'socially significant values as free speech under the First Amendment'. While individuals may disagree on the success or extent of a parody, parodic elements in a work will often justify fair use protection. ... Use of surveys in assessing parody would allow majorities to determine the parodic nature of a work and possibly silence artistic creativity. Allowing majorities to determine whether a work is a parody would be greatly at odds with the purpose of the fair use exception and the Copyright Act."**<sup>71</sup>

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<sup>71</sup>

**Walking Mountain Productions** at 18180 quoting **Dr Suess Enterprises v Penguin Books USA Inc** 109 F 3d 1394, (9th Cir. at 1400) and **Yankee Publishing**, at 280

35. **Commercial use no bar to parody**

35.1. The mere fact that a parodic work may be exploited for commercial gain does not bar it from the protection of parody through fair use.<sup>72</sup>

35.2. The Court in **Campbell** held:

**"... The mere fact that a use is educational and not for profit does not insulate it from a finding of infringement, any more than the commercial character of a use bars a finding of fairness. If, indeed, commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of section 107 [of the Copyright Statute] including news reporting, comment, criticism, teaching, scholarship and research, since these activities are generally conducted for profit in this country."<sup>73</sup> (emphasis added)**

35.3. This has been confirmed in the context of a trademark challenge based on dilution. We consider this further below.<sup>74</sup>

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<sup>72</sup> **Campbell** at paragraphs 37 and 38; MCA Records, at 10494; **Walking Mountain Productions**, generally

36. **Parody and copying**

36.1. The cases recognise that a degree of copying is not only to be tolerated in the case of parody, but it is essential to the very nature of parody. As the Court noted, in **Campbell**, an enquiry into the nature of the copyrighted work is of little assistance in the case of parody, because the fact that the parodist has copied aspects of the intellectual property which lie within the core of the intellectual property protection **"is not much help in this case, or ever likely to help much in separating the fair use sheep from the infringing goats in a parody case, since parodies almost invariably copy publicly known, expressive works."**<sup>75</sup>

36.2. In relation to an enquiry into the extent of the copying, the Court noted that the nature of parody as a protected form of expression under the Constitution is unique and complex. The Court noted that:

**"Parody presents a difficult case. Parody's humour, or in any event its comment, necessarily springs from recognisable allusion to its object through distorted imitation. Its art lies in the tension between a known original and its parodic twin. When parody takes aim at**

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<sup>73</sup> **Campbell**, paragraph 38 citing with approval **Harper and Row Publishers Inc v National Enterprises** 471 US 539 at 592

<sup>74</sup> **MCA Records**, at 10494

<sup>75</sup> **Campbell**, paragraph 41

**a particular original work, the parody must be able to 'conjure up' at least enough of that original to make the object of its critical wit recognisable."**<sup>76</sup>

36.3. The extent of the protection afforded by parody is considerable. As the Court stated in **Campbell**:

**"Copying does not become excessive in relation to parodic purpose merely because the portion taken was the original's heart."**

36.4. In **Campbell** the rap band 2 Live Crew had produced a parody of Roy Orbison's rock ballad entitled "Oh Pretty Woman". The parody was substantially similar to the original, substituting only some of the lyrics for lyrics that poked fun at Orbison's original. The owners of the intellectual property attacked the 2 Live Crew version under the copyright legislation. The Supreme Court criticised the Court of Appeals as being insufficiently appreciative of parody's need for the recognisable sight or sound. The Supreme Court, in overturning the decision of the Court of Appeals, held that if 2 Live Crew had copied a significantly less memorable part of the original, it is difficult to see how its parodic character would have come through.<sup>77</sup>

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<sup>76</sup>  
<sup>77</sup>

**Campbell**, at paragraph 46, citing with approval: Fisher v Dees 794 F 2d at 438-439  
**Campbell**, paragraph 47

36.5. For the United States Supreme Court, the key was that 2 Live Crew had not only copied extensively, including the first line of the lyrics of the original, but that they had thereafter fundamentally departed from the Orbison version.

37. **Parody and market harm**

37.1. Parody raises complex questions where a complainant alleges that the actions of the parodist may result or have resulted in harm to its markets, and these issues go to the very heart of the nature of parody as a constitutionally protected activity. In this respect, it is important to distinguish, as the Courts have, between the first and second uses of a parodic act. The first use may well be commercial use. However, where the second use transforms the original (as must necessarily be the case in the case of parody) substitution is less certain, and harm to a market may not be readily inferred. Where there is parody it is likely that the new work will not affect the market for the original by substituting for it. **"This is so because the parody and the original usually serve different market functions."**<sup>78</sup>

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<sup>78</sup>

Campbell, paragraph 53

37.2. Critical to the very nature of parody, the Court in Campbell relying on **Fisher v Dees 794 F 2d at 438**, stated:

**“... When a lethal parody ... kills demand for the original, it does not produce a harm cognisable under the Copyright Act. Because ‘parody may quite legitimately aim at garrotting the original, destroying it commercially as well as artistically’ ... the role of the courts is to distinguish between ‘biting criticism [that merely] suppresses demand [and] copyright infringement [which] usurps it’ ... The market for potential derivative uses includes only those that creators of original works would in general develop or licence others to develop. Yet the unlikelihood that creators of imaginative works will licence critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licencing market.”**<sup>79</sup>

37.3. This contrasts with the approach adopted by the SCA in its judgment where the court first considered harm or detriment and, having concluded that such detriment was likely, only thereafter considered the effect of section 16 of the Constitution.

## 38. **Parody and trademark dilution**

38.1. As indicated above, SAB in the present case, relies for its challenge on the notion of trademark dilution, both in the form of blurring and tarnishing.<sup>80</sup>

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<sup>79</sup> **Campbell**, paragraphs 54 and 55, emphasis added  
<sup>80</sup> Respondent's heads: paragraphs 20 & 20.5

- 38.2. The concept of parody, has been considered and endorsed, specifically in the context of a trademark challenge based upon dilution. The United States Courts have considered parody specifically in the context of the relevant anti-dilution statute, namely the Federal Trademark Dilution Act introduced in 1996.<sup>81</sup>
- 38.3. In the course of interpreting the Dilution Act in the light of the United States Constitution, and in particular the protection of freedom of expression in the First Amendment, the Court in **MCA Records** held that the Dilution Act affords protection to "**non-commercial speech**" against attacks based on trademark dilution.<sup>82</sup>
- 38.4. In order properly to understand the approach of the Court, and to avoid confusion, it is critical to understand the distinction as articulated by the Court between "**commercial use**" in commerce and "**commercial speech**" in the context of the Dilution Act and the Constitution. The use of the term "non-commercial use" in the Dilution Act gave rise to particular interpretative conundrums, which lead the Court in **MCA Records** to assign different meanings to the term as it

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<sup>81</sup>Dilution Act 15 USC, Section 1125; **MCA Records**, at 10492<sup>82</sup>**MCA Records**, at 10497

appears in the Dilution Act and the Lanham Act, in order to avoid absurdity or redundancy. “**Commercial use**” in the Dilution Act was given the meaning of “**commercial speech**” which is a well-established category in constitutional law.<sup>83</sup>

38.5. The distinction between “**commercial speech**” and “**non-commercial speech**” is fundamental to United States First Amendment jurisprudence. Non-commercial speech, enjoys full First Amendment protection.

38.6. The meaning of “**commercial speech**” in the context of the constitutional right to freedom of expression under the First Amendment has been articulated consistently by the Courts in the United States. The core notion of commercial speech is that it does no more than propose a commercial transaction. All other speech, that is any speech that does more than propose a commercial transaction is “non-commercial speech” and accordingly enjoys full First Amendment protection.<sup>84</sup> It is plain that by this definition the T-shirts do not constitute “commercial speech”.

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<sup>83</sup>

MCA Records at 10495

<sup>84</sup>

Hoffman v Capital Cities / ABC Inc 255 F 3d 1180 at 1184 (9th Cir. 2001); MCA Records, at 10498

- 38.7. By way of illustration, the Court in **MCA Records** pointed out that in **Hoffman**, the matter revolved around a magazine that had published an article featuring digitally altered images from famous films. Computer artists had modified shots of Dustin Hoffman, amongst other well-known actors and actresses in order to depict these actors and actresses as wearing the spring fashions of famous designers. A still image from the movie "Tootsie" was altered so that Hoffman appeared to be wearing certain apparel designed by the famous designer Ralph Lauren amongst others. Hoffman, who had not given permission, sued the magazine under the Lanham Trademark Act.<sup>85</sup>
- 38.8. As the Court in **MCA Records** points out, the digitally altered image clearly served a commercial purpose, namely to draw attention to the for profit magazine in which it appeared and to sell more copies of the magazine. Notwithstanding this, it was held in the Hoffman case that the magazine article was fully protected under the First Amendment because it included protected expression in the form of humour and visual and verbal editorial comment. Because its commercial purpose was inextricably entwined with these

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<sup>85</sup>**MCA Records**, at 10499

expressive elements the magazine article and accompanying photographs enjoyed full first amendment protection under the United States Constitution.<sup>86</sup>

- 38.9. The Courts in **MCA Records**, in interpreting the Dilution Act, held that the exceptions to the challenges based on trademark dilution are:

**"intended to prevent the Courts from enjoining speech that has been recognised to be fully constitutionally protected, such as parodies"**<sup>87</sup> (emphasis added)

- 38.10. In **MCA Records** itself, the then little-known Danish band Aqua, had produced the song entitled "Barbie Girl" which lampooned and parodied the Barbie doll and its image, the intellectual property rights to which are owned by Mattel. Mattel attacked this use on a number of grounds including trademark dilution in the form of tarnishment and blurring.

- 38.11. **MCA Records** did not dispute that the use of the mark in the song was dilutive. The Court however, relying on **Hoffman**, held that the Barbie Girl song was not purely commercial speech and that it therefore enjoyed full freedom of expression protection under the First Amendment of the

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<sup>86</sup> **MCA Records**, at 10499

<sup>87</sup> **MCA Records**, at 10497

United States Constitution. The Court concluded that while MCA had used Barbie's name to sell copies of the song, the song also lampoons the Barbie image and comments humorously on the cultural values that Aqua claimed she represents. Accordingly, the Court dismissed Mattel's challenge brought on the basis of trademark dilution.

38.12. It is submitted that not only the principles, but the facts of the **MCA Records** case are instructive in the present appeal.

(ii) **UNITED KINGDOM AND EUROPEAN LAW**

39. It is necessary to respond to some of the references to UK and European case law in SAB's heads of argument.

40. The respondent quotes extensively from the decision in **Premier Brands UK Limited v Typhoon Europe Limited**.<sup>88</sup> The case related to section 10(3) of the UK Trade Marks Act which prohibits taking "unfair advantage" of a trade mark.

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<sup>88</sup> [2000] FSR 767

41. The Court in this case confirmed<sup>89</sup> that dilution tends to occur through blurring or tarnishment. However, it also made clear that while:

**“dilution is useful concept to bear in mind, it does not necessarily follow that every case of infringement under section 10(3) will necessarily involve dilution, nor does it follow that the proprietor of a mark will necessarily succeed in establishing infringement under section 10(3) in every case where he establishes dilution.”**<sup>90</sup>

42. Furthermore, despite SAB’s extensive quotations, SAB makes no mention at all of the outcome of the case. Ultimately the Court concluded that despite the closeness between the mark and the word (“TY.PHOO” and “TYPHOON”) and the fact that they were portrayed in similar colours and on similar backgrounds, it could not find the respondents in violation of section 10(3) of the UK Act. It rejected claims of dilution through both tarnishing and blurring.

43. In rejecting the claim regarding tarnishing, the Court relied on its view that the proportion of members of the public who would have a negative association with TY.PHOO due to the TYPHOON brand would be **“effectively insignificant, if indeed there were any members of the public”** who had such an association. It also noted the existing strength of the brand in the United Kingdom due to

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<sup>89</sup> at 786

<sup>90</sup> at 787, emphasis added

successful promotion and development.<sup>91</sup> Both these factors, it is submitted, should support the view that in this case, the applicant's T-shirts are not likely to cause any harm to SAB.

44. The Court further commented in this regard that one of the arguments by Premier regarding tarnishing:

**“illustrates that the proprietor of a well known and very valuable brand can persuade itself, honestly but misguidedly, of the detrimental effect on that brand of the use of another sign, in circumstances where, on analysis, that concern can be shown to be misconceived”.**<sup>92</sup>

45. It is submitted that precisely the same comment may be made in the present case of the attitude of the SAB.

46. The Court also rejected the claim regarding blurring. It did recognise that due to the close similarity between the word and the mark (TYPHOON and TY.PHOO) and some similarity between the products (kitchenware and tea) there would be members of the public who would associate the TYPHOON sign with the TY.PHOO mark. Despite this, however, the Court concluded that detriment through blurring had not been shown:

**“First, and most importantly, it does not appear to me that the existence of the association in the minds of a limited proportion of the members of the public would result in a ‘lessening of the**

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<sup>91</sup> at 800

<sup>92</sup> at 800

capacity of [the TY.PHOO] mark to identify and distinguish goods', namely tea, to quote from section 45 of the Lanham Act. Nor do I consider that it would impinge upon 'the position of exclusivity [Premier] acquired through large expenditure of time and money' or 'could impair the originality and distinctive character of [the TY.PHOO] mark', to quote from *QUICK* [1959] G.R.U.R. 182. As I have mentioned, the mere fact that the way in which the sign is used by TEL may give rise to an association between the sign and the mark in the minds of some members of the public is not enough on its own to enable the proprietor of the mark, however well known and valuable it may be, to invoke section 10(3)."<sup>93</sup>

47. If detriment through blurring was not present in the case of TY.PHOO, then it certainly cannot be said that blurring has taken place in the present case. For this reason, the SAB's various references and quotations relating to blurring are not relevant to the matter at hand.
48. SAB also relies on dicta from the decisions in the **MARS case**<sup>94</sup> and the **VISA Trade Mark case**<sup>95</sup>, both of which related to the use of the marks MARS and VISA on condom packages. Similarly, **Hollywood SAS v Souza Cruz**<sup>96</sup> concerned an application by a company to register the word "HOLLYWOOD" as a mark for cigarettes and other related products, when it was already registered as a mark for chewing gum by a different company.

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<sup>93</sup>

at 801

<sup>94</sup>

26 I.I.C. 282

<sup>95</sup>

[2000] RPC 484

<sup>96</sup>

OHIM 3<sup>rd</sup> Board of Appeal R 283/1999-3

49. In each of those cases the concern of the court was that consumers might think the new product (condoms or cigarettes) was being marketed by or for the company that held the original mark (MARS/VISA/HOLLYWOOD). This is because the mark was being used as an “indicator of product origin”<sup>97</sup>. The cases are thus undoubtedly distinguishable from the present case.

50. In the present case, the applicant is not trying to brand a product with the Carling Black Label logo to indicate where the product originates – it is trying to use the logo to express a point of view. This is significantly different to the above cases where the companies in question were not seeking to convey any message or make its opinions known, but were rather seeking simply to market a product – often a product that was very different to the original.

#### **H. ANALYSIS OF THE FACTS IN THE PRESENT APPEAL IN THE LIGHT OF THE ABOVE PRINCIPLES**

51. It is a trite proposition that the Trade Marks Act falls to be interpreted in the light of the Constitution. The constitutional principles considered above, indicate that the protection of intellectual property, and in particular trademarks, implicates fundamental rights, most notably the right to freedom of expression.

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**Visa Trade Mark case** at 506, referring to the **Mars case**

52. The meaning and scope of the intellectual property rights protected under the Trademark Act, and in particular section 34(1)(c), are properly limited by the fundamental rights contained in the Constitution, and most notably the right to freedom of expression.
53. In particular, the demands of the expressive right contained in section 16 of the Constitution are such that they require that the Trade Marks Act be interpreted to allow for “fair use” analogous to that in the jurisprudence of the United States, and more particularly, the recognition of a doctrine of parody as an instance of fair use.
54. The wording of section 34(1)(c) of the Act lends itself to the recognition of parody as a “fair-use”-type exception, and in fact as indicated, the wording of the section invites such an interpretation.
55. Section 34(1)(c) requires the use of a trademark to take “unfair advantage of” or to be “detrimental to the distinctive character or repute” of the trademark before such use is impugned.
56. “Unfairness”, in the light of section 39 of the Constitution, must be developed to take into account use that is protected by constitutional rights.
57. Use of a trademark that is for legitimate expressive ends in an open and democratic society founded on dignity, equality and freedom,

such as for the purposes of parody, does not constitute “unfair use” within the meaning of the Trademark Act read with the Constitution.

58. Furthermore, the notion of “detriment” contained in section 34(1)(c) of the Act must be interpreted in the light of the Constitution. Use that is constitutionally protected for legitimate expressive ends, cannot be considered “detrimental” within the meaning of section 34(1)(c). As was pointed out above, the SCA in its judgment read-in the qualification of “fairness” to the inquiry into detriment under section 34(1)(c) and therefore recognised that fairness is relevant both to the inquiry as to whether a use has “taken advantage of” as well as the inquiry into whether the use has been “detrimental to” under section 34(1)(c) of the Act.<sup>98</sup>
59. Furthermore, and notwithstanding the arguments above, as the United States cases illustrate, parodical use is seldom in itself detrimental to the distinctive character of a trademark. The purpose of trademark protection is limited; namely to protect against economic loss and to guard against confusion. Parody, by its nature, is unlikely to result in confusion. Where an activity is constitutionally protected then reasonable economic loss must yield to the value of allowing the protected activity to flourish.

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<sup>98</sup>

SCA Judgment para 23

60. The doctrine of parody, as introduced and developed by the courts in the United States under the demands of the First Amendment, provides helpful guidance as to the nature and scope of a concept of parody in our own law in the context of trademark protection.
  
61. While there may be some dispute about the proper extent of parody, the T-shirts produced by the applicants fall well within any reasonable definition of the concept:
  - 61.1. They are intended, at least in part, to poke fun at SAB's brand;
  
  - 61.2. They contribute to legitimate public discourse concerning the nature and effect of brand marketing and commercialisation in society today;
  
  - 61.3. Most notably, it is inconceivable that no reasonable person would identify these T-shirts as parodical. As the United States cases illustrate, the question of whether they are regarded as "good parody" or "in good taste" is an illegitimate question and it is submitted should be regarded as such under the protection of freedom of expression in the Constitution.

62. SAB's allegations to this effect appear to misconceive the very essence of the constitutional project and the protection of freedom of expression in a free society with a supreme constitution.
63. The cases relied upon by SAB do not contend with parody but satirical use, and in many instance do not consider parody or the effect on trademark of a supreme constitution with a bill of rights.
64. As the court in **Walking Mountain Productions** *supra* noted, the public benefit in allowing creativity and social criticism to flourish is great. Parody is one way in which it is recognised that there are vital and legitimate societal objectives at stake which place firm limitations on the rights of owners of intellectual property.
65. It is fundamental to any analysis of the commercial environment to note that commercial entities strive to associate their products with "virtues" and "goods" in society, and to portray particular and necessarily self-serving images of their products. However, these attempts to portray one's products in the best possible light engage ideas that are in the public domain, open for criticism and critical engagement. The right to freedom of expression protects free individuals rights to critique these attempted associations, to lampoon and to ridicule them.

66. As the court in **Walking Mountain Productions** stated:

**“No doubt, Mattel would be less likely to grant a license to an artist that intends to create art that criticizes and reflects negatively on Barbie’s image. It is not in the public’s interest to allow Mattel complete control over the kinds of artistic works that use Barbie as a reference for criticism and comment.”<sup>99</sup>**

67. Precisely the same considerations apply in the present case. No commercial entity has the right or the power, through trademark or any other legal device, to appropriate for themselves the legitimate public domain of free expression, to control the way that others in society see its products or to prevent others from communicating their views, leaving it up to individuals to decide whether they agree or disagree. In a free and democratic society, the commercial marketplace cannot be allowed to overwhelm the marketplace of ideas.

68. In this respect it is crucial to note that there can be no parody without use of the object of parody. The position adopted by SAB, if accepted, would therefore amount to a permanent foreclosure of commercial parody. As the court in **Walking Mountain Productions** stated:

**“It would have been extremely difficult for Forsythe [the alleged trade mark infringer] to create a photographic parody of Barbie without actually using the doll.”**

69. Similarly, it is almost incomprehensible that the applicants could have created a parody of the Black Label brand without in some way actually using the black label to identify it.
70. In this respect, it is notable, that when compared with some of the instances where the United States courts have allowed parody, the applicants use relatively little, and only as much as is necessary, to identify SAB's product. A great deal is left to the interpretation of the observer. It is precisely this shared interpretation which allows the parody to work. The applicant therefore satisfies the requirement for parody suggested by the United States courts that the parodist "**use only so much of a trade mark or trade dress as is reasonably necessary.**"<sup>100</sup>
71. Just as in **Campbell**, the applicants in the present case, in addition to copying certain elements of SAB's trademark, thereafter significantly departed from the SAB product and fundamentally transformed it.<sup>101</sup>

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<sup>99</sup> **Walking Mountains Productions**, at 18188  
<sup>100</sup> **Walking Mountain Productions**, at 18197  
<sup>101</sup> **Campbell**, para 58

72. Furthermore, there is nothing in the use of the applicants that would suggest use or sponsorship of their product by SAB or SAB's product. Indeed, it is a premise of SAB's challenge that the applicant's product is critical and hence unlikely to be confused with SAB's product.
73. Nor, on the basis of the principles set out above, is the fact that the applicants may offer the T-shirts for sale, a bar to them claiming the protection of parody afforded by the Constitution. As the courts have noted, very few endeavours are undertaken in this day and age without some expectation of compensation. The question is whether the activity also embodies legitimate expressive aims, which the applicant's activities do.
74. While the respondent enjoys a right not arbitrarily to be deprived of property under section 25(1) of the Constitution, that right is given expression in the protections afforded by the Trade Marks Act. That right, however, must be balanced against the demands of freedom of expression. The essence of the question therefore is as to the proper scope of the property rights protected under section

34(1)(c) of the Constitution. The respondent's argument precludes any account being taken of freedom of expression and this negates the process of balancing.<sup>102</sup>

**GJ MARCUS SC**

**AD STEIN**

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Sandton  
27 February 2005

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Cf. **Holomisa v Argus Newspapers Ltd** 1996 (2) SA 588 (W) at 606 E; **Concorde Plastics (Pty) Ltd v NUMSA and others** 1997 (1) BCLR 1624 (LAC) AT 1645 h - 1647 D; **Dagenais v Canadian Broadcasting Corporation** 25 CRR (2d) 1 (SCC) at 32 - 34