IRONIC FASHION - THE NEW THREAT TO LUXURY BRANDS

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Introduction

Music and fashion have enjoyed a love affair from the dawn of times. One simply needs to look at the many models turned musicians (Carla Bruni, Tyrese, Iggy Azalea, etc.), musicians turned models (Katy Perry, Peter Doherty, Beyoncé, etc.) or musicians turned fashion designers (Kanye West, Victoria Beckham, Jessica Simpson, etc.). More recently, the hip hop music movement has given rise to a rebellious fashion trend that has, since the 90s, taken the "streets" by storm.[1] The mainstream appeal of hip hop is now undisputed, and the ironic fashion movement it has spawned seems to be alive and well.

What may have started as an attempt to ridicule luxury brands associated with high-end fashion or, perhaps to the contrary, to adapt and make them available to urban youth or to those to whom luxury was inaccessible, has become a worldwide trend. The success has been so great that, ironically, some of the garments are now priced at close to a 700% markup.[2]

Irrespective of the reasons behind the success of this trend, there are significant legal implications and potentially serious repercussions for luxury brand owners. This article seeks to examine the remedies available and challenges for brand owners.

What Is Ironic Fashion?

Ironic fashion consists of a fashion trend that takes the logos or trade-marks of famous high-end designers and/or fashion houses, also known as luxury brands, and deforms them in a satirical or ironic way in order to give them a new meaning, while maintaining the design elements that allow consumers to associate the new logo or trade-mark to the original luxury brand. It is crucial to distinguish ironic fashion from ordinary counterfeiting, which uses the registered trade-mark of a famous brand

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[1] Bobby Viteri, *Please stop making those ironic fashion t-shirts*, online: Vice Media Inc. <http://www.vice.com/en_ca/read/please-stop-making-those-ironic-fashion-t-shirts>.
[2] Ibid.

owner with the intent of deceiving the public by inducing purchasers to believe that the wares were made by or with the consent of the owner.

The ironic fashion movement is, unapologetically, trading on the brand equity and goodwill associated with a famous fashion house. While the ultimate goal of the movement is to create an ironic rendition of the targeted brands for rebellious purposes, the reputation of the high-end fashion house is hijacked in the process.

Although the growth in the trend's popularity is rooted in hip hop culture, it has more recently also been linked to the hipster movement. There are many examples of stars donning ironic fashion garments who also appear to be icons of the hipster movement, such as A$AP Rocky (a long-standing supporter of the SSUR label which is behind the satire of the Comme des Garçons designer label). Other artists such as Rihanna, Miley Cyrus and Khloe Kardashian have all been spotted wearing the popular Homies parody of the well-known French fashion house Hermès.

The Legal Implications of Ironic Fashion

Is a Parodied Trade-mark a Commercial "Use"?

The trend of ironic fashion raises the question of whether use of a "parodied version" of a fashion house brand constitutes trade-mark "use", within the meaning of section 4 of the *Trade-marks Act*[3]. In addition, the concept of commercial versus non-commercial use of a trade-mark may come into play, as the offender may claim that the satire of the mark is rooted in the concept of freedom of speech.[4] In the United States, it is well established that freedom of speech "grants the defendant full First Amendment protection by holding that trademark law does not apply and that First Amendment protects such speech".[5] In Canada, however, there is no "fair use" doctrine applicable to trade-marks and, as a result, the distinction between commercial and non-commercial use of the trade-mark for satire does not appear to be available.[6] Generally, a Canadian court will only dismiss trade-mark infringement claims where the use pertains to non-commercial activities, such as criticism websites or union protests.

[3] *Trade-marks Act,* R.S.C. 1985, c. T-13 (the "Act").
[4] *The Taubman Company v. Webfeats, et al.* 319 F.3d at 774-75 (6th Cir. 2003); *Nissan Motor Co. v. Nissan Computer Corp.* 378 F.3d 1002, 1015-18 (9th Cir. 2004).
[5] Ibid.
[6] Graham Garton, *Recueil de décisions relatives à la Charte canadienne des droits et libertés* Mis à jour: avril (2005) Justice Canada (section 8 [Généralités] (CanLII) http://www.canlii.org/fr/doctrine/recueilCharte/s-2-b.html?searchUrlHash=AAAAAQA8U291cmNlIFBlcnJpZXIgKFNvY2nDqXTDqSBBbm9ueW1lKSB2LiBGaXJhLUxlc3MgTWFya2V0aW5nIENvAAAAAAE.

There is a sizable body of Canadian case law holding that non-commercial use of trade-marks is non-infringing.[7] The pivotal aspect to be taken into consideration is whether or not the parody of the trade-mark constitutes "use" under section 4 of the Act. If the use of the luxury brand's logos by the ironic fashion houses is deemed to constitute "use" pursuant to section 4 of the Act, then infringement remedies appear to be available.

In reality, ironic fashion is a trend that can only sustain itself if it is commercially viable. What truly characterizes this fashion trend is the commercial use of blatantly revised trade-marks. The ironic fashion labels are produced by businesses who are nevertheless involved in the garment trade.

The seminal case where an ironic use of a trade-mark has been argued in Canada is *Source Perrier (Société Anonyme) v. Fira-Less Marketing Co. Limited*[8] (hereinafter "*Source Perrier (S.A.)*"). In that decision, the Federal Court was asked to consider whether the defendant was infringing the plaintiff's trade-mark rights and depreciating the value of the goodwill in the PERRIER mark by advertising, distributing and marketing bottled water, as a form of political satire, under the name "Pierre Eh". The political spoof was a crafty reference to the Prime Minister Pierre Elliot Trudeau. The Court concluded that the parody of the trade-mark registered by Société Perrier constituted "use" under section 4 of the Act and exposed the infringer to damages and other remedies.

Does Ironic Fashion Constitute Passing-Off?

The issue of whether a parodied trade-mark constitutes passing-off has already been considered in *Green v. Schwartz*[9], where the trade-mark ROOTS was "spoofed" using the word ROTS and a macabre beaver. An interlocutory injunction was granted enjoining the defendant from deliberately copying the lettering and configuration associated with the plaintiff's brand, since the humorous take on the plaintiff's mark was obviously cashing in on its goodwill.

The question is whether the ironic fashion trend is intended to direct public attention to wares in a manner that is likely to cause confusion with the wares of well-known brands, by copying elements of their likeness. If this is the case, this practice would fall squarely within the realm of section 7(b) of the Act or of the common law tort of passing-off.

Hughes on Trade Marks adds that there must be commercial activity to attract liability:

[7] Teresa Scassa, "*Trademarks Worth a Thousand Words : Freedom of Expression and the use of the Trademarks of Others"* (2012) Les Cahiers de droit, at 877 – 907.
[8] *Source Perrier (S.A.) v. Fira-Less Marketing Co*., [1983] 2 F.C. 18, 70 C.P.R. (2d) 61, 4 C.R.R. 317 (Fed. T.D.) ("*Source Perrier (S.A.)*").
[9] *Green v. Schwartz*, [1986], O.J. No. 1003, 12 C.P.R. (3d) 84 (S.C.).

> Confusion under section 7(b) depends upon use as defined in section 4 of the Trade-marks Act. Thus, in the absence of any trading activity, there can be no cause of action under section 7(b).[10]

A good portion of the debate is centered on the question of the use that is being conducted by the ironic fashion labels. If the practices that ironic fashion houses engage in constitute "use" under section 4 of the Act, then we could foresee the application of the safeguarding measures of the Act. Concluding on use is not only pivotal but also a very difficult task and will depend on the circumstances of each case.

Is the Purchaser Confused?

Another potential cause of action to be asserted against ironic fashion houses is infringement under section 20 of the Act. Besides the use issue, the difficulty with proving infringement when dealing with ironic fashion pertains to proving consumer confusion. If the consumer is aware of the parody, we can infer that the consumer can clearly distinguish the source of the actual trade-mark from the source of the parodied version, and is therefore not confused. That said, the lines are blurred regarding how much distinguishing occurs between the high-end trade-mark and its ironic version. In some cases both renditions of the trade-mark are fairly different, while in other cases, there are minimal differences. For these reasons, infringement of a trade-mark by a parodied mark may be difficult to establish.[11]

Depreciation of Goodwill in Luxury Brands

Due to the difficulty in proving infringement where a parody is at play, it may be better to assert depreciation of goodwill, also known as dilution, as a basis for a claim.[12]

For dilution to occur, the mark being mocked must be used commercially, in accordance with section 4 of the Act. Furthermore, the trade-mark owner must prove that there has been a negative effect on the goodwill attached to his trade-mark. The depreciation of goodwill may involve latent depreciation that could manifest itself in the future.[13]

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[10] Roger T. Hughes, *Hughes on Trade Marks*, 2nd Edition, LexisNexis Canada (Canada: 2005) 981 at 77, 985 at 78, 988 at 80.
[11] *Supra* note 8; *Rôtisserie St-Hubert ltée c. Syndicat des travailleurs(euses) de la Rôtisserie St-Hubert de Drummondville* (CSN), [1987] J.E. 87-291 (attempted); *Cie Générale des Établissements Michelin-Michelin & Cie v. C.A.W*. [1997] 71 C.P.R. (3d) 348, 124 F.T.R. 192, 2 F.C. 306 (F.C.) (attempted).
[12] Ibid.
[13] *Hughes on Trade Marks, supra* note 10 at 895.

The *Source Perrier (S.A.)* case provides insight into how the Courts apply the dilution concept. The Court concluded that the parody of PERRIER in "Pierre Eh" caused depreciation of goodwill of the mark under section 22 of the Act.

The same allegations of depreciation of goodwill was rejected in the *Rôtisserie St-Hubert ltée v. Syndicat des travailleurs(euses) de la Rôtisserie St-Hubert de Drummondville*[14] and *Michelin v. Caw*[15] cases, since it was deemed in both cases that the parodies constituted non-commercial use. Hence, the Courts appear to give more credence to the freedom of speech defense when parody is being conducted in a non-commercial context, such as during labour negotiations. Regarding the parody defence, the Court in the *Source Perrier (S.A.)* case noted that:

> [t]he most liberal interpretation of "freedom of expression" does not embrace the freedom to depreciate the goodwill of the registered trade-marks, nor does it afford a license to impair the business integrity of the owner of the marks, merely to accommodate the creation of a spoof.

In addition to this strong statement against the right to parody famous brands, the Courts will likely reject any argument that use of the famous trade-marks by ironic fashion labels constitutes a form of freedom of expression or freedom of speech that should not be censured. For the brand owners, it may still be an uphill battle to demonstrate that the revamped trade-marks being used by ironic fashion labels are confusing, since they may be sufficiently different to prevent confusion and purchasers may well appreciate the differences at the point of sale.[16]

Copyright Infringement and the Parody Defence

Section 29 of the *Copyright Act*[17] and its parody exception (fair dealing) offers another remedy and a potential avenue for escaping liability for infringement. For example, the ironic fashion version of the Yves Saint-Laurent plain t-shirt with the iconic YSL logo employs various currencies such as the Yen, the Dollar and the Pound to visually create the same vertical layout. While this copying could well be pursued as copyright infringement, if the YSL logo is subject to copyright protection, one could argue that the statutory parody exception could permit to the ironic fashion label to mount a defence, provided that the criteria developed by the Supreme Court of Canada establishing the parameters of what constitutes "fair dealing" are met[18].

Beat Them or Join Them?

[14] *Rôtisserie St-Hubert ltée c. Syndicat des travailleurs(euses) de la Rôtisserie St-Hubert de Drummondville* (CSN), *supra* note 11
[15] *Cie Générale des Établissements Michelin-Michelin & Cie v. C.A.W.*, *supra* note 11.
[16] *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltee*, [2006] S.C.J. No. 22 at 50.
[17] R.S.C. 1985, c. C-42.
[18] *CCH Canadian Ltd. v. Law Society of Upper Canada,* [2004] 1 S.C.R. 339.

One interesting response to the widespread phenomenon of ironic fashion has come from the Italian fashion house Versace, which, in October 2013, launched a collection designed by British-Sri Lankan recording artist M.I.A.[19] This collection is an answer, or at least a way of trying to regain control of the popular trend, by offering garments which are based on the many bootlegged Versace products found in London's street markets. In a way, Versace is hijacking the hijacker.

Although this innovative solution addresses counterfeiting much more than it addresses the satire of luxury trade-marks, one can envision a similar practice being used by the fashion houses which are victims of this ironic fashion trend to help recapture this lucrative market.

Conclusion

One of the recent reports from Trend Watching, published at trendwatching.com, notes the increasing popularity of trends similar to ironic fashion where consumers redefine brands:[20]

> Consumers have been busy creating a never-ending stream of brand heresies of their own. Just a glimpse at Tumblr, Instagram, YouTube and Facebook will bear witness to how consumers both participate in (or are at the very least observers of) the remixing, hijacking, copying and redefining of brands, their products and services.[21]

Ironic fashion and its corollary movements have reached impressive proportions. Brand owners must not shy away from looking for solutions to protect their intellectual property that they have heavily invested in creating and marketing. The merchandisers at the core of this ironic fashion wave are simply engaging in blatant consumer brand appropriation. This is underscored by the fact that what started out as a trend conducted by individuals has grown into a full-fledged industry of its own. Based on existing case law that has touched on "spoofed" brands, there is no reason to believe that Canadian courts will not rise to the occasion in protecting the luxury brands being hijacked by this popular trend.

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[19] Paul Backman, ed., *Heritage Heresy,* online: trendwatching.com <http://trendwatching.com/trends/heritageheresy/>.
[20] Ibid.
[21] Ibid.

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