

# Guarding a Cultural Icon: Concurrent Intellectual Property Regimes and the Perpetual Protection of *Anne of Green Gables* in Canada

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## Article abstract

This article uses the various intellectual property protections afforded to the classic children's novel *Anne of Green Gables* as a means of illustrating the blurring between copyright, trademark, and official marks regimes in Canada. By not keeping these regimes distinct, the author argues, Canadian intellectual property law seriously threatens the integrity of the public domain, a central means by which an appropriate balance is struck between the interests of authors, other cultural producers, and the public at large. The blurring between regimes is located in three conceptual sites: origin in copyright versus source in trademark; reputation in copyright versus goodwill in trademark; and the weak requirement that a public authority serve a "public benefit" in order to qualify for official marks protection, without any consideration of the public interest served by the limitations on protections built into the other intellectual property regimes. Reinforcing the distinctions between regimes and clarifying the public benefit requirement for official marks would help protect the public domain from unjustified encroachments that potentially deprive us of access to creative works of shared cultural significance.

# GUARDING A CULTURAL ICON: CONCURRENT INTELLECTUAL PROPERTY REGIMES AND THE PERPETUAL PROTECTION OF *ANNE OF GREEN GABLES* IN CANADA

*Andrea Slane\**

This article uses the various intellectual property protections afforded to the classic children's novel *Anne of Green Gables* as a means of illustrating the blurring between copyright, trademark, and official marks regimes in Canada. By not keeping these regimes distinct, the author argues, Canadian intellectual property law seriously threatens the integrity of the public domain, a central means by which an appropriate balance is struck between the interests of authors, other cultural producers, and the public at large. The blurring between regimes is located in three conceptual sites: origin in copyright versus source in trademark; reputation in copyright versus goodwill in trademark; and the weak requirement that a public authority serve a "public benefit" in order to qualify for official marks protection, without any consideration of the public interest served by the limitations on protections built into the other intellectual property regimes. Reinforcing the distinctions between regimes and clarifying the public benefit requirement for official marks would help protect the public domain from unjustified encroachments that potentially deprive us of access to creative works of shared cultural significance.

Faisant référence aux différentes protections en matière de propriété intellectuelle dont bénéficie le livre pour enfants *Anne aux pignons verts*, cet article met en évidence le brouillage des lignes entre les régimes canadiens de droit d'auteur, de marque de commerce et de marque officielle. L'auteur soutient qu'en ne maintenant pas ces régimes distincts l'un de l'autre, le droit canadien en matière de propriété intellectuelle menace sérieusement l'intégrité du domaine public, qui est essentiel au juste équilibre entre les intérêts des auteurs, des autres producteurs culturels et ceux du grand public. Le brouillage entre les régimes survient à trois endroits conceptuels : origine en matière de marque de commerce ; réputation en matière de droit d'auteur versus achalandage en matière de marque de commerce ; et la faible exigence selon laquelle une autorité publique doit contribuer au « bien public » afin d'être éligible à la protection du régime des marques officielles, sans aucune considération de l'intérêt public servi par les limites à la protection qui sont intégrées aux autres régimes de propriété intellectuelle. Le fait de renforcer la distinction entre les régimes et de clarifier l'exigence de bien public en matière de marques officielles contribuerait à protéger le domaine public des empiètements injustifiés qui nous privent potentiellement d'accès aux œuvres créatives d'importance culturelle partagée.

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## Introduction

A copyright-protected work that also operates as a trademark is entitled to concurrent intellectual property protections from both regimes. This fact is not controversial. However, concurrent protection does not mean that these regimes can or should cover the *same* terrain. For if trademarks can provide copyright-like protection—that is, if the distinctions between the two regimes are lost—then the expiration of the copyright term could have no effect on the rights of the owner who also used the work as a trademark.<sup>1</sup> Such an approach would essentially deprive the public domain of the work and would undermine the rationale of a limited copyright term. Similar dangers arise from use of official marks to limit access to creative works that copyright law has relegated to the public domain.

Blurring the distinctions between intellectual property regimes in Canada causes detrimental effects on free public use of culturally-significant creative works. The various intellectual property protections guarding *Anne of Green Gables* (*Anne*), the classic Canadian children’s novel first published in 1909, can serve as an instructive example of this phenomenon, because the novel and its main character are undoubtedly national cultural icons, and because the author’s heirs and the province of Prince Edward Island (PEI) have been particularly tenacious when exploring how they might maintain ongoing control over the book and its characters after the expiration of copyright.

The timeline for intellectual property protection of the novel begins with the copyright protection the novel enjoyed (in the hands of publishers and finally the author’s heirs) for eighty-three years until 1992, fifty years after the death of author Lucy Maud Montgomery. In 1990, David and Ruth McDonald, Montgomery’s heirs (Heirs), filed trademark applications for the title ANNE OF GREEN GABLES in plain and stylized form for wares including a “series of books” and “films, video tapes, storybooks, recordings, journals, posters and diaries” and services including entertainment services rendered through the media of films, theatre productions, television, and sound recordings.<sup>2</sup> A few months after copyright expired,

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<sup>1</sup> *Copyright Act*, RSC 1985, c C-42, s 6 (the term of copyright is currently the author’s lifetime plus fifty years).

<sup>2</sup> The heirs have since formed another corporation, the Heirs of LM Montgomery Inc, and have registered several further book titles as trademarks (THE STORY GIRL, EMILY OF THE NEW MOON, THE BLUE CASTLE) as well as the character EMILY and the author’s name LM MONTGOMERY. In each registration “books” are among the wares claimed, and in some cases “entertainment services” including production and distribution of motion picture films, video cassettes and television programs, and theatrical stage productions. Since the Heirs of Lucy Maud Montgomery Inc do not themselves

the province of PEI (where the novel is set) requested that public notice be given under section 9(1)(n)(iii) of the *Trade-marks Act* for a series of *Anne*-themed official marks, including the title ANNE OF GREEN GABLES.<sup>3</sup> Following embarrassing public disputes with the Heirs, the province joined forces with them to form the Anne of Green Gables Licensing Authority (Anne Authority), a corporation acting as a “public authority” for the purposes of the *Trade-marks Act*.<sup>4</sup> The Anne Authority subsequently requested that public notice be given to a long list of additional official marks for character names used in the novel, as well as the name of the novel’s fictional town Avonlea.

These trademark applications and requests for public notice of the adoption and use of official marks were timed to stave off the effects of the expiration of the copyright term, which would have prevented the Heirs (and the province) from exercising control over the booming *Anne*-themed tourist industry, a major source of jobs and income for the province. The Heirs and Anne Authority have been largely successful in asserting ongoing control over this industry because of the lack of clarity about the different protections afforded by copyright, trademark, and official marks. This confusion of regimes is exacerbated by the fact that the novel enjoyed concurrent protections for the last two years of the copyright term, and that the licensing practices initiated under the copyright regime have to a large extent carried on unchanged under the post-copyright licensing scheme.

Confusion about the boundaries between copyright and trademark arises in two main areas: (1) blurring the difference between origin in copyright and source in trademark; and (2) blurring the difference between reputation in copyright and goodwill in trademark. Further blurring between copyright and official marks is enabled by (3) insufficient consideration at the time of granting and enforcing official marks protections of the purpose of each regime in relation to the other, especially with regard to the meaning of “public benefit” in the assessment of entitlement to official marks protection.

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publish books, or produce films or stage productions, it is clear that these registrations are meant to require anyone wanting to publish a new edition of these titles, or to make a screen or stage adaptation of these titles, to obtain a licence from the heirs.

<sup>3</sup> *Trade-marks Act*, RSC 1985, c T-13, s 9(1)(n)(iii) (“official marks” enable a “public authority” to prevent anyone from using that mark in relation to a business. The extent of official marks protection is discussed in Part IV below).

<sup>4</sup> See *The Anne of Green Gables Licensing Authority*, online: The Government of Prince Edward Island <<http://www.gov.pe.ca/anne>>. Further members of the Anne Authority are Don Harron and Norman Campbell (writer and composer of *Anne of Green Gables—The Musical*), although these parties do not play an active role in the organization.

Each of these three concerns will be examined in turn below; the article proceeds from the starting point that retaining the integrity of the process of ascribing a work to the public domain will require careful differentiation between each regime. This does not mean that trademark protection should not be available to current or former copyright owners where appropriate, or that official marks should never be granted in relation to marks currently or formerly also protected by copyright. Instead, clearer parameters need to be reinforced around what exactly each regime protects, and to distinguish this protection from that afforded by the other regimes. Without clear distinctions we eviscerate the fundamental premise of broad but *time-limited* intellectual property rights (copyright) by way of the regimes that are intended to afford narrower, mainly commercial protections for potentially unlimited duration (trademark and official marks).

## I. Concurrent Protection: Judicial Commentary on the Value of Keeping Intellectual Property Regimes Distinct

The Supreme Court of Canada (SCC) has considered the extent of overlapping protection afforded by different intellectual property regimes twice in recent years: in 2005, the Court considered whether trademark law could be used to extend patent-like protection beyond its expiration in *Kirkbi AG v. Ritvik Holdings Inc.*,<sup>5</sup> and in 2007, the Court considered whether copyright law could prevent the parallel importation of products bearing copyright-protected logos (a practice not prohibited by trademark law) in *Euro-Excellence Inc. v. Kraft Canada Inc.*<sup>6</sup> In both cases, the justices provided general statements about the significance of the distinc-

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<sup>5</sup> 2005 SCC 65, [2005] 3 SCR 302 [*Kirkbi*]. Kirkbi AG held the patents for LEGO construction sets. Once those patents expired in Canada, Ritvik (now “Mega Bloks”), a Canadian toy maker, began manufacturing and selling bricks that were interchangeable with LEGO. Kirkbi tried to assert various trademark rights in the “LEGO indicia”—the upper surface of the block with eight studs distributed in a regular geometric pattern. The trial judge found that these were purely functional features and so the proper subject of patent, but not trademark (*Kirkbi AG v Ritvik Holdings Inc.*, 2002 FCT 585, [2002] 220 FTR 161). Appeals of that decision were dismissed at both the Canadian Federal Court of Appeal (*Kirkbi AG v Ritvik Holdings Inc* (2003), [2004] 2 FCR 241, [2003] 228 DLR (4th) 297) and the Supreme Court of Canada (*Kirkbi, supra*).

<sup>6</sup> 2007 SCC 37, [2007] 3 SCR 20 [*Euro-Excellence*]. Kraft is the exclusive Canadian distributor of Côte d’Or and Toblerone chocolate bars in Canada. Euro imported and distributed Côte d’Or and Toblerone chocolate bars in Canada that it had acquired in Europe—a practice known as “parallel importing”. Since the chocolate bars were genuine, there was no cause of action in trademark infringement. The European parent company therefore reinforced the exclusive distribution deal by making Kraft the exclusive licensee of the copyright-protected logos on the chocolate bars. Kraft was then able to bring a successful action against Euro for copyright infringement, which was affirmed by a divided Supreme Court of Canada.

tions between the patent, copyright, and trademark regimes. In *Kirkbi*, a unanimous Court clarified the distinctions between patent and trademark protection.<sup>7</sup> In *Euro-Excellence*, a slim majority muddled the distinctions between copyright and trademark.<sup>8</sup>

The value of preserving the public domain created by the limited patent term is central to the Court's decision in *Kirkbi*, where Justice LeBel wrote, "The law of passing off and of trade-marks may not be used to perpetuate monopoly rights enjoyed under now-expired patents. The market for these products is now open, free and competitive."<sup>9</sup> He went on to set out the differences between the patent and trademark regimes in terms of their purpose and subject matter: patent law protects products and processes, trademark law protects not the product itself but the "distinctiveness of its marketing"—that is, "despite its connection with a product, a mark must not be confused with the product—it is something else, a symbol of a connection between a source of a product and the product itself."<sup>10</sup>

The Court did not take up the opportunity to set out a similarly clear distinction between copyright and trademark in *Euro-Excellence*, where Justice Rothstein's majority decision was satisfied to state that copyright law explicitly allows concurrent protection via both regimes, without inquiring further into the distinctions between them. Indeed, Justice Rothstein rejected Justice Bastarache's approach, which asserted that copyright and trademark should be evaluated in relation to one another when dealing with concurrent protection. Instead Justice Rothstein mischaracterized Justice Bastarache as having found that the two regimes should not overlap at all.<sup>11</sup> In other words, because Justice Rothstein found that the legislation allows concurrent protection, he appears to have found no place for a comparison of the different types of protection afforded by the two regimes.

Justice Rothstein wrote:

I must respectfully disagree with Bastarache J.'s attempted analogy between the present case and *Kirkbi AG v. Ritvik Holdings Inc.* In *Kirkbi*, this Court held that trade-mark law cannot be leveraged to extend protection to subjects that are ordinarily the domain of patent law. Bastarache J. suggests that *Kirkbi* stands for the further proposition that the subjects of copyright law and trade-mark law must not overlap and that because it is trade-mark law that ordinar-

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<sup>7</sup> *Supra* note 5.

<sup>8</sup> *Supra* note 6.

<sup>9</sup> *Kirkbi*, *supra* note 5 at para 3.

<sup>10</sup> *Ibid* at paras 38-39.

<sup>11</sup> *Euro-Excellence*, *supra* note 6.

ily protects market share and goodwill, copyright holders cannot use copyright to protect their market share or the goodwill associated with their brand.<sup>12</sup>

In this rejection of his colleague's reasoning, Justice Rothstein seemed to claim that copyright *can* be used to protect market share and the goodwill associated with a brand, which is an inaccurate way to describe what copyright actually accomplishes. In so doing Justice Rothstein appeared to conflate the legislative directive that design marks (logos) are appropriate subject matter of both copyright and trademark with the *nature* of the protection that each regime would afford to that design.<sup>13</sup> He wrote:

I do not doubt the wisdom of LeBel J.'s general statement, at para. 37 of *Kirkbi*, that it is important to bear in mind the "basic and necessary distinctions between different forms of intellectual property and their legal and economic functions". However, this guiding principle must be qualified by the proviso: except where Parliament provides otherwise. Parliament has authorized concurrent copyright and trade-mark protection for labels. Until it provides otherwise, the courts are bound to conclude that a logo on a chocolate bar wrapper can receive concurrent trade-mark and copyright protection.<sup>14</sup>

The crucial distinction that is obscured here is that while copyright law may enjoin the importation of a product bearing a label that infringes copyright in a logo, the *purpose* of copyright law in such a situation is still to protect the author or owner's exclusive rights in the logo as a *work*, even if the *effect* of that protection is that the market share or goodwill of the source of the product bearing the logo is protected. The fact that a logo can be simultaneously protected by both copyright and trademark should not transform the purpose of copyright law into that of trademark law (or vice versa).

The *Euro-Excellence* decision generated some confusion about the domains of copyright and trademark. This is particularly troubling insofar as Canadian law has been lax in maintaining boundaries between copyright and trademark when it comes to works that are protected primarily by copyright and only secondarily, and in many ways problematically, by trademark—specifically, literary and artistic works. It remains unclear to what extent trademark law can afford a copyright owner longer control

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<sup>12</sup> *Ibid* at para 11 [references omitted].

<sup>13</sup> Bastarache J wrote:

Trade-mark law protects market share in commercial goods; copyright protects the economic gains resulting from an exercise of skill and judgment. If trade-mark law does not protect market share in a particular situation, the law of copyright should not be used to provide that protection, if that requires contorting copyright outside its normal sphere of operation (*ibid* at para 83).

<sup>14</sup> *Ibid* at para 13.



over the distribution and adaptation of literary works, for instance, than the copyright regime itself allows.

A recent decision by the Canadian Federal Court, *Drolet v. Stiftung Gralsbotschaft*, identified some limits to the use of trademark protection to extend control over literary works in the public domain, though the decision is flawed in other ways.<sup>15</sup> The court expunged three registered trademarks which, like ANNE OF GREEN GABLES, consisted of the titles of particular literary works registered for use in relation to books, in part because

trade-marks cannot defeat or circumvent the provisions of the *Copyright Act*. ... Allowing a person to register a trade-mark for the title of such a work would in effect defeat Parliament's intention to make a work that has passed into the public domain available to the general public so that anyone may make use of it, base other works on it and even alter it as they see fit.<sup>16</sup>

This belated clarification (a similar conclusion was reached in a 1958 case in the United States)<sup>17</sup> at least begins to open up a more intensive discussion about the interplay between copyright and trademark regimes. However, no discussion to date has fully addressed the problematic overlap between copyright and official marks.

## II. Blurring of Copyright and Trademark I: Slippage between Origin and Source

One area of confusion between the copyright and trademark regimes is the lack of precision in the case law as to the difference between the concept of origination in copyright and the concept of source in trademark. This section will (a) set out the Canadian jurisprudence on origination in copyright and source in trademark; (b) discuss how the trademark prohibition against the registration of proper names of living or recently dead

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<sup>15</sup> 2009 FC 17, [2010] 1 FCR 492 [*Drolet*]. The case deals with an unauthorized translation by Drolet of spiritual works by Oskar Ernst Bernhardt who wrote under the pen name Abd-ru-shin (the works are the equivalent of the Bible of the Grail Movement). While the works themselves are all in the public domain as far as copyright is concerned, the case concerned in part whether Canadian trademarks in the titles of the books and the pen name ABD-RU-SHIN held by the Stiftung Gralsbotschaft were valid (the English name being the Foundation for the Grail Movement). The outcome of these challenges is discussed below.

<sup>16</sup> *Ibid* at para 186.

<sup>17</sup> *Application of Cooper*, 254 F 2d 611 at 616, 45 CCPA 923 (1958), cert denied *Re Cooper*, 358 US 840, 79 S Ct 63 (1958). Some inconsistencies remain in US law as well, in that titles can acquire trademark protection through prolonged use. For a discussion see James E Harper, "Single Literary Titles and Federal Trademark Protection: The Anomaly Between the USPTO and Case Law Precedents" (2004) 45:1 IDEA 77.

persons reflects these differences; and (c) illustrate the confusion between origination and source as it plays out in the murky legal terrain of “merchandising rights”.

### A. *Origination in Copyright and Source in Trademark*

The core requirement for copyright protection is originality, which means that the work “originates from an author”—that is, the work is not copied from another work and is the product of the author’s exercise of skill and judgment.<sup>18</sup> In copyright, origin refers to the concept that copyright protects only the expression of ideas (rather than ideas themselves), and that the expression emanates from the author. In contrast, the concept of source in trademark does not refer to where the mark itself originates, but rather to the origin of the product or service, in association with which the mark is used.<sup>19</sup> This means that the logo on a label is a symbol of the company sourcing the product or service, and the same company may (or may not) be the owner of the copyright in the logo design. These are separate considerations.

When an author creates an original work, copyright protection automatically ensues;<sup>20</sup> the author does not, however, simultaneously become the source of the work in the trademark sense.<sup>21</sup> In other words, if an artist creates an original graphic design, the artist is the first owner of copyright in the design. If that design comes to be used to signify the artist’s business of creating designs or selling products bearing the artist’s designs, then the design serves as a trademark indicating the artist as the source. The design can be both a work in the copyright sense and a mark in the trademark sense, but the design functions differently in each regime and is consequently entitled to different protections.

The difficulty in articulating the difference between origin in copyright and source in trademark is particularly salient where creative goods or services are concerned. The SCC considered the differences between origin in copyright and source in trademark a century ago, in the majority and dissenting reasons of the 1909 decision in *New York Herald v. Ottawa*

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<sup>18</sup> *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13 at para 25, [2004] 1 SCR 339 [CCH].

<sup>19</sup> *Kirkbi*, *supra* note 5 at para 39.

<sup>20</sup> *Copyright Act*, *supra* note 1, s 13.

<sup>21</sup> *Trade-marks Act*, *supra* note 3, s 2 (a trademark is defined as “a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others”).

*Citizen*.<sup>22</sup> While copyright and trademark law have both changed significantly in the interim, the general comments remain instructive as to the core difference between origination in copyright and source in trademark.

The case concerned whether the newspaper *Ottawa Citizen* infringed competing newspaper *New York Herald's* trademarks BUSTER BROWN and BUSTER BROWN AND TIGE by publishing comic strips featuring these characters, given that the *New York Herald* had not registered copyright for the comic strips in Canada.<sup>23</sup> Registration was a requirement for copyright protection at the time, and a failure to register copyright meant that the comics were not protected by copyright and hence were in the public domain.<sup>24</sup> In the majority decision, Justice Idington refused to allow these trademark registrations to prevent the defendant newspaper from running its own strip with the same characters.<sup>25</sup> His reasons were based on his view that trademark law is not meant to serve the same function as copyright—that the regimes protect different types of subject matter and serve different purposes.<sup>26</sup>

At the time of the case, the *Trade Mark and Design Act* defined trademarks as:

All marks, names, labels, brands, packages or other business devices, which are adopted for use by any person in his trade, business, occupation or calling, for the purpose of distinguishing any manufacture, product or article of any description manufactured, produced, compounded, packed or offered for sale by him, applied in any manner whatever either to such manufacture, product or article, or to

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<sup>22</sup> *New York Herald Co v Ottawa Citizen Co* (1909), 41 SCR 229, 6 ELR 312 [*New York Herald* cited to SCR].

<sup>23</sup> Buster Brown and his dog Tige were comic strip characters created in 1902 by Richard Felton Outcault, initially published in the *New York Herald*. Outcault went to work for another newspaper in 1906, and litigation ensued in the United States over whether the new publisher could publish Outcault's new strips under the same title. The New York Circuit Court enjoined the second publisher from using the title based on the *Herald's* trademark registration, and noted that it was only the words BUSTER BROWN that would not be used in the title, but that anyone (including Outcault) was free to draw the characters provided the new drawings did not infringe on the versions already published: *New York Herald Co v Star Co*, 146 F 204 (SDNY Cir Ct 1906), *aff'd* 146 F 1023 (2nd Cir 1906). Outcault also purportedly licensed the name or image of the characters to over 200 licensees, most prominently the Brown Shoe Company in 1904. See interview of Kris Runberg-Smith by Elizabeth Blair (6 May 2002) on *Morning Edition*, National Public Radio, Washington, DC, online: npr <<http://www.npr.org/programs/morning/features/patc/busterbrown/index.html>>.

<sup>24</sup> Newspapers did not generally register copyright in each edition at the time because the shelf life of newspapers was thought to be quite short.

<sup>25</sup> *New York Herald*, *supra* note 22.

<sup>26</sup> *Ibid* at 231-35.

any package, parcel, case, box, or other vessel or receptacle of any description whatsoever containing the same, shall, for the purposes of this Act, be considered and known as trade marks.<sup>27</sup>

Justice Idington reasoned that the word “produced” in this definition cannot be stretched to include works of the imagination “produced by the brain of the man writing for the diversion of the idle,” which instead “may be that kind of brain product that copyright might amongst other things be extended to or that copyright might cover.”<sup>28</sup> In other words, the expression of an idea is the domain of copyright protection and does not coincide with the use of a trademark in relation to a product.

In his dissenting opinion, Justice Duff interpreted the meaning of the word “produced” differently. He wrote, “I really can have no doubt that such a part of a newspaper is a ‘product’ ‘produced’ by the publisher of the newspaper and therefore within the very words of the section.”<sup>29</sup> A noteworthy difference between these two approaches is that Justice Idington saw the author as producing the comic as a work of the imagination or intellect (which is consequently properly subject to copyright protection, not trademark protection), whereas Justice Duff saw the publisher as producing the newspaper as a product, making the title of the comic function for him as a trademark.

The SCC recently clarified that originality, the gatekeeper of copyright law, means “originat[ing] from an author” (i.e., not copied) where such work results from the exercise of more than trivial skill and judgment.<sup>30</sup> In other words, as pointed out by Abraham Drassinower, copyright protection is afforded to works of authorship, where authorship is understood to be a particular kind of intellectual activity.<sup>31</sup> This idea of including production in the concept of copyright supports Justice Idington’s 1909 finding that “brain products” are the proper domain of copyright. Trademarks, on the other hand, are not protected as “brain products” per se but rather as symbols, which, as the Court found in *Kirkbi*, “seek to indicate the source of a particular product, process or service in a distinctive manner, so that, ideally, consumers know what they are buying and from whom.”<sup>32</sup>

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<sup>27</sup> RSC 1906, c 71, s 5.

<sup>28</sup> *New York Herald*, *supra* note 22 at 233-34.

<sup>29</sup> *Ibid* at 236.

<sup>30</sup> *CCH*, *supra* note 18 at para 25.

<sup>31</sup> “Canadian Originality: Notes on a Judgment in Search of an Author” in Ysolde Gendreau, ed, *An Emerging Intellectual Property Paradigm: Perspectives from Canada* (Cheltenham, UK: Edward Elgar, 2008) at 161-62. See also Abraham Drassinower, “Authorship as Public Address: On the Specificity of Copyright vis-à-vis Patent and Trade-mark” [2008] 1 Mich St L Rev 199 at 204

<sup>32</sup> *Supra* note 5 at para 39.

In terms of copyright, an individual (or company) “author” could simultaneously be the “source” of a product, process, or service in terms of trademark, but this entails wearing two different hats at the same time, and the functions are not interchangeable.

The United States Supreme Court (USSC) addressed the distinction more directly in the 2003 case *Dastar Corp v. Twentieth Century Fox Film Corp.*<sup>33</sup> The case turns on the interpretation of the word “origin” in the *Lanham Act* (the US trademark legislation), which forbids, *inter alia*, the making of a “false designation of origin”, which “is likely to cause confusion ... as to the origin” of the goods in question.<sup>34</sup> Here, the word “origin” is synonymous with the word “source” in Canadian jurisprudence. The defendant Dastar had taken a documentary television series (*Crusade in Europe*) that had entered the public domain, done some nominal re-editing, and repackaged the series under a new title, *World War II Campaigns in Europe*, claiming it as its own. The USSC held that “origin” refers to the manufacturer or producer of the physical good (in other words, the source), not the creator of the underlying work (the author); thus, Dastar did not violate the *Lanham Act* because it was indeed the producer of the videos.<sup>35</sup>

In reaching this conclusion, the USSC based its finding on the absence of consumer confusion, noting that for the most part a consumer buying a product does not assume that the company selling the product under the brand is the same entity that came up with the idea, design, or expression for the product, and that trademark law should not be stretched to cover areas that are not related to guarding against consumer confusion.<sup>36</sup> Further, the USSC entertained and dismissed the argument that “communicative products”—such as books or videos—should be treated differently.<sup>37</sup> The plaintiff had argued that the identity of the author is more important to consumers than the identity of the production company, and confusion about the author should therefore be taken into consideration when interpreting the *Lanham Act*. The USSC stated, “The problem with this argument according special treatment to communicative products is that it causes the Lanham Act to conflict with the law of copyright, which addresses that subject specifically,” citing previous case law that cautioned

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<sup>33</sup> 539 US 23, 123 S Ct 2041 [*Dastar* cited to US].

<sup>34</sup> USC tit 15 § 1125(a).

<sup>35</sup> *Dastar*, *supra* note 33 at paras 33, 38.

<sup>36</sup> *Ibid* at para 38.

<sup>37</sup> *Ibid* at para 33.

against allowing trademarks to be misused or overextended into areas traditionally occupied by patent or copyright.<sup>38</sup>

In the SCC's most recent discussion about the relationship between intellectual property regimes in *Euro-Excellence*, Justice Bastarache's reasons were similar to those of the USSC in *Dastar*; he stated that the reach of copyright law should be evaluated in relation to trademark law. He argued that when a consumer buys a chocolate bar bearing a logo, the consumer is not buying the logo itself: in this case, the logo operates as a trademark (i.e., a symbol of the source of the chocolate bar) rather than as a work in copyright terms.<sup>39</sup> Justice Rothstein's majority decision, however, did not appreciate the purpose of this contrast, and so did not contribute toward clarifying the issue in Canada.<sup>40</sup>

The *Drolet* case addressed a related issue, namely, whether titles of books (or presumably other creative works)<sup>41</sup> function as trademarks, or whether they are instead merely descriptive of the works themselves. While not specifically addressing the interplay between trademark and copyright on the issue of origin and source, Justice de Montigny concluded that book titles merely identify the specific book and so do not function as indicators of source. He went to some effort to refine what source means in trademark,<sup>42</sup> arguing that because "the title cannot be dissociated from the work itself," it is inherently descriptive of the specific ware (though not in the ordinary sense, but rather in a way particular to creative works) and so does not function as an indicator of source.<sup>43</sup>

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<sup>38</sup> *Ibid.* The USSC cited other cases for support here, for instance: "In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying" (*TraFFix Devices, Inc v Marketing Displays, Inc*, 532 US 23 at 29, 121 S Ct 1255 (2001)). For a discussion applying *Dastar* (*supra* note 33) to character licensing, see Kathryn M Foley, "Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide" (2009) 41:3 Conn L Rev 921.

<sup>39</sup> *Euro-Excellence*, *supra* note 6 at para 57.

<sup>40</sup> *Ibid* at paras 11-13.

<sup>41</sup> Bob Tarantino, "Neither Fish Nor Fowl — Trade-mark and Copyright Protection for Titles" (26 January 2010) (blog), online: IP Osgoode <<http://www.iposgoode.ca>>.

<sup>42</sup> Critics of similar case law in the United States argue that allowing titles to be registered as trademarks protects against consumer confusion (a primary rationale for trademark protection) by preventing others from marketing other books with the same title (Harper, *supra* note 17 at 96). However, protecting consumers from every kind of confusion is not a doctrinally coherent way to approach trademark law.

<sup>43</sup> *Drolet*, *supra* note 15 at para 180. Given this holding, the Anne Authority's trademark registration for ANNE OF GREEN GABLES cannot support its claim that the mark has been used in association with books since initial publication in Canada in 1909; nor can it support this claim in association with "[e]ntertainment services rendered through the medium of films" since the first cinematic adaptation of the novel in 1919. The

The difference between origin in copyright and source in trademark can be further refined by considering the prohibition against the registration of names of persons, living or recently dead, as trademarks; here, the consumer confusion to be guarded against is the mis-association of a product with the wrong actual person, given the frequency with which names are used by different individuals and the problem of the alienability of trademarks.

***B. The Trademark Prohibition against the Registration of Proper Names of Living or Recently Dead Persons***

The *Trade-marks Act* forbids the registration as a trademark of “a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years.”<sup>44</sup> The test for registrability relies on consumer impressions, where the mark will be unregistrable if “a person in Canada of ordinary intelligence and of ordinary education” would think of the word as the name or the surname of an individual who is living or who has recently died.<sup>45</sup> The rationale for this prohibition is not entirely clear, but appears to be that consumers may be confused by the use of a name or surname as a trademark, given that more than one person may use that name and that names and surnames should remain free for use by others who bear that name and should not be monopolized by a single individual.<sup>46</sup> However, aspects of this prohibition reflect the difference between the source of products and the concept of origination in copyright.

Specifically, the use of names of persons as trademarks can become problematic due to the alienability of trademarks. That is, trademarks can be assigned or licensed to others, such that the correlation between the source of a product and the person bearing the name may be broken. If a person’s name has acquired meaning as a source of goods or services truly alienable from the person who was the namesake of the business—such as a clothing designer and his clothing company—then the use of a proper name as a trademark does not pose a problem. However, if a per-

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trademark is registered with the Canadian Intellectual Property Office: “ANNE OF GREEN GABLES”, Anne of Green Gables Licensing Authority Inc, Can No TMA489653 (11 February 1998) registered.

<sup>44</sup> *Trade-marks Act*, *supra* note 3, s 12(1)(a).

<sup>45</sup> *Canada (Registrar of Trade Marks) v Coles Book Stores Ltd* (1972), [1974] SCR 438 at para 440, 23 DLR (3rd) 568.

<sup>46</sup> Discussion of the rationale for the exclusion of names and surnames of living or recently dead persons generally relies only on the fact of the *Trade-marks Act* (*supra* note 3) exclusion. See e.g. *Matol Biotech Laboratories Ltd v Jurak Holdings Ltd*, 2008 FC 1082, 299 DLR (4th) 130.

son's name cannot be separated from a service that only that person can perform—such as creative “services” performed by an author or entertainer—then use of the name as a trademark for such services could create *more* consumer confusion rather than less: for instance, if that trademark were to be licensed or transferred to someone else. Recall that lack of separability from a particular book was the basis for denying the registration of titles of works in *Drolet*.<sup>47</sup> Similarly, if a person's name cannot be separated from that particular person in relation to a personally performed service, it is not the proper subject of a trademark.

The historical case of *Gage v. Canada Publishing Co.*, is an instructive example, because it stems from a time before the prohibition against registering names as trademarks.<sup>48</sup> In this case, Samuel George Beatty, the author of a series of penmanship books, retired and sold his interest in the partnership that had produced the books under the trademark BEATTY'S HEAD LINE COPY BOOKS. Mr. Beatty went on to write another series of copy books under the name “Beatty's” for the defendant publisher. After the hearing, Mr. Beatty was enjoined from producing further books under the “Beatty's” name. In reaching this conclusion, Chief Justice Hagarty of the Ontario Court of Appeal was careful to note that the decision should not be interpreted to prevent an author from publishing a new book under his own byline.<sup>49</sup> This judgment illustrates how the trademark BEATTY'S referred to the publisher of the physical book series and so was alienable, while the author's name, Samuel George Beatty, referred to a corporeal person and therefore could not be alienated.

Recently, the Canadian Trade-marks Office has become lax about allowing registrations of the names of famous living persons in relation to services that are not alienable from a particular individual. The name of Canadian singer Avril Lavigne, for instance, is a trademark owned by 2NS Entertainment ULC, and is registered for use in association with, among other things, “entertainment services in the nature of live per-

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<sup>47</sup> *Supra* note 15.

<sup>48</sup> (1883), 6 OR 68 (Ont (HC)), *aff'd* (1884), 11 OAR 402 (Ont (CA)) [*Gage*], *aff'd* (1885), 11 SCR 306.

<sup>49</sup> Hagarty CJA wrote:

I am not prepared to express an opinion that he is not at liberty to publish either a new edition of the old work under the old name, or under a new name, bringing it forward to the line or up to the level of the improved knowledge or culture of the period; nor can I hold that if he do so it can only be for the profit and benefit of the old partnership. When such a case arises it must be dealt with on its special facts and merits (*Gage*, *supra* note 48 at paras 414-15).



formances by a musical performer.”<sup>50</sup> The actor Adam Sandler is registered as the owner of the trademark ADAM SANDLER for use in association with, among other things, “[e]ntertainment services in the nature of live musical performances, dramatic performances and comedic performances; presentation of a live show performance and musical concert.”<sup>51</sup> These performer’s names are not truly alienable from the performers themselves. In other words, 2NS Entertainment could not license *another* performer to use the trademark AVRIL LAVIGNE in association with her live performances without generating consumer confusion.

As with single literary titles, some scholars have argued that “authorial marks” deserve trademark protection because consumers would be harmed by the confusion caused by misuse of an author’s name on a creative product.<sup>52</sup> This argument overlooks the fact that trademarks are always alienable, and so the owner of such a trademark could just as easily mislead consumers by disassociating the author’s name from the specific person to whom the name refers. Consequently, consumer protection laws are better suited to addressing possible misuses of authorial names than trademark law.

Businesses have borne the names of their founders for centuries and these names have come to indicate the source of the products or services produced by these businesses. But when a performer performs or an author writes, that which he or she produces in that act is a performance or a work, not the “service” of musical performance or the “ware” of books. He or she is not the *source* of entertainment services or of books as understood by trademark law, rather, he or she is a musical performer or an author, as understood by copyright law. To reiterate, if the trademark is not alienable from a particular individual, then it is not the proper subject of trademark protection.

The same should be said, however, for the names of authors dead for more than thirty years, or for fictional pseudonyms correlating with actual persons, both of which are currently registrable under trademark law. In other words, the problem here is that these marks are not operating *as trademarks* either when they are not alienable from an individual. Thus, though the Heirs of L.M. Montgomery Inc. are permitted to register L.M. MONTGOMERY for use in association with the wares of “books”

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<sup>50</sup> “AVRIL LAVIGNE”, Avril Lavigne Music & Entertainment ULC, Can No TMA613932 (30 June 2004) registered.

<sup>51</sup> “ADAM SANDLER”, Adam Sandler, Can No TMA601993 (11 February 2004) registered.

<sup>52</sup> Greg Lastowka, “The Trademark Function of Authorship” (2005) 85:4 BUL Rev 1171. See also Harper, *supra* note 17.

(and assorted other media), because the author has been dead more than thirty years, her name is not operating as a trademark when it merely identifies her as the author of a book. Indeed if the Heirs of L.M. Montgomery Inc. were to use the trademark L.M. MONTGOMERY in such a way as to imply that a book authored by someone else was written by the deceased author, they could be accused of fraud. Consequently, when an author's name appears as the byline of a book it is inalienable and is not used as a trademark, but rather serves to identify the author in accordance with the moral rights included in copyright law (see Part III below).<sup>53</sup>

In *Drolet*, Justice de Montigny missed an opportunity to make this connection with respect to authorial names. In discussing the challenge to the registration of trademark ABD-RU-SHIN, he considered only whether this name—a pseudonym used by the author of the literary works under discussion—should be barred from registration because of the prohibition against registering names of persons living or recently dead.<sup>54</sup> His analysis was limited to whether an invented pen name is a “name or surname” barred by the *Trade-marks Act*; he concluded that in this case it was not, and so was registrable.<sup>55</sup> This rather shallow analysis was not linked to his discussion of the function of titles of literary works as merely identifying the specific work. In other words, while Justice de Montigny viewed the inseparability of the title and work as a reason to rule that a title does not function as a trademark, he did not consider that the same reasoning would hold for an author's name in a byline, regardless of whether the author used a fictional pen name or their own name.

Again, it is possible to use a fictional name, or a historical figure's name, as a trademark (LAURA SECORD chocolates is one example), but use of an author's name *as a byline* is not use of that name as a trademark, and claiming that it is will have the effect of confusing origin in copyright with source in trademark.

### *C. The Murky Legal Terrain of “Merchandising Rights”: Derivation in Copyright versus Source in Trademark*

Some legal scholars have expressed concern about the expansion of trademark law to cover “merchandising rights” for design trademarks—that is, when trade symbols garner protection as designs per se, rather

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<sup>53</sup> *Copyright Act*, *supra* note 1, s 14.1.

<sup>54</sup> *Drolet*, *supra* note 15.

<sup>55</sup> *Ibid* at paras 155-56, 160.

than only when they function as trademarks.<sup>56</sup> For instance, if a Mercedes-Benz symbol that is properly protected when it serves as a brand on a car is also protected when it appears as decoration on a T-shirt, the parameters of trademark law are obscured. To reiterate a quote from *Kirkbi*, “[D]espite its connection with a product, a mark must not be confused with the product—it is something else, a symbol of a connection between a source of a product and the product itself.”<sup>57</sup>

This expansion of trademark law into the protection of marks as *works* is a key source of confusion between copyright and trademark law, since the protection of a design as a work accords with the principles of copyright law rather than with the principles of trademark law.<sup>58</sup> The confusion is most apparent with regard to two different types of marks, which tend to be the subject matter of most of the cases dealing with this type of “merchandising” issue: (a) logos (design marks); and (b) visual representations of fictional characters derived from creative works.

With regard to logos, the SCC’s decision in *Euro-Excellence* amply illustrated how the concurrent protection of a logo by both copyright and trademark regimes helps to obscure the different protections afforded by each regime.<sup>59</sup> In this case, the Court was dealing with a specific question regarding the parallel importation of goods (chocolate bars) bearing copyright-protected logos on the labels. Justice Rothstein’s narrow majority countered Justice Bastarache’s more generalizable efforts in dissent to claim that in order to bar the parallel importation of goods, the copyright-protected work must be the central feature of the imported goods, rather than being merely incidental thereto.<sup>60</sup> Justice Bastarache’s argument is analogous to the opinions of the above-mentioned legal scholars about the

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<sup>56</sup> Jessica Litman, “Breakfast with Batman: The Public Interest in the Advertising Age” (1999) 108:7 *Yale LJ* 1717; Stacey L Dogan & Mark A Lemley, “The Merchandising Right: Fragile Theory or *Fait Accompli*?” (2005) 54:1 *Emory LJ* 461.

<sup>57</sup> *Supra* note 5 at para 39.

<sup>58</sup> Some legal scholars writing about character merchandising have suggested that the only valid use of a character as a trademark would be via something like a certification mark, which is “officially authorized” by the current copyright or trademark owner (or former copyright owner, in the case of expired copyright). In other words, there would be no cause of action in trademark infringement against “unauthorized” merchandisers, so long as they did not claim to be authorized—that type of claim would only fall under copyright. See e.g. Leslie A Kurtz, “The Independent Legal Lives of Fictional Characters” [1986] 3 *Wis L Rev* 429; Michael Todd Helfand, “When Mickey Mouse Is as Strong as Superman: The Convergence of Intellectual Property Laws to Protect Fictional Literary and Pictorial Characters” (1992) 44:3 *Stan L Rev* 623; Christine Nickles, “The Conflicts Between Intellectual Property Protections when a Character Enters the Public Domain” (1999) 7:1 *UCLA Ent L Rev* 133.

<sup>59</sup> *Euro-Excellence*, *supra* note 6.

<sup>60</sup> *Ibid* at para 4.

merchandising of logos: in other words, scholarly criticism of the trend allowing a trademark to be protected by trademark law where it functions as an independently valuable design is conceptually related to concern about allowing a copyright-protected work that primarily functions as an indicator of source (i.e., a logo) to be treated as if it is being traded as a work in its own right.

It is certainly possible for a logo to operate as both a work in the copyright sense and as an indicator of source in the trademark sense—this is the rationale for concurrent protection by both regimes. But even if Justice Rothstein was correct that logos do always operate as works and are entitled to full copyright protection for the duration of the copyright term, it does not follow that a logo then also always functions as an indicator of source entitled to full trademark protection. In *Tommy Hilfiger Licensing, Inc. v. International Clothiers Inc.*, for instance, the Canadian Federal Court dealt with multiple causes of action (copyright infringement, passing off, and trademark infringement) against a defendant who had placed a crest similar to that of the plaintiff on shirts and short sets.<sup>61</sup> The court allowed the copyright and passing off claims,<sup>62</sup> but found that the crests on the shirts did not function as trademarks but rather as mere ornamentation—that is, they did not serve as indicators of source—and so trademark infringement could not be proven.<sup>63</sup> The Federal Court of Appeal reversed these findings with regard to the trademark infringement issue. The appellate court ruled that because similar crests served to distinguish the plaintiff's clothing wares, use in such a manner by the defendant was likely to cause consumer confusion regardless of whether the defendant had clearly labelled the clothing as coming from a different source.<sup>64</sup> The appellate court decision nonetheless leaves open the possibility that where a logo does not serve to distinguish the wares at issue in the minds of consumers, use of a similar logo as mere ornamentation would attract only copyright liability and not trademark liability.<sup>65</sup>

The merchandising of fictional characters raises even more complex issues. Copyright protection for graphic characters (e.g., from comic books or films) is straightforward as these representations qualify as artistic works. Copyright protection for literary characters, however, is only available where these characters are distinctively described or have be-

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<sup>61</sup> 2003 FC 1087, 29 CPR (4th) 39.

<sup>62</sup> *Ibid* at para 60 (copyright); *ibid* at para 54 (passing off).

<sup>63</sup> *Ibid* at para 38.

<sup>64</sup> *Tommy Hilfiger Licensing, Inc v International Clothiers Inc* (2004), 2004 FCA 252, 241 DLR (4th) 559.

<sup>65</sup> *Ibid* at paras 38-40.

come well-known.<sup>66</sup> Where copyright subsists in a literary character, graphic or three-dimensional representations of that character are considered derivative works, and so copyright therein rests with the author of the literary work—at least until copyright in the underlying literary work expires.<sup>67</sup> Where the licensing of merchandise based on a literary work continues after copyright has expired under the trademark regime, copyright in a new graphic or three-dimensional representation of the character rests with the creator of that representation (insofar as the work is original)—although there has not been any Canadian case law specifically addressing this issue. Copies of longstanding graphic characters that have entered the public domain do not attract renewed copyright protection unless they are sufficiently original.

Since copyright protection inevitably expires, it has become common practice in Canada to register the names of successfully-merchandised fictional characters as trademarks, in the hopes that the trademark registration will continue to enjoin others from using that character name and likeness on similar products (including three-dimensional representations of that character, such as dolls). However, even if trademark law is expanded to recognize the special needs of the character merchandising industry, and so to afford some ongoing protection to highly successful graphic characters like Mickey Mouse and Winnie the Pooh, trademark law should clearly not enjoin an artist or craftsperson from *identifying* their original representation of a literary character by name after copyright for the underlying work expires. In other words, creating an original doll figure of Anne Shirley from the *Anne* novel and naming the doll Anne Shirley is not use of the character name as a trademark, even if the doll is sold for profit. This type of use of a character name is descriptive, similar to titles of creative works and author names as discussed above, rather than an indicator of source.<sup>68</sup>

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<sup>66</sup> *Anne of Green Gables Licensing Authority Inc v Avonlea Traditions Inc* (2000), 4 CPR (4th) 289 at para 111, [2000] OTC 133 (Ont Sup Ct) [*Avonlea Traditions*]. See also *Preston v 20th Century Fox Canada Ltd* (1990), 38 FTR 183, 33 CPR (3rd) 242 (FCTD), aff'd (1993), 76 FTR 26, 164 NR 304 (FCA). For a discussion of the situation in the United States see Kurtz, *supra* note 58 at 440.

<sup>67</sup> *Avonlea Traditions*, *supra* note 66 at para 121.

<sup>68</sup> Another interesting example of a trademark owner's efforts to control descriptive uses of the trademark is the US case of artist Daniel Moore, who has been embroiled in legal battles with the University of Alabama over his paintings depicting great moments in Alabama football games. The university claims that the artist must pay licensing fees to depict the team colours and logos in his fine art paintings, while Moore claims that he "has not created fine art painting of the University's trademark or colors, as the University contends. Rather, he has created fine art paintings that capture moments in sports history" (Doug Segrest, "Artist Moore Responds to University of Alabama in Trademark Dispute" (30 July 2010) (blog), online: al.com <<http://blog.al.com>>). At trial,

The problem becomes starkly apparent where, as exemplified by the activities of the Anne Authority, trademark and official mark protection is used by a former copyright owner to continue to control the sale of dolls and other items depicting characters from a literary work. For example, in 2007, a new musical based on *Anne* opened off-Broadway in New York. The Heirs' Canadian lawyer sent a warning to the producers based on the US trademark registration for ANNE OF GREEN GABLES; the lawyer did not claim to enjoin the production itself, which was clearly based on a novel in the public domain, but stated that the production must pay royalties to the Heirs if it were to sell Anne merchandise during intermission. The lawyer stated that this warning was sent to the producers because "[t]he family thought they should be aware that there were some limitations and they shouldn't start producing merchandise."<sup>69</sup> This position begs the question of why the creation of a *doll* based on a novel in the public domain should be different than the creation of a *play* based on a novel in the public domain? The material consequence of allowing trademark law to prohibit merchandising related to new productions based on works in the public domain is that it makes it more difficult for the new author, filmmaker, or theatre producer to turn a profit.<sup>70</sup>

Justice Wilson of the Ontario Superior Court of Justice did not devote any attention to the distinction between merchandising schemes protected by copyright and the proper role of trademarks in *Anne of Green Gables Licensing Authority Inc. v. Avonlea Traditions Inc.*<sup>71</sup> In that case, Justice Wilson first noted that the character Anne Shirley is described sufficiently distinctly to merit copyright protection outside of the book itself. Consequently, the Heirs were entitled to control and license the character as she appeared in merchandise during the copyright term,

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the court held that Moore did not infringe the trademarks by depicting them in his paintings: *University of Alabama Board of Trustees v. New Life Art Inc.*, 677 F Supp 2d 1238 (ND Ala 2009). An appeal is pending.

<sup>69</sup> "Warning Sent to New York's Anne Musical", *CBC News* (10 May 2007) online: CBC News <<http://www.cbc.ca>>.

<sup>70</sup> Consider for instance that an animated filmmaker who makes a new adaptation of a literary work in the public domain may be enjoined from marketing merchandise based on his or her original artwork, thereby drastically reducing the profitability of such a venture. This is essentially the underlying problem at issue in the disputes between the Heirs, the Anne Authority, and Sullivan Entertainment Inc (the creator of various *Anne* based television programs). *Sullivan Entertainment Inc v. Anne of Green Gables Licensing Authority Inc.* (2000), 195 FTR 199, 9 CPR (4th) 344 (FCTD) [*Sullivan*]; *Sullivan Entertainment Inc v. Anne of Green Gables Licensing Authority Inc.*, 2002 FCT 1321, 24 CPR (4th) 192.

<sup>71</sup> *Avonlea Traditions*, *supra* note 66. The plaintiffs included Anne of Green Gables Licensing Authority Inc, Ruth MacDonald and David MacDonald, and heirs of LM Montgomery Inc.

given that such merchandise derived from the novel.<sup>72</sup> However, Justice Wilson then argued that the licensing conducted under the auspices of copyright protection carried over to trademark protection, so the Heirs and the Anne Authority could “rely upon the registered trade-marks to protect their right to market Anne’s image and story.”<sup>73</sup> In other words, the *same* licensing practices that were carried out while copyright protection applied to the novel can continue after copyright expires, by merely substituting the trademark regime for the copyright regime.

Indeed, the only requirement set out by Justice Wilson for interchangeable protection under either copyright or trademark appears to be the ability of the Heirs to shut down unlicensed uses of *Anne* merchandise—regardless of their legal entitlement to do so.<sup>74</sup> Justice Wilson assumed that a program of character licensing under copyright is equivalent to being able to “meet the test of distinctiveness” and thus hold a valid trademark.<sup>75</sup> In other words, any licensed representation of *Anne* characters and scenes operates as a “mark”. In this way, Justice Wilson equated origin or derivation in copyright with source in trademark, and never considered whether the various objects bearing or embodying “the *Anne* image” were using the words “Anne of Green Gables” as a trademark (that is, as an indicator of source) or if they were merely describing the item as having derived from the novel.

The judgment in the *Avonlea Traditions* case consequently failed to consider whether the kind of source that a copyright owner *may be* is the same as the kind of source that a trademark owner *must be* to qualify as a valid use of a trademark. An appeal of this decision was ultimately withdrawn, and the parties settled their dispute, so no full re-evaluation of Justice Wilson’s reasons was conducted.<sup>76</sup>

Scholars have noted that allowing ongoing protection of characters via trademark appears to respond to two normative impulses: (1) the sense that “free-riding” on the success of creative works should not be permit-

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<sup>72</sup> *Ibid* at para 121.

<sup>73</sup> *Ibid* at para 123.

<sup>74</sup> *Ibid* at paras 151-53.

<sup>75</sup> *Ibid* at para 139.

<sup>76</sup> The Federal Court of Appeal dismissed a motion by the defendant to stay an injunction pending appeal, which surely pushed the defendant toward settlement. The court stated that “[i]t is apparent from the extensive reasons delivered by the trial judge that all of the issues were fully canvassed and that many of the arguments were unsuccessful because they were simply not sustainable on the evidence,” and that “to the extent that the appeal reiterates those same arguments, it is not apparent to me that it presents a serious issue to be determined” (*Anne of Green Gables Licensing Authority Inc v Avonlea Traditions Inc* (2000), 130 OAC 369 at para 7, 6 CPR (4th) 57 (Ont CA)).

ted,<sup>77</sup> and (2) that popular fictional characters inspire paternalism, which motivates courts to protect them from misuse by non-owners (owners, seen here as guardians of integrity, rather than simply profit-seekers).<sup>78</sup> On the one hand, discomfort with “free-riding” is largely about the ethics of economic gain, although it misunderstands the rationale for limited term copyright protection—namely, that works should be free for all to use and reproduce after a suitable period of time, thereby encouraging the wider circulation of works, and reducing barriers to the creation of new derivative works. The impulse to protect popular characters from misuse, on the other hand, appears to be inspired by different impulses that are largely cultural, rather than economic.<sup>79</sup> The rest of this article will focus more closely on the legal mechanisms through which this cultural impulse enters Canadian law, often to the detriment of the public domain.

### III. Blurring of Copyright and Trademark II: Slippage between Reputation and Goodwill

The second locus of slippage between copyright and trademark regimes is related to the kinds of reputational interests protected by copyright and those protected by trademark. While the term “reputation” is used in both contexts, I will use the term “goodwill” to refer to the reputational interests protected by trademark in order to maintain clarity. This section will: (a) set out the Canadian jurisprudence on reputation in copyright and goodwill in trademark; (b) extend the above discussion about the significance of prohibiting the registration of proper names as trademarks to include reputation and goodwill; and (c) revisit the analysis of intellectual property protection with regard to broad merchandising practices, this time from the perspective of establishing goodwill in a trademark, as distinct from reputation in copyright.

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<sup>77</sup> Graeme W Austin, “Trademarks and the Burdened Imagination” (2004) 69:3 Brook L Rev 827 at 861-63

<sup>78</sup> Helfand, *supra* note 58 at 628-29.

<sup>79</sup> Similar issues arise regarding the development of “personality rights”, which hover somewhere between economic protections and dignity or reputation oriented protections with respect to images of famous persons. A full canvass of personality rights is beyond the scope of this paper, and case law is very limited in Canada, but for discussion of these issues see David Collins, “Age of the Living Dead: Personality Rights of Deceased Celebrities” (2002) 39:4 Alta L Rev 914. For a discussion of these issues in the United States see e.g. Peter K Yu, “Fictional Persona Test: Copyright Preemption in Human Audiovisual Characters” (1998) 20:1 Cardozo L Rev 355; Michael Madow, “Private Ownership of Public Image: Popular Culture and Publicity Rights” (1993) 81:1 Cal L Rev 125.



### A. Reputation in Copyright and Goodwill in Trademark

The SCC considered the role of reputation in copyright in *Théberge v. Galerie d'Art du Petit Champlain* in 2002,<sup>80</sup> and considered the reach of goodwill in trademark protection with regard to “famous marks” in a pair of cases decided in 2006: *Mattel, Inc. v. 3894207 Canada Inc.* and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*.<sup>81</sup> The Court has not yet directly compared the concepts of reputation in copyright and goodwill in trademark law.

Writing for the majority in *Théberge*, Justice Binnie discussed what he saw as a crucial distinction between the economic rights and the moral rights granted by the *Copyright Act*. He wrote that economic rights are “based on a conception of artistic and literary works essentially as articles of commerce”<sup>82</sup> and are therefore alienable. In contrast, moral rights “adopt a more elevated and less dollars and cents view of the relationship between an artist and his or her work. They treat the artist’s *oeuvre* as an extension of his or her personality, possessing a dignity which is deserving of protection.”<sup>83</sup> Moral rights are not alienable and remain with the artist (or the artist’s heirs) for the duration of the copyright term.<sup>84</sup>

Justice Binnie went on to argue that moral rights are limited in that they are framed in terms of damage to an author’s reputation, such that the economic rights granted in the *Copyright Act* “should not be read so broadly that they cover the same ground as the moral rights, making in-

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<sup>80</sup> 2002 SCC 34, [2002] 2 SCR 336 [*Théberge*] (the case dealt with whether the defendant had infringed copyright by transferring the image on a poster he had purchased to canvas—the Court ruled he had not, since no copy was made in the process).

<sup>81</sup> *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772, [*Mattel*] (*Mattel* dealt with a claim for trademark infringement brought by the makers of Barbie dolls against a restaurant selling barbecue foods using the name “Barbie” and an image of a blond waitress); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 SCR 824 [*Veuve Clicquot*] (*Veuve Clicquot* dealt with a claim for trademark infringement against a clothing store using the name “Cliquot” brought by the champagne maker). In both *Mattel* and *Veuve Clicquot* the Court ruled that trademark infringement was not made out since there was no likelihood of confusion between the famous mark and the very different wares and services of the defendants.

<sup>82</sup> *Théberge*, *supra* note 80 at para 12.

<sup>83</sup> *Ibid* at para 15.

<sup>84</sup> See Elizabeth Adeney, “Moral Rights in Canada: An Historical and Comparative View” in Ysolde Gendreau, ed, *An Emerging Intellectual Property Paradigm: Perspectives from Canada* (Cheltenham, UK: Edward Elgar, 2008) 163; Ysolde Gendreau, “Moral Rights” in Gordon F Henderson, ed, *Copyright and Confidential Information Law of Canada* (Scarborough, Ont: Carswell, 1994) 161; Jonathan Herman, “Moral Rights and Canadian Copyright Reform: The Impact on Motion Picture Creators” (1990) 20 RDUS 407.

operative the limits Parliament has imposed on moral rights.”<sup>85</sup> Specifically, the limitations on moral rights are set out in section 28.2 of the *Copyright Act*: “The author’s right to the integrity of a work is infringed only if the work is, to the prejudice of the honour or reputation of the author, (a) distorted, mutilated or otherwise modified; or (b) used in association with a product, service, cause or institution.”<sup>86</sup>

Justice O’Brien wrote in *Snow v. Eaton Centre Ltd.*, one of the few Canadian cases to deal directly with moral rights issues, that the perception of damage to honour or reputation involves a “subjective element or judgment on the part of the author so long as it is reasonably arrived at.”<sup>87</sup> The personal, subjective nature of the right to protect the “integrity” of a work in the name of the author’s reputation extends to the right not to have a work associated with a product, service, cause, or institution contrary to the author’s wishes if such an association is subjectively (and reasonably) deemed by the author to damage his or her reputation.<sup>88</sup> These rights can certainly affect the use or licensing of a literary or artistic work by an assignee of the economic rights (copyright proper) if the moral rights have not been waived, as these are separate and distinct from economic rights.<sup>89</sup>

Goodwill in trademark law is, in contrast, a specifically commercial concept: it refers to a positive association with a source of goods or services that brings customers back to these goods or services, rather than to a competitor. As the SCC found in *Mattel*, there is nothing subjective or personal about goodwill—it is a factual finding that must be established by a plaintiff, and it is measured entirely by the degree to which consumers associate a mark with a source.<sup>90</sup> In an infringement action, goodwill is the “marketing territory” belonging to the plaintiff by virtue of its reputation therein, and infringement is a “trespass” on that territory via the

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<sup>85</sup> *Théberge*, *supra* note 80 at para 22.

<sup>86</sup> *Supra* note 1, s 28.2.

<sup>87</sup> (1982), 70 CPR (2d) 105 at 106 (Ont H Ct J) (the plaintiff artist argued that his moral rights had been infringed when the Eaton Centre, which owned his naturalistic sculpture of geese flying, placed red ribbons around the neck of each bird as a Christmas decoration—the court ruled in the artist’s favour). Gendreau points out that there are other Canadian cases that discuss moral rights in the integrity of a work without explicitly referring to them as such (*supra* note 84 at 168).

<sup>88</sup> *Copyright Act*, *supra* note 1, s 28.2(1)(b).

<sup>89</sup> *Drolet*, *supra* note 15 at paras 215-16.

<sup>90</sup> *Supra* note 81 at para 30.

creation of customer confusion, regardless of whether the defendant intended to “pirate whatever goodwill it can” from the plaintiff’s mark.<sup>91</sup>

In the recent pair of “famous marks” cases (*Mattel* and *Veuve Clicquot*), the SCC placed some limits on the degree to which the owner of a well-known mark can claim that its goodwill extends far beyond the wares and services on which the mark is used. In other words, Canada has resisted the pull toward allowing holders of well-known marks to claim that any use of the mark infringes on goodwill because it implies something like sponsorship or endorsement by the owner of the famous mark; merely because a consumer might recognize that the mark is the same or similar, in the absence of confusion as to source. In *Veuve Clicquot*, the Court dealt with the further ground of depreciation of goodwill, which does not require confusion but only that the use of the same or similar mark evokes an association between the two marks “that is likely to depreciate the value of the goodwill attaching to the appellant’s mark.”<sup>92</sup> Justice Binnie noted, however, that a mental association between two marks does not necessarily give rise to a likelihood of depreciation—again, likelihood of depreciation of goodwill must be factually established.<sup>93</sup>

Canadian courts have not yet directly compared the role of reputation in copyright with the role of goodwill in trademark, but these two lines of cases clearly distinguish between the concepts insofar as reputation in copyright is personal and subjective, and goodwill in trademarks is commercial and objective. In Canada, moral rights apply for the duration of the copyright term and devolve to the author’s heirs upon the author’s death.<sup>94</sup> In other words, the personal nature of moral rights as connected to the individual author’s reputation is extended to the rights of heirs to protect that reputation, but only for the duration of the copyright term.<sup>95</sup> After this term expires, moral rights cease to prevent other individuals from doing what they will with the work, regardless of whether the author or her heirs would have considered that use to be derogatory or offensive.

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<sup>91</sup> *Ibid* at para 90.

<sup>92</sup> *Veuve Clicquot*, *supra* note 81 at para 38. The cause of action for depreciation of goodwill is anchored in the *Trade-marks Act*, *supra* note 3, s 22.

<sup>93</sup> *Veuve Clicquot*, *supra* note 81 at para 43.

<sup>94</sup> *Copyright Act*, *supra* note 1, s 14.2.

<sup>95</sup> “What are Moral Rights?” (1998) 2:3 *Copyright & New Media Law Newsletter* 2:3 (QL). Some countries allow moral rights to carry on perpetually beyond the expiration of the copyright term (e.g., France, Italy, Mexico), although some aspects of the right terminate upon the author’s death—for example in France, the right to withdraw a work from circulation. There is no parallel moral right to withdraw the work as a moral right in Canada (*ibid*).

The heirs of L.M. Montgomery were entirely within their right to protect what they thought were the wishes of their ancestor by preserving the innocence associated with the novel's Anne Shirley character in their licensing endeavours during the term of copyright. However, trademark law should not protect extension of these moral rights merely through the registration of the title ANNE OF GREEN GABLES. Yet the Anne Authority uses trademarks and official marks (the latter are discussed below in Part IV) to pursue its objects: "[T]o protect the integrity of the images of Anne, to preserve and enhance the legacy of L.M. Montgomery and her literary works, and to control the use of Anne of Green Gables and related trademarks and official marks."<sup>96</sup> Protecting the "integrity" of "images of Anne"—by which the Anne Authority means "words and images depicting the fictional characters, places and events described in Montgomery's novel Anne of Green Gables and related novels"<sup>97</sup>—is within the purview of moral rights in copyright law, as is the stated objective to control the "use of Anne of Green Gables" (the novel) as a whole. However, because the Anne Authority was only established after the copyright term expired, these objects reveal the Anne Authority's conflation of the moral rights attached to L.M. Montgomery, the author under copyright, with the rights available through trademark and official marks.

### ***B. Proper Names Revisited: Moral Rights and Personality Rights***

The inalienability of moral rights under the copyright regime underscores the personal nature of the right to protect one's reputation. Similarly, in the defamation law of common law countries, the right to defend one's reputation generally ends with death, as defamation is seen as a personal affront that cannot be transferred.<sup>98</sup> In contrast, goodwill in a trademark can be transferred and is not time-limited, because it is attached to a business, not an individual. The prohibition against the registration of names and surnames of living or recently dead persons as trademarks highlights the difference between reputation in copyright and goodwill in trademark, insofar as a trademark is not designed to protect personal reputation. The creeping acceptance of proper names as trademarks for performers or authors potentially undermines this distinction

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<sup>96</sup> *The Anne of Green Gables Licensing Authority Inc.*, online: The Government of Prince Edward Island <<http://www.gov.pe.ca/anne>>.

<sup>97</sup> *Ibid.*

<sup>98</sup> Common law countries generally do not allow defamation actions to be brought on behalf of deceased persons, while civil law countries often do allow such actions. See Götz Böttner, "Protection of the Honour of Deceased Persons—A Comparison Between the German and the Australian Legal Situation" (2001) 13:1 Bond L Rev 109 at paras 118-19.

by confusing personality rights with trademark rights, which in turn converts a trademark into a tool to protect personal reputation, rather than the goodwill of a business.

Personality rights are in a state of flux and are not easily categorized into the existing regimes of either copyright or trademark. Personality rights are mainly concerned with the right to exploit one's image—which is primarily an economic right—through sponsorships or other marketing devices and so allow a celebrity, for instance, to seek a remedy when his or her likeness has been used to falsely suggest sponsorship of a product or service.<sup>99</sup> Protection against non-consensual use of an ordinary person's image in a publication has been recognized in Canadian courts as an aspect of protection of privacy, regardless of whether reputation is damaged.<sup>100</sup> These causes of action indirectly protect personal reputation, in that they recognize an individual's right to choose how and when his or her image can be used.

The cause of action of passing off has sometimes served to blur the boundaries between personality rights and trademark law in other jurisdictions, especially in Australia. Generally, the law of passing off grants a cause of action to a plaintiff whose commercial reputation (i.e., goodwill) has been appropriated by a defendant via false representations that are likely to induce an ordinary customer to believe that the goods or services of the defendant are those of the plaintiff.<sup>101</sup> To date, Canada has resisted expanding passing off to include a false association or sponsorship by a business, much less an individual.<sup>102</sup> Developments in Australia, however, have loosened the requirements of the cause of action to allow redress in the wrongful appropriation of “an image properly belonging to [a person].”<sup>103</sup> The Australian federal court, for instance, ruled in favour of the screenwriter and the actor playing the character of “Crocodile Dundee” in the 1986 movie of the same name in a passing off action against a clothing

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<sup>99</sup> *Gould Estate v Stoddart Publishing* (1998), 39 OR (3d) 545, 161 DLR (4th) 321 (CA); *Athans v Canadian Adventure Camps Ltd* (1977), 17 OR (2d) 425, 80 DLR (3d) 583 (H Ct J); *Krouse v Chrysler Canada Ltd*, (1973), 1 OR (2d) 225, 40 DLR (3d) 15 (CA). For a discussion of this see Conrad Nest, “From ‘ABBA’ to Gould: A Closer Look at the Development of Personality Rights in Canada” (1999) 5 Appeal 12 at 14.

<sup>100</sup> *Aubry v Éditions Vice-Versa*, [1998] 1 SCR 591, 157 DLR (4th) 577; *Poirier v Wal-Mart Canada*, 2006 BCSC 1138, 152 ACWS (3d) 260 (available on CanLII).

<sup>101</sup> *Consumers Distributing Co Ltd v Seiko Time Canada Ltd*, [1984] 1 SCR 583, 10 DLR (4th) 161.

<sup>102</sup> *Remo Imports Ltd v Jaguar Cars Ltd*, 2006 FC 21 at para 346, 285 FTR 168.

<sup>103</sup> *Hogan v Koala Dundee Pty Ltd* (1988), 20 FCR 314 at 325, 83 ALR 187 (CA) [*Crocodile Dundee*]. See also *Children's Television Workshop Inc v Woolworths (NSW) Ltd* (1980), [1981] 1 NSWLR 273, [1981] RPC 187 (SC); *Fido Dido v Venture Stores (Retailers) PTY Ltd* (1988), 16 IPR 365 (FCA) (available on QL).

company using the name “Koala Dundee”—even though the word “Dundee” here merely operated as an allusion to a successful cinematic work full of Australian cultural icons.<sup>104</sup>

In Canada, when trademarks have been granted to the proper names of living persons for services that can only be performed by that person, the distinction between an individual’s image, personal reputation, and goodwill in a business is similarly lost. Consider again the trademark registration for AVRIL LAVIGNE. Any goodwill connected with this trademark with respect to musical performances clearly inheres only in connection with the personal reputation of the particular performer named Avril Lavigne. False use of this trademark by anyone other than this particular performer without her consent would amount to an appropriation of her personality, with the requisite indirect implications for her personal reputation, rather than implicating any goodwill that may exist separate from her. Unless an individual has truly established goodwill in his or her name as a marker of a business that can carry on with or without the individual in question—such as CALVIN KLEIN for an array of designer items—the use of that individual’s name or likeness is most properly protected by personality rights, not trademark.

However, because trademark law properly protects the rights of trademark owners to choose to whom to license their marks, entities seeking to protect the licensing of an individual’s name or likeness—or the licensing of names and images of fictional characters based in a creative work—have gravitated toward trademark as a means to protect these licensing practices. This has resulted in the blurring of discernable boundaries around these practices to the detriment of the public domain in copyright, and to fair competition in trademark.

### *C. Merchandise Licensing and Goodwill in a Trademark*

Use of trademark to protect personal, subjective reputation rather than goodwill is facilitated by the expansion of trademark protection into the licensing of trademarks for decorative uses (such as on T-shirts or mugs), insofar as the trademark owner is thereby invested in maintaining the “integrity” of the trademark as a work (in the copyright sense) rather than as a symbol connecting the product with its source.<sup>105</sup> Similarly, pro-

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<sup>104</sup> *Crocodile Dundee*, *supra* note 103.

<sup>105</sup> Canadian case law long ago established that designs that are merely decorative or ornamental do not operate as trademarks, because they do not indicate source: *WJ Hughes & Sons “Corn Flower” Ltd v Morawiec* (1970), 62 CPR 21, Fox Pat C 88 (Ex Ct); *Adidas (Canada) Ltd v Colins Inc* (1978), 38 CPR (2d) 145 (FCTD). However, this prin-

tection of a character's name or image as a work via trademark law seriously compromises the division between copyright and trademark, because it makes it possible to own and enforce a trademark that never operates as a symbol indicating source per se, as the owner of the mark may be engaged exclusively in licensing the mark and may not produce any goods or services themselves.<sup>106</sup>

Again, passing off actions have aided the substitution of reputation in the copyright sense with goodwill in the trademark sense. As with the Australian judgments, a British court has held that because character licensing has become so common, passing-off actions should be available where the public might be misled to assume that the defendant was licensed by the plaintiff—even though in the case in question, the defendant had merely created a similar turtle character, and had not actually copied the Teenage Mutant Ninja Turtles per se.<sup>107</sup> As one scholar has noted, these developments leave the role of goodwill in question since damage to goodwill—that is, reputation in the trademark sense—no longer needs to be proven, and misrepresentation as to association with the licensed character appears to be enough.<sup>108</sup>

The *Ninja Turtles* and *Crocodile Dundee* cases were discussed in the *Avonlea Traditions* case in Canada—a dispute between the Heirs and the Anne Authority on the one side and their primary licensee (Avonlea Traditions Inc.) on the other side—in which the plaintiffs argued that trademark rights can apply to a character whether or not the character's copyright owner ever manufactured any goods itself.<sup>109</sup> As Justice Cattanach concluded:

[T]he plaintiffs have met the threshold of proving that the *Anne of Green Gables* name and trade-mark had acquired goodwill, or a public reputation. Further, I conclude that the plaintiff has proved the requisite five elements of the common law tort of passing off. ... Avonlea has misrepresented to customers explicitly or implicitly that the product is authorized by the Heirs or by the Anne Authority. Avonlea's actions have injured the business reputation of the Heirs

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ciple has not prevented the development of protection of character licensing via trademark law in Canada.

<sup>106</sup> This is the case with the Anne Authority, which merely licenses *Anne* related trademarks and official marks and does not produce any goods or services independently.

<sup>107</sup> *Mirage Studios v Counter-Feat Clothing Company Co Ltd*, [1991] FSR 145 (Ch). For a discussion of the situation in the United Kingdom see Hazel Carty, "Character Merchandising and the Limits of Passing Off" (1993) 13:3 LS 289 at 297.

<sup>108</sup> *Ibid* at 301.

<sup>109</sup> *Avonlea Traditions*, *supra* note 66.

and the Anne Authority and caused foreseeable damage to the business and goodwill of the Anne Authority.<sup>110</sup>

This passage from Justice Cattanach's judgment blurs goodwill in the trademark sense with the wider notion of reputation, which is a better fit with copyright. In particular, goodwill should not be equated with a "public reputation"—which here appears to be merely public recognition of *Anne* characters—unless that reputation is specifically related to the mark, serving as an indicator of the source of goods or services with which consumers have positive quality-related associations.

Recall that the business of the Anne Authority is to control licensing of "images of Anne" from the *Anne* novels. To this end, the government of PEI website that is dedicated to the Anne Authority stipulates that licences will only be granted to products, services, and events that use images of Anne that are "appropriate to the image of Anne (or other characters, e.g. Diana Barry, Marilla, Matthew, or place, e.g. Green Gables house) as depicted by L.M. Montgomery."<sup>111</sup> By allowing that this sort of moral rights-based licensing control amounts to the establishment of goodwill in the trademark ANNE OF GREEN GABLES, Justice Cattanach committed a tautological error. In other words, he held that the successful establishment of a business controlling the licensing of copyright-protected images entitles that business to continue to exercise the same control over the licensing of those images upon the expiration of the rights granted by the legal regime (copyright) that entitled that business to exercise that control in the first place.

The 1950 case of *King Features Syndicate Inc. v. Lechter* can be instructive in this regard.<sup>112</sup> The plaintiffs held copyright interests in the comic strip entitled *Popeye* in Canada, and the defendant had registered the trademark POPEYE in Canada and used it in association with watches bearing likenesses of the plaintiff's *Popeye* comic strip characters, none of which were licensed by the plaintiffs. The court held that the defendant had infringed copyright in the character likenesses and had also infringed copyright by using the word "Popeye" in association with those images. However, the defendant could not be prevented from using the trademark POPEYE in association with watches not bearing those character likenesses simply because the plaintiffs had licensed the characters to another watchmaker.<sup>113</sup> In other words, copyright permitted the plain-

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<sup>110</sup> *Ibid* at para 163.

<sup>111</sup> *The Anne of Green Gables Licensing Authority Inc: About Product Licensing*, online: The Government of Prince Edward Island <<http://www.gov.pe.ca/anne/license.php3>>.

<sup>112</sup> [1950] Ex CR 297, 12 CPR 60.

<sup>113</sup> *Ibid*.



tiffs to control the use of the character's image and the character's name in association with those images, but the mere fact of having licensed the images of these characters in the same class of products did not allow the plaintiffs to control the use of the character's name as a trademark by itself. What was lost in the *Avonlea Traditions* case is the clear distinction, maintained in the *Popeye* case, between the licensing carried out under the copyright regime and the acquisition of trademark rights via use. Also significant in the *Avonlea Traditions* case is the fact that there was not one particular licensed image that was protected, but rather a *description* of characters in the novel as identified by a character's name.

The case of the *Anne* characters in Canada is complicated by the fact that the Anne Authority relies not only on trademarks, but on official marks for the novel's title and various character names. The next section will examine the resulting conflict between copyright and official marks.

#### IV. Mighty Marks: Lack of Correspondence between the Public Interest in Copyright and the Public Benefit in Official Marks

The protection afforded to official marks—also frequently referred to as “public authority marks” or “section 9 marks”—is broader than trademark protection.<sup>114</sup> This is mainly due to the fact that section 9 of the *Trade-marks Act* prohibits the adoption of the specified classes of marks listed in the section “in connection with a business, as a trade-mark *or otherwise*.”<sup>115</sup> As Teresa Scassa noted, these marks are consequently removed from the “general realm of trade and commerce” because commercial uses are not limited to use as a trademark.<sup>116</sup> While this broad prohibition makes some sense in relation to the various official crests and flags specifically named in section 9 (where the justification for the broad prohibition is preventing a business from falsely trading on the authority of a government seal, for instance), the section also allows a “public authority” to request that public notice be given of its “adoption and use” of *any* badge, crest, emblem, or mark, even where that mark has no claim or association with governmental authority and is merely used for a commer-

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<sup>114</sup> *Trade-marks Act*, *supra* note 3, s 9(1)(n)(iii). The protection is also arguably narrower in the sense that section 9(1) prohibits use of the *same* mark or a mark “so nearly resembling as to be likely to be mistaken for” the official mark, rather than merely one that is confusingly similar, as with an ordinary trademark. When it comes to use of names of characters from the *Anne* novels, however, the mark used is necessarily the same, so this limitation is cold comfort.

<sup>115</sup> *Ibid*, s 9(1) [emphasis added].

<sup>116</sup> “Nickled and Dimed: The Dispute over Intellectual Property Rights in the Bluenose II” (2004) 27:2 Dal LJ 293 at 300 [Scassa, “Bluenose II”].

cial purpose.<sup>117</sup> Such broad protection for official marks approaches the breadth of the exclusive rights granted by copyright, and so might substitute for expired copyright protections in the case of *Anne* official marks.

Indeed, under the broad protection of its official marks, the Anne Authority has sought to control *any* appearance of a character from the *Anne* novels on goods that enter the marketplace—including works of art and other physical embodiments of creative works when they are offered for sale—and to prevent the sale of items it deems inappropriate to the “image of Anne” (such as shot glasses, ashtrays, and beer mugs).<sup>118</sup> The Anne Authority’s enforcement practices are remarkably broad, given that the official marks are in the names of nearly all the characters and the fictional setting from the *Anne* novels, not in any *particular* visual representation of those characters. Thus, while the Anne Authority does not claim to be able to prevent the creation of new derivative works based on the novels now that copyright has expired, it does claim to be able to prevent the sale of any merchandise related to those works via the official marks regime.<sup>119</sup> Official marks are thus undoubtedly being used by the Anne Authority to circumvent reduced protections that would have normally resulted from the expiration of copyright for the *Anne* merchandising business.

To clarify the myriad problems related to how the official marks regime does not currently guard against the misuse of official marks to extend copyright protection, this section will: (a) briefly review the principles of copyright law that protect the public domain as a commons encouraging creation of new works and circulation of older ones; (b) review current case law regarding the requirements for official marks protection; and (c) suggest ways in which the principles of protecting the public domain ensconced in the copyright regime could be less threatened by the official marks regime, in order to avoid official marks serving as limitless copyright-like protection for creative works.

### *A. Protecting the Public Domain in Copyright*

Extensive legal scholarship has explored the shifting contours of the public domain in copyright law, and its similarly shifting underlying ra-

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<sup>117</sup> Donna L Davis, “Too Much Protection, Too Little Gain: How Official Marks Undermine the Legitimacy of Intellectual Property Law” (2009) 14 Appeal 1 at 3.

<sup>118</sup> Ramin Setoodeh, “It’s Still Not Easy Being Green: ‘Anne of Green Gables’ Turns 100 This Year, But She’s the Most Modern Girl in the Bookstore”, *Newsweek* (19 July 2008) online: Newsweek <<http://www.newsweek.com>>.

<sup>119</sup> As noted above, this is the essence of the Anne Authority’s disputes with Sullivan Entertainment Inc (*Sullivan*, *supra* note 70).

tionale.<sup>120</sup> This section provides a brief overview of this robust debate, to contextualize my concerns about how the official marks regime operates to undermine the public domain.

The public domain is generally understood to consist of the collection of works and aspects of works that are not protected by copyright, or that are no longer protected by copyright. It therefore includes entire works for which the copyright term has expired, and those aspects of works that never qualified for copyright protection (e.g., insufficiently original ideas, facts, and expressions like single words or short phrases). The public domain consists of raw fodder for other creators and of complete works that can, after their limited term of exclusive protection, be freely distributed and adapted.

In the United States, the public interest in copyright is set out in the Constitution, which states that Congress has the power “[t]o promote the Progress of Science and useful Arts, by securing *for limited Times* to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”<sup>121</sup> The promotion of “Progress” reflects a utilitarian perspective on the purpose of copyright and patents, and has been judicially interpreted to involve a balancing of the exclusive rights of authors and inventors on the one side, with the public interest in the public domain on the other. A protected public domain ensures that the broad dissemination of older works and the creativity of other authors are not unduly inhibited.<sup>122</sup>

In Canada, debates about the public interest in copyright are now likewise shaped by a largely utilitarian view of copyright; recent court cases have supported copyright as a balancing of rights between creators and users, supplanting the longer-standing judicial view of copyright as a reward for the labour of authors (a natural rights view).<sup>123</sup> Striking an appropriate balance best serves “the” public interest—that is, our collective interest in the circulation of works and the creation of new ones.<sup>124</sup> While

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<sup>120</sup> See e.g. the issues of *Law and Contemporary Problems* dedicated to the public domain: James Boyle, ed, *The Public Domain* (2003) 66:1 & 2 *Law & Contemp Probs* 1.

<sup>121</sup> US Const art I, § 8, cl 8 [emphasis added].

<sup>122</sup> See e.g. *Feist Publications v Rural Telephone Service Co*, 499 US 340, 111 S Ct 1282 (1991).

<sup>123</sup> *Théberge*, *supra* note 80; *CCH*, *supra* note 18. *Contra* Abraham Drassinower, “A Rights-Based View of the Idea/Expression Dichotomy in Copyright Law” (2003) 16:1 *Can JL & Jur* 3.

<sup>124</sup> See generally Carys J Craig, “Putting the Community in Communication: Dissolving the Conflict between Freedom of Expression and Copyright” (2006) 56:1 *UTLJ* 75; Michael Geist, ed, *In the Public Interest: The Future of Canadian Copyright Law* (Toronto: Irwin Law, 2005).

protection of the public domain now lies at the core of Canadian copyright jurisprudence, to date this type of discussion has had nearly no place in the case law delineating the contours of official marks protection.

### ***B. Official Marks Protection and the Public Benefit***

Two aspects of official marks protection are especially devoid of considerations about the value of protecting the public domain: the lack of registrability restrictions on official marks; and the weak requirement that an entity serve a “public benefit” in order to qualify as a public authority. The lack of registrability restrictions means that even purely descriptive marks can acquire official marks protection, which technically deprives businesses from using ordinary language to describe their wares and services. The vague concept of “public benefit”, in contrast, is mainly an empty marker of an entity acting in the public interest. Each problem will be examined in turn below.

Section 9(1)(n)(iii) does not specify any restrictions about what sorts of marks are eligible for official marks protection. Consequently, public authorities have requested public notice for many official marks that are purely descriptive of some fairly common business activity. For example, VALET PARKING has been an official mark of the Edmonton Regional Airports Authority since 1999: this technically means that every time restaurateurs throughout Canada put out signs directing customers to their valet parking services, they have infringed this official mark. Casinos are not legally permitted to advertise the chances to win jackpots at their establishments, because JACKPOT has been an official mark of the Ontario Lottery Corporation since 1982. Sales of those round citrus fruit, and anything sharing their colour, cannot in theory be advertised because ORANGE has been an official mark of Syracuse University since 2004. Of course, none of these official mark holders has tried to pursue their rights to this extent, nor are they likely to, because overzealous protection of official marks might open up the regime to *Charter* scrutiny.<sup>125</sup> The consequent dearth of case law means that no court has ever considered whether there may be restrictions on the enforceability of descriptive official marks

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<sup>125</sup> Commercial speech is entitled to protection under the *Canadian Charter of Rights and Freedoms* (s 2(b), Part I of the *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (UK), 1982, c 11 [*Charter*]). An Australian case is instructive here, where special legislation enacted in advance of their bicentennial was struck down on freedom of expression grounds because it resulted in the severe restriction of the use of some common phrases (e.g., “200 years”). Those affected included the plaintiff—a member of an indigenous group—who sold a T-shirt with the political message “200 years of suppression and depression”: *Davis v Australia* (1988), 166 CLR 79, 82 ALR 633 (HCA). For a discussion of this case see Matthew Rimmer, “Australian Icons: Authenticity Marks and Identity Politics” (2004) 3:1 *Indigenous LJ* 139 at 143.

or limits as to what counts as use “in connection with a business” that would condone ordinary business uses of descriptive words and terms.<sup>126</sup>

Within this void, the Anne Authority is actively exploiting its official marks for the title ANNE OF GREEN GABLES and the names of various characters in the novel. The Anne Authority has pursued its aim of controlling all merchandising related to *Anne* by assuming that, for instance, the official mark ANNE SHIRLEY allows them to enjoin anyone from selling a doll with red hair in braids wearing a straw hat that alludes to the character from the novel. While the Anne Authority has not tried to do so, broad official marks protection could arguably even enable it to prevent distribution of unauthorized republication of the novel under its proper title. In other words, while the discussion above has shown that trademark law does provide some internal grounds for limiting the misuse of trademarks to this end, no such internal restrictions currently apply within the official marks regime.

Instead, the vast degree of leeway given to holders of official marks is only implicitly restrained by the trust invested in public authorities. To qualify as a public authority, an entity must show that it is subject to sufficient government control and that the organization serves a “public benefit”.<sup>127</sup> These combined traits are presumably meant to ensure that the entity has the public interest in mind when it requests that public notice be given for an official mark and when it undertakes to enforce that mark. As Justice Cattanaach noted in *Insurance Corp. of British Columbia v. Canada (Registrar of Trade Marks)*, no restrictions or controls apply to the actions of a public authority in enforcing its official marks “other than its own conscience and the ultimate will of the electorate expressed by the method available to it.”<sup>128</sup> The “conscience” of such an organization would appear to be its obligation to act in the public interest.

Neither aspect of the requirements (government control and public benefit) offers much of a real guarantee that the public interest will be a central consideration. In one of the few scholarly examinations of the official marks regime, Scassa pointed out that the indirect check by the electorate is based on flawed assumptions—namely, that any given public authority will have a sufficient government nexus to make it responsive to

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<sup>126</sup> *Trade-marks Act*, *supra* note 3, s 9(1).

<sup>127</sup> *Ontario Association of Architects v Association of Architectural Technologists of Ontario*, 2002 FCA 218 at para 47, [2003] 1 FC 331.

<sup>128</sup> (1979), [1980] 1 FC 669 at 684, 44 CPR (2d) 1 (TD).

the electorate, which is often not the case.<sup>129</sup> Even where there is some government control, such as the involvement of the government of PEI in the Anne Authority, this involvement does not ensure that the electorate in PEI, much less the rest of Canada, has any real opportunity to influence its operations. Further, many organizations qualifying as public authorities are Crown corporations, with decidedly indirect oversight by elected ministers.

The “public benefit” requirement has likewise been so loosely interpreted that virtually any function that broadly benefits some aspect of the public satisfies it. A *Practice Notice* issued by the Canadian Intellectual Property Office stated:

In determining whether a body’s functions satisfy the public benefit requirement, it is relevant to consider its objects, duties and powers, including the distribution of its assets. In this context, a duty to do something that is of benefit to the public is relevant as an element of “public benefit”, even though it is not a “public duty” in the sense of being legally enforceable by a public law remedy, such as an order of mandamus or its equivalent.<sup>130</sup>

In short, an obligation to show that the organization does something “of benefit to the public” has proven to be something very different from acting in the public interest.

In *See You In—Canadian Athletes Fund Corp. v. Canadian Olympic Committee*, Justice Phelan of the Canadian Federal Court defined the public benefit requirement primarily as a lack of private benefit, and explicitly rejected the claim that adverse impact on the public should be a consideration:

I can find no basis for concluding that the COC does not exist for the public benefit even if it were arguable that certain of its actions were not beneficial to the public; such as attempting to take away the Applicant’s trade-mark rights. The COC as an organization must be considered more globally and certainly no private benefit (as opposed to public benefit) has been identified as governing the COC.<sup>131</sup>

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<sup>129</sup> Scassa, “Bluenose II”, *supra* note 116 at 302 where she writes, “This check is obviously only effective if the term ‘public authority’ is limited to those bodies that are in any way responsive, directly or indirectly, to the will of the electorate.”

<sup>130</sup> Canada, Canadian Intellectual Property Office, *Practice Notice: Official Marks pursuant Sub-paragraph 9(1)(n)(iii)*, online: Canadian Intellectual Property Office <<http://www.cipo.ic.gc.ca>> [*Official Marks Notice*].

<sup>131</sup> 2007 FC 406 at para 64, 311 FTR 245 [*See You In*]. The case dealt with a challenge to the publication of notice of several official marks featuring the phrase “See You In ...” (such as SEE YOU IN VANCOUVER), which prevented existing trademark applications in the same phrases by the plaintiffs to go forward. The court quashed the public

The Canadian Olympic Committee (and its predecessors) has been frequently criticized for overzealous enforcement of its intellectual property rights to the detriment of the public domain<sup>132</sup>—only the overall purpose of the organization figures into the assessment of “public benefit”. Further, as exemplified by the *See You In* case, the official marks regime has no mechanisms requiring a public authority to justify the public benefit of granting official marks protection to any *particular* mark.<sup>133</sup>

Once again, the *Avonlea Traditions* case highlights the weaknesses in the Canadian intellectual property regimes, this time with respect to disregard for aligning the public benefit requirement in official marks with the public interest in limited copyright protection.<sup>134</sup> Justice Cattanach accepted the Anne Authority’s objects at face value and affirmed the Anne Authority’s public authority status as follows:

One of the prime objectives, from the government perspective, was to protect the local craft industry in the Province, freeing it from costly licenses but maintaining a uniform-quality Anne image. The Province is partnered with the Heirs, who share a philanthropical and financial objective with respect to protecting and promoting a licensed Anne image. Applying the combined test of control, influence and purpose to promote the public good, I conclude that the Anne Authority is a public authority.<sup>135</sup>

Reflecting the then-current version of the public benefit test (to “promote the public good”), Justice Cattanach was satisfied by the dubious claim that the Anne Authority was “freeing” the local craft industry from costly licensing, along with the “philanthropical” objective of “protecting and promoting a licensed Anne image”—the public benefit of which is circular at best. In other words, the only party able to extract costly licensing fees from local craftspersons is the Anne Authority itself. And the public benefit of “protecting and promoting a licensed Anne image” is open to debate

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notices, based mainly on insufficient evidence of prior adoption and use by the public authority.

<sup>132</sup> See e.g. Teresa Scassa, “Faster, Higher, Stronger: The Protection of Olympic and Paralympic Marks Leading up to Vancouver 2010” (2008) 41:1 UBC L Rev 31 [Scassa, “Faster, Higher, Stronger”]; Kellie L Pendras, “Revisiting *San Francisco Arts & Athletics v United States Olympic Committee*: Why it is Time to Narrow Protection of the Word ‘Olympic’” (2002) 24:2 U Haw L Rev 729.

<sup>133</sup> *See You In*, *supra* note 131.

<sup>134</sup> *Avonlea Traditions*, *supra* note 66.

<sup>135</sup> *Ibid* at para 170. More recent developments in case law interpreting the qualifications for public authority status once again throws the Anne Authority’s claim to that status into question—mainly because, as the *Official Marks Notice* makes clear, the “distribution of its assets” is a measure of whether the organization serves a public benefit (*supra* note 130), and the bulk of licensing fees collected by the Anne Authority go the Heirs (a private entity), not PEI.

given that it restricts free public use of images from the novel, and mainly bolsters the Anne Authority's ability to enforce these very intellectual property rights.

Yet the court in *Avonlea Traditions* unquestioningly accepted that protecting the "integrity of the images of 'Anne'"<sup>136</sup> via intellectual property serves a public benefit, with virtually no discussion of how or why removing *Anne* from the public domain in this way counts as a public benefit.<sup>137</sup> This impulse to view controlling uses of a cultural icon as a public benefit will be examined in the next section below, bearing in mind that, as Scassa noted with regard to a similar dispute involving another Canadian icon significant to a province's history, "Although the public interest and public good were asserted as motivating factors in the assertion of the intellectual property claims ... the impact on the public and the public domain was largely negative."<sup>138</sup>

### *C. Protecting Cultural Icons from Public Misuse—Of Benefit to the Public?*

The Anne Authority's goal to control the market of *Anne* merchandise highlights the issue of whether "protecting the integrity of the images of 'Anne'" is the kind of activity that official marks protect, or should protect. The underlying rationale for section 9 is to control uses of flags, crests, badges, and the like from being misused by commercial actors—although mainly the rationale appears to be to prevent false association with an official entity. Canadian Heritage, for instance, controls uses of the Canadian flag, the eleven-point maple leaf and the CANADA word mark on product labels, mainly to avoid false claims that a product is made in or otherwise associated with Canada.<sup>139</sup> The Royal Canadian Mint (RCM) has similar processes for requesting permission to use its various official marks in, for example, images of Canadian coins.<sup>140</sup> Among the guidelines for the RCM's oversight of its intellectual property are "balancing the RCM commercial interests with its public policy role" and "[t]he need to protect the image of the RCM to ensure that products and brands, used

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<sup>136</sup> *Avonlea Traditions*, supra note 66 at para 166.

<sup>137</sup> *Ibid.*

<sup>138</sup> Scassa, "Bluenose II", supra note 116 at 299. Scassa's article discusses a dispute arising over the intellectual property rights related to images of the historical ship the *Bluenose II*, which serves as a cultural icon for the province of Nova Scotia.

<sup>139</sup> See generally Canada, Canadian Heritage, *Commercial Use of Symbols*, online: Canadian Heritage <<http://www.pch.gc.ca>>. For use of the flag see especially *Trade-marks Act*, supra note 3, 9(1)(e). For use of the CANADA word mark see especially *ibid* at 9(1)(d).

<sup>140</sup> Royal Canadian Mint, *Intellectual Property - Procedures* (Royal Canadian Mint, 3 November 2008), online: Royal Canadian Mint <<http://www.mint.ca>>.



online or offline, are used in good taste to ensure that they are not an embarrassment to the RCM or to the government.”<sup>141</sup>

The combination of “commercial interests” and the defence of Canadian icons from embarrassing uses is not always a comfortable fit. Both of these objectives were criticized during the media stir caused by the RCM’s efforts to collect over \$47,000 from the City of Toronto for using the image of a penny and the phrase ONE CENT in its “One Cent Now” campaign.<sup>142</sup> Toronto’s campaign—an effort to get the federal government to pay out one cent of its Goods and Services Tax to cities—was arguably not really a commercial use of the RCM’s official marks, and the exorbitant request for payment quietly disappeared.<sup>143</sup> Still, the incident showed that official marks enforcement can have an inappropriate negative impact on public debate, where national symbols with significant collective meaning for Canadians might become unavailable for public use. As one commentator put the normative issue, “Is it fair to allow government to charge the rest of us to use something as commonplace as the image of the penny and the phrase ‘one cent’?”<sup>144</sup>

The “One Cent Now” campaign controversy highlighted the conflict between the profit-seeking function of many organizations qualifying as public authorities, and the claim to be protecting the “integrity” of the official marks at issue. In other words, charging high licensing fees does not appear to be justified except possibly where they reflect a reasonable percentage of a significant profit to be made from the use of the image. Licensing fees certainly do not speak to the aim of protecting integrity, although denying a licence for an offensive use of a public icon might. Charging high licensing fees and denying licences are both ways to suppress the use of a national icon, however, and so the demand for such a large sum by the RCM came off as an effort by a federal government entity to suppress the political speech of a municipality.<sup>145</sup>

A Japanese court similarly struggled with the dual purpose of the Anne Authority as both a commercial entity and as the self-proclaimed guardian of the integrity of images of *Anne* in the course of a challenge brought by the province of PEI against several Japanese *Anne*-related

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<sup>141</sup> *Ibid* at paras 1.1.1 and 1.1.6.

<sup>142</sup> “Is the Mint Pinching Pennies for Political Gain?”, *The Globe and Mail* (6 October 2007) A19; Chris Wattie, “City Outraged Over Mint Fee”, *National Post* (6 October 2007) A15, online: National Post <<http://network.nationalpost.com/np/blogs>>.

<sup>143</sup> “Mint Mischief”, *Toronto Star* (14 January 2008) AA6 online: thestar.com <<http://www.thestar.com>>.

<sup>144</sup> Davis, *supra* note 117 at 12.

<sup>145</sup> *Ibid* at 12-13.

trademarks registered by Sullivan Films Distribution Inc. (a related company to Sullivan Entertainment, the creator of various *Anne* television programs such as *Road to Avonlea*).<sup>146</sup> The *Anne* novels are extremely popular in Japan,<sup>147</sup> and so there is a significant Japanese market for *Anne*-related merchandise, and Japanese visitors account for a sizeable portion of *Anne*-related tourism in PEI.<sup>148</sup>

Japanese law provides that a trademark registration can be expunged if the registration is contrary to the interests of Japan's good relations with another country. The Japanese court therefore heard evidence from PEI as to the cultural significance of *Anne* in Canada: a \$200 memorial gold coin bearing an image of Anne Shirley issued in 1994 by the RCM, an eight-cent stamp bearing an image of Anne issued in 1975, the designation of Lucy Maud Montgomery as a person of historic significance, and the designation of the *Anne* house as a feature of Prince Edward Island National Park. The court noted that "[t]hese facts clearly indicate that the Canadian government rates the cultural value of the subject literary work very highly, and recognizes the work as an important cultural asset which Canada and its people should be proud of."<sup>149</sup> The court therefore concluded that "profit-seeking organizations" such as Sullivan Films Distribution Inc. should not be allowed to register a trademark related to this Canadian cultural icon, because to do so would be contrary to the public interest in fostering good relations with Canada.<sup>150</sup> In arriving at this conclusion, however, the court also cast doubt on whether the Anne Authority could register these marks in Japan, mainly because of its profit-seeking

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<sup>146</sup> The Japanese Registrar of Trademarks expunged Sullivan's marks, and Sullivan brought a challenge in court of the Registrar's decision. *Sullivan Entertainment v Prince Edward Island* (20 September 2006) Gyo-KE 10349 (Intellectual Property High Ct) online: Courts in Japan <<http://www.courts.go.jp/hanrei/pdf/20060922165841.pdf>> [*Sullivan* (Japan)].

<sup>147</sup> For analysis of the popularity of *Anne* in Japan see Danièle Allard, "Taishu Bunka and Anne Clubs in Japan" in Irene Gammel, ed, *Making Avonlea: LM Montgomery and Popular Culture* (Toronto: University of Toronto Press, 2002) 295; Yoshiko Akamatsu, "Japanese Readings of *Anne of Green Gables*" in Irene Gammel & Elizabeth Epperly, eds, *LM Montgomery and Canadian Culture* (Toronto: University of Toronto Press, 1999) 201; Calvin Trillin, "Anne of Red Hair: What Do the Japanese See in *Anne of Green Gables*?" in Gammel & Epperly, *ibid.*, 213; Judy Stoffman, "Anne in Japanese Popular Culture" (1998) 24:3/4 *Canadian Children's Literature* (91/92) 53.

<sup>148</sup> "PEI Welcomes Back Japanese Tourists", *CBC News* (24 June 2010) online: CBC News <<http://www.cbc.ca>>.

<sup>149</sup> *Sullivan* (Japan), *supra* note 146, translation of decision by Shusaku Yamamoto at V, Judgment of the Subject Court, 1(3)a.

<sup>150</sup> *Ibid* at V, Judgment of the Subject Court, 1(3)c.

objective.<sup>151</sup> In other words, the Japanese court was satisfied that *Anne* is a Canadian cultural icon and therefore deserves protection from private commercial exploitation that may tarnish her image, but the Anne Authority's activities aimed at garnering profits from licensing—especially for the benefit of the Heirs rather than the Canadian public purse—contradicts that role.

Part of the problem with claiming to protect the integrity of a cultural icon via official marks is that these marks are fundamentally a commercial tool, only capable of barring use in connection with a business. Consequently, not all non-commercial uses of these marks are captured (so a pornographer could still make a sexually explicit version of *Anne*, for instance), and insofar as commercial speech is protected by freedom of expression guarantees, even some commercial uses may not be barred. The Japanese judgment suggests that there may be something inherently contradictory about allowing a cultural icon to be used for bald profit, and thereby implies that such icons would best be taken out of the commercial loop of exclusive ownership altogether. In other words, the Japanese system does not appear to allow any reasonable way to integrate protecting respect for cultural icons while allowing profit-generating activities: either the icon is worthy of special controls to preserve respect for that icon, or it is available for commercial exploitation, but not both.

The idea that commercial exploitation tarnishes iconic images helped support the objectives of the Snuneymuxw First Nation of Canada, who asked the Registrar to issue a public notice of official marks adoption in relation to ten petroglyph images in 2000. The nation wanted to use official marks to prevent commercial exploitation of these ancient rock painting images altogether, on the basis that commercial exploitation does not respect the place of the images within their culture.<sup>152</sup> While recent case law suggests that the Snuneymuxw First Nation might not qualify as a public authority given the lack of direct government control, there is some logic to using official marks to take these images *out* of commercial circu-

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<sup>151</sup> Licensing of *Anne* product within PEI is controlled by the province and licences are given out for a nominal fee; licensing outside of PEI is controlled by the Heirs, however, and fees are significantly higher.

<sup>152</sup> Rimmer, *supra* note 125 at 170. For the World Intellectual Property Organization's documents on indigenous cultural expression see World Intellectual Property Organization, "Traditional Cultural Expressions (Folklore)", online: WIPO: Program Activities <<http://www.wipo.int/tk/en/folklore>>. See also Jill Koren Kelley, "Owning the Sun: Can Native Culture be Protected through Current Intellectual Property Law?" (2007) 7:2 Journal of High Technology Law 180.

lation—provided that the Snuneymuxw First Nation of Canada is indeed in a position to best make this determination.<sup>153</sup>

This example raises a significant problem with allowing *any* public authority to install itself as the guardian of the integrity of a particular cultural icon—namely, that there is no mechanism for evaluating whether that public authority is indeed properly invested with that power, especially where the communal significance of the icon is not easily located in any one particular entity (like, for example, the federal government). This issue was raised, albeit in obiter, in *Canadian Jewish Congress v. Chosen People Ministries Inc.*, where a Jewish organization challenged the validity of an official mark held by another religious organization that featured a menorah, a central symbol of the Jewish people.<sup>154</sup> The court commented that “[i]t would be counterproductive to prohibit Jewish organizations and associations from using and adopting a mark such as the menorah, since it [has] always been historically associated with the Jewish culture.”<sup>155</sup> While in this case the Chosen People Ministries was deemed not to be a public authority due to a lack of government control, nothing actually prevents an entity that *does* qualify as a public authority from controlling a communally-significant mark like the menorah, despite its significance to a variety of non-government entities and individuals.<sup>156</sup>

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<sup>153</sup> Australia and New Zealand have tried to implement an “authenticity marks” regime specifically designed to protect aboriginal designs, although these regimes have been dogged by lack of clarity about how to determine authenticity (see generally Rimmer, *supra* note 125 at 178). The National Indigenous Arts Advocacy Association administered the authenticity label regime in Australia, but the program was defunded in 2001 (National Indigenous Arts Advocacy Association Inc., “Label of Authenticity: The Label of Authenticity Trade Mark Project; Some Questions and Answers”, online: Label of Authenticity <<http://www.culture.com.au/exhibition/niaaa/labelqa.htm>>). Creative New Zealand, the government funding agency in New Zealand, also “disinvested” in its regime in September 2009 but a Maori organization is reportedly taking over the administration of the marks and will continue the regime: “Maori Reclaim Toi Iho Trade Mark” (15 December 2009) (media release) online: Maori-in-oz <[http://www.maori-in-oz.com/index.php?option=com\\_content&task=view&id=1273&Itemid=212](http://www.maori-in-oz.com/index.php?option=com_content&task=view&id=1273&Itemid=212)>; “Creative Nz Agrees to Transfer Maori Trademark—Toi Iho Tm”, *Voxy News Engine* (21 May 2010) online: Voxy.co.nz <<http://www.voxy.co.nz>>.

<sup>154</sup> 2002 FCT 613, 214 DLR (4th) 553 [cited to FCT].

<sup>155</sup> *Ibid* at para 64.

<sup>156</sup> The issue was raised again in *Drolet* though as a challenge to an ordinary trademark. However, cultural significance to a community was not accepted as a valid reason to de-register the mark because “[w]hile it may hold significant spiritual value for the followers of the Grail Message, which is not in issue here, the evidence did not satisfy [the court] that it enjoys the same universal and historical recognition as the official emblem of the Grail Movement as does the menorah for the Jewish community” (*Drolet*, *supra* note 15 at para 166).

This problem could be avoided if the public authority requesting that public notice be given were required to establish the specific public benefit served—not just by the entity generally, but also by the official mark itself. Depriving other organizations and individuals of free access to symbols or other icons of cultural significance should be a reason to question whether the public benefit is served by issuing public notice for a particular mark. A further red flag should arise where issuing notice would restrict public use of creative works that otherwise would have fully entered the public domain.

There may well be some situations in which commercial licensing of a mark of cultural significance serves a justifiable public benefit; this may include generating revenue for a public program or institution.<sup>157</sup> Some marks may also warrant protection from unsavoury commercial uses, and a public entity with public accountability could serve as such a gatekeeper—the way the Department of Canadian Heritage does for the flag, maple leaf, and CANADA word mark.<sup>158</sup> The official marks regime in its current form, however, does not in any way ensure that cultural icons are only protected for these arguably beneficial purposes and reasons. As such, it places too much power in the hands of entities fairly loosely serving some public function, and potentially deprives the public of access to its own culture's significant icons.<sup>159</sup>

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<sup>157</sup> JM Barrie, author of the classic children's book *Peter Pan*, donated the copyright in the book to the Great Ormond Street Hospital (a children's hospital) in 1929. When the copyright term expired, the United Kingdom passed *sui generis* legislation extending the copyright term indefinitely to allow the hospital to continue to benefit from royalties ("Peter Pan Copyright", online: Great Ormond Street Hospital Charity <<http://www.gosh.org/about-us/peter-pan>>). This would be an example of a public benefit served by intellectual property licensing. A lot of scholarly debate has centered on the Canadian Olympic Committee's aggressive protection of Olympic marks via official marks, and the impact of these actions on public sharing in the collective significance of Olympic symbols. The *sui generis* legislation passed in advance of the Vancouver 2010 Olympic Games to enhance these protections, however, indicates a deliberate policy choice to permit strict control of commercial uses of these marks for the overall financial health of the games. For a critique see Scassa, "Faster, Higher, Stronger", *supra* note 132.

<sup>158</sup> Creative works of cultural significance undoubtedly share some features with important cultural artifacts, the protection of which has garnered significant international attention. See generally Sarah Harding, "Value, Obligation and Cultural Heritage" (1999) 31:2 *Ariz St LJ* 291.

<sup>159</sup> A full discussion of the ways that cultural icons operate and are invested with meaning and how the law interferes or plays into these processes is also beyond the scope of this paper. See generally the work of Rosemary Coombe; but especially Rosemary J Coombe, "Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue" (1991) 69 *Tex L Rev* 1853.

## Conclusion

This article has elaborated two different principles: (1) private entities enjoying the fruits of copyright protection should not be able to use the trademark regime to extend essentially the same or similar protection beyond the end of the copyright term; and (2) public authorities should be required to justify removing words, phrases, or symbols from the public domain via official marks by demonstrating a *specific* public benefit in designating that word, phrase, or symbol as an official mark, such that this benefit outweighs the inherent detriment of depriving the public of free use of these marks. In both cases, the primary concern is that the public domain should be protected from destruction by way of overlap between differing intellectual property regimes.

The varied ways that intellectual property regimes have been used to block free public use of the novel *Anne of Green Gables* serve as a particularly cogent example of the pitfalls of allowing overlapping regimes to envelop an iconic creative work in an unprincipled and hard-to-challenge bubble of protection.<sup>160</sup> The example shows that allowing intellectual property regimes—designed to guard against unfair competition and consumer deception—to prevent cultural icons from being put to a full spectrum of public uses seriously threatens the public domain. The take-home message from the saga of perpetual protection afforded to *Anne of Green Gables* should be that the use of intellectual property regimes to encroach on free use of creative works no longer protected by copyright, should be subjected to a high degree of public scrutiny. Granting exclusive intellectual property rights in our shared cultural resources should only be done with caution, and the current bias toward existing ownership rights should be subject to challenge on the grounds of their detrimental effects on public expression.

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<sup>160</sup> Helfand similarly noted that in the United States, case law demonstrates “a predisposition to side with plaintiffs in character protection cases as well as a willingness to blur the boundaries between intellectual property theories if necessary to achieve the desired and ‘just’ result” (*supra* note 58 at 628-29).