

Laughing It Off

In 1999 a Rhodes journalism student, Justin Nurse, experimenting with various aspects of “culture jamming”, sold humorous T shirts incorporating distortions of well known logos at the 1999 National Arts Festival in Grahamstown.

This led to the formation of Laugh it Off Promotions Close Corporation, which began producing satirical T shirts, some of which mimicked trademarks used by international corporation South African Breweries (SAB).

One of the SAB beer trademarks states: “America’s lusty, lively beer, Carling Black Label Beer, Brewed in South Africa.” The T shirts state: “Africa’s lusty, lively exploitation since 1652, Black Labour White Guilt, No regard given worldwide.”

SAB applied to the Cape High Court for a court order to prevent LIO from using, making and selling the T shirts. This application was based on the trademark law. SAB claimed that the use of a mark similar to their own trademark, but in connection with accusations of racism, was inherently “likely to be detrimental to the distinctive character or the repute of the registered trademark”.

The Cape High Court decided that LIO was infringing section 34 (1) (c) of the Trademarks Act and granted the court order.

LIO appealed to the Supreme Court of Appeal, the highest court in the country on all non-constitutional matters. This court stated that it was not necessary for the trademark proprietor to establish the likelihood of detriment to the repute of the marks, giving as its reason that the section does not require actual proof of financial loss as a result of the offending mark.

After concluding that Laugh it Off violated the section the Supreme Court of Appeal considered whether freedom of expression could serve as a defence and found that it did not because the shirts contained an allegation of racism, which the court likened to hate speech (hate speech is specifically excluded from the freedom of expression provision in the Constitution).

Laugh It Off then appealed to the Constitutional Court on the basis that its freedom of expression was infringed. This court heard the appeal and struck down the court order, leaving Laugh It Off free to continue to make and sell the T shirts. ■

A powerful, symbolic victory

*Corporations have a great deal of power to speak, says **Andrew Rens**. Parody of this speech is one of the ways in which the marginalised can make themselves heard.*

The media often lose when taking on powerful corporations in the courts, but in the case of Laugh It Off, a small culture-jamming organisation which uses trademarks to make a social point, the South African Constitutional Court upheld its right to freedom of expression against the corporate control over speech by SAB Miller.

Does a corporation have a legal right to control its public image? And how does freedom of expression affect the legal rights of corporations? In the Laugh It Off case the South African Constitutional Court ruled on the boundary between freedom of expression and a corporation’s rights. Historically corporations have deployed an armory of legal claims ranging from defamation, privacy, through to copyright, to silence unwelcome speech.

Prior to the constitutional dispensation in South Africa the *Financial Mail* was prohibited from publishing information which it had obtained by surreptitiously recording a board meeting, on the basis that this act infringed the company’s privacy, and that it was not justified by sufficient public interest (*Financial Mail (Pty) Ltd and others vs. Sage Holdings Ltd and another* 1993 (2) SA 451 (A)).

More recently, in May 2005 the *Mail&Guardian* was prohibited from publishing information in the “Oilgate” saga by a court order. The basis of the order was apparently that the information had allegedly been illegally obtained, and publication would violate the privacy and reputation rights of Invume Management.

One of the reasons given for the judgment was that the *Mail&Guardian* refused to reveal its confidential sources and Invume alleged this information was obtained illegally.

Although the Constitutional Court has made a number of important decisions on freedom of expression in the past, the LIO case was the first time that it dealt with the clash between corporate image and freedom of expression.

Although rightly regarded as a landmark judgment, it is important to understand the application and limitations of this case, particularly since it dealt with the technicalities of trademark law rather than more notorious issues of privacy or reputation. The Constitutional Court did not find that trademark law infringes freedom of expression but instead that the interpretation and application of trademark law by the lower courts were not in harmony with the right of freedom of expression in the SA Constitution.

The decision

The legal issue that the Constitutional Court had to decide on

was whether the previous courts’ applications of section 34 (1) (c) of the Trademarks Act infringed freedom of expression granted in the Bill of Rights. Freedom of Expression is guaranteed by section 16 of the Bill of Rights which states:

“Everyone has the right to freedom of expression, which includes:

- freedom of the press and other media;
- freedom to receive or impart information or ideas;
- freedom of artistic creativity; and
- academic freedom and freedom of scientific research.”

How does this intersect with trademark law? The relevant portion of Section 34(1) (c) of the South African Trademarks Act no 194 of 1993, Act states: “The rights acquired by registration of a trademark shall be infringed by the unauthorised use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trademark registered, if such trademark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trademark, notwithstanding the absence of confusion or deception.”

The correct approach

The Constitutional Court stated that the correct approach is to interpret section 34 (1) (c) in light of the Constitutional guarantee of freedom of expression. Properly interpreted the section requires that there must be “a likelihood of substantial economic harm” to the trademark proprietor.

SAB did not allege any facts from which a substantial likelihood of harm could be deduced. SAB had argued that an association of its trademark with racism made the likelihood of harm “self evident”.

The Constitutional Court rejected this argument on the basis that a probability of substantial harm is shown by facts, and not by the discomfort of a trademark proprietor with criticism.

The Constitutional Court also rejected an argument that because the T shirts were sold they were not protected by freedom of expression but were simply a way of making money off of SAB.

The effect of this thinking would be that only the rich could speak extensively, and that freedom of expression would be relegated to the margins of society. Instead the court found that what was being sold was primarily expression.

Justice Albie Sachs, in a separate concurring judgment, discussed the role of parody in free expression. He pointed out that wealthy corporations have a great deal of power to speak, and that parody of this speech is one of the ways in which the marginalised can make themselves heard.

Even if this involves some commercial activity, it receives protection where it is primarily expressive and not commercial, as in this case in which “the parody was a takeoff, not a rip-off” [S102].

The judgment is a powerful, symbolic victory, vindicating the freedom of culture-jammers and parodists to engage consumer culture on their own terms.

It does not however guarantee protection from trademark infringement claims for the mainstream media, where cultural production is primarily for profit. It also does not circumscribe the ambit of corporate efforts to mobilise law against critical speech.

However it may have a wider effect; shortly before deadline for this piece, Telkom which had brought a defamation and copyright infringement claim against Helkom, who publish a website critical of Telkom’s high rates at www.helkom.co.za, withdrew the claims. ■

See the arguments presented to the Constitutional Court at <http://www.laughitoff.co.za/legal/legal.htm>

Trademarks – a quick history

Trademarks originated with medieval guilds, which controlled the production of goods within a particular city as an early form of consumer protection.

The mark of a guild or region was an indication not only of place of origin but of quality.

Trademark law evolved so that a consumer could trust that a product came from a particular manufacturer because of the mark.

Because the purpose of trademark is to help consumers know the origin of goods, there are different classes of trademarks for different types of goods, and people can register similar trademarks for different classes of goods, thus “Star” can be used as a trademark for both pilchards and automatic pistols.

Section 34 (1) (a) and (b) prohibits the use of trademarks that are likely to confuse consumers about the origin of a product.

Some trademarks become very well known and people can take advantage of this by offering goods in a different class bearing a similar logo to the well-known mark.

Fear that the distinctiveness of a mark might be lost, even if there is no danger of confusion, gave rise to anti-dilution provisions.

It has subsequently been claimed by some courts that anti-dilution provisions operate to protect the “value” of a trademark, garnered by expensive advertising.

However, although a branding campaign invests “value” in a brand; a “brand” is not a form of intellectual property. The law does not provide any “right” to recoup the value of corporate adspend, this choice is left to the market. At most, anti-dilution provisions operate to prevent unfair free-loading on an advertising campaign.