Gripe Site Found to Infringe

A recent decision of the Federal Court relates to the operation of a gripe site directed at United Airlines, Inc.

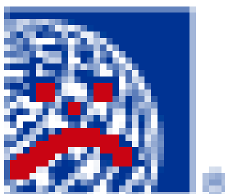
The Facts

United Airlines, Inc. ("United Airlines") is a commercial airline operating in the United States, Canada and other countries. It owns the word mark UNITED for use in relation to "air transportation services for passengers". It also uses a design version of it's UNITED mark (the "United Airlines Logo") and the globe design (the 'Globe Design") as shown below:

United Airlines also owns the copyright in the United Airlines Logo and the Globe Design.

Jeremy Cooperstock operates a website located at www.untied.com which was registered and launched in April of 1997. The defendant owns the domain name untied.com. He chose this term as a play on the word UNITED to highlight the disconnection and disorganization he perceived in United Airlines. The defendant continues to maintain the website as a consumer criticism website where visitors can find information on United Airlines, submit complaints about United Airlines and read complaints about United Airlines in a database of complaints.

In the summer of 2011 the defendant redesigned its website using graphics similar to the graphics of United Airlines website including a design similar to the Globe Design but covered with a frown. The defendant's design is shown below:

 When changes were made to the United Airlines website, the website located at www.untied.com was updated shortly thereafter to mirror the United Airlines website.

United Airlines put the defendant on notice he was infringing its trademarks and copyrights. In response the defendant made minor changes and added a disclaimer and a pop up dial up box to its website indicating that it was not the website of United Airlines.

The changes were not sufficient for United Airlines and an action was initiated in the Federal Court, which proceeded to trial. The defendant represented himself at the trial. The key issues related to whether trademark and copyright infringement had occurred.

Trademark Infringement

Trademark infringement occurs when a defendant has used a trademark or a confusingly similar trademark without the consent of the trademark owner in association with goods or services. The issue was whether the defendant was offering services in association with a confusing trademark.

The trial judge said that the definition of services in the *Trademarks Act* requires no monetary or commercial element relating to the delivery of services. The definition of "services" in the *Act* has been broadly interpreted in previous cases. Applying the approach the judge found that the defendant was offering information and guidance to disgruntled consumers which constituted a service.

To show infringement, the plaintiff must show that the defendant has "used" its trademark in a manner contemplated by the *Act*. This involves two elements:

1. The defendant must have used or displayed the marks in the advertising or performance of this service; and
2. The defendant must have used the marks as trademarks to identify the origin of services.

In considering whether use has been established, the defendant's intention is not determinative. Instead the determination depends on the message given to the public. The crucial question was whether, despite his intentions, the defendant had used the marks in issue for the purposes of indicating origin. Here, the judge considered that visually the respective marks were very similar with some minor variations. In addition, the placement of the marks on the respective websites was similar. The judge concluded the marks were used or displayed in the advertising or performance of the defendant's services and this constituted "use" under the *Act*.

The judge then determined whether the parties' respective marks were confusing. The inherent distinctiveness of the respective marks, the extent to which they had become known, the length of time the marks had been in use, the nature of the respective goods or services, nature of the trade and resemblance between the marks was considered.

This determination was made from the perspective of the first impression of a casual consumer somewhat in a hurry. The judge found there was evidence of confusion and that in any event there was ample evidence to support in finding of a likelihood of confusion. The judge observed that intention can be relevant in cases of this nature and that the defendant intended that visitors

to his website identify his symbols and names with the plaintiff as its offer served no other useful purpose.

In addition, the judge found the plaintiff had established that the defendant was depreciating the value with the goodwill attached to the United Airlines trademarks contrary to section 22 of the *Trademarks Act*.

Copyright

The plaintiff asserted that the defendant had copied its works consisting of the United Airlines Logo and the Globe Design which were protected by copyright.

The judge concluded that the plaintiff's copyright works were original and that the defendant had engaged in substantial copying since the United Airlines Logo and Globe Design with small changes were reproduced.

The defendant asserted that his actions constituted fair dealing with the purposes of parody and as a result did not infringe copyright.

The *Copyright Act* contains no definition of the term "parody". The judge found that the definition of parody used by the Court of Justice for the European Union followed the ordinary meaning of this term as used by the *Act.* Parody should be understood as having two basic elements: First, the evocation of an existing work while exhibiting noticeable differences and second the expression of mockery or humour.

In addition, the judge said that the parody exception does not require that the expression of mockery or humour be directed at the exact thing being parodied. For example, it would be possible for a parody to evoke a work such as a logo while expressing mockery of the source company.

The judge concluded that the defendant's activities fell within the definition of parody as they evoked the existing works of the plaintiff while showing differences and expressed mockery and criticism of the plaintiff.

The judge then considered whether the defendant's actions constituted fair dealing for the purposes of parody. He considered the factors approved by the Supreme Court of Canada which set out an analytical framework to determine whether a dealing is "fair". The factors are:

- The purpose of the dealing;
- the character of the dealing;
- The amount of the dealing;
- Alternatives to the dealing;
- The nature of the work; and
- The effect of the dealing on the work.

The judge concluded that the questionable purpose of the dealing, the amount of the dealing and the effect of the dealing all weighed in favour of the conclusion that the dealing was not fair.

The judge found that the defendant had infringed the plaintiff's trademarks and copyrights and that the plaintiff was entitled to an injunction restraining the defendant's use of the plaintiff's marks and copyright material on terms to be settled by the court after hearing additional submissions by the parties. The judge also awarded costs in favour of the plaintiff but nothing was said about damages.

Comment

It can be difficult for a brand owner to determine how to react to a parody or criticism site. United Airlines seems to have decided that the intent of the defendant coupled with the extent of the parody justified bringing the action.

John S. McKeown

Goldman Sloan Nash & Haber LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Direct Line: (416) 597-3371

Fax: (416) 597-3370

Email: mckeown@gsnh.com

These comments are of a general nature and not intended to provide legal advice as individual situations will differ and should be discussed with a lawyer.

©2017 John S. McKeown

All rights reserved.