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COMPARATIVE ADVERTISING AND PARODIES:

Treatment Through a Fair Use Approach Under Trademark and Copyright Law in Selected Jurisdictions

A Report by the

Fair Use Subcommittee of the INTA Copyright Committee

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PREFACE

INTA's Copyright Committee, Fair Use Subcommittee, prepared the chart below reflecting how comparative advertising and parody may be considered to affect trademarks and copyrighted works in different jurisdictions, further resulting in whether or not they are considered an intellectual property infringement. The investigated jurisdictions were:

Argentina	Estonia	Israel	New Zealand
Australia	European Union	Italy	Singapore
Belgium	France	Latvia	United States of America
Canada	Guatemala	Lithuania	Uruguay
China	Hong Kong SAR, China	Netherlands	

For purposes of this study, **comparative advertising** may be defined as a marketing technique that compares one's own goods or services, or certain features of such goods or services, with those of an identified or identifiable competitor. Countries may go from being strong supporters of comparative advertising to accepting comparative advertising subject to certain rules.

Likewise, **parody** may be defined as a work that humorously, ironically, or sarcastically imitates another work. Parodies may be found in paintings and in literature. They may also be found in films and in music. Ultimately, parodies can be found in different art or cultural expressions, and are very common in politics.

In some jurisdictions, for example in the United States, parody constitutes "fair use," and hence is a defense to copyright and trademark infringement. To qualify as a "parody," a parody must convey two simultaneous, but contradictory, messages: that it is the original; and that it is not the original and is instead a parody.

On the other hand, there are jurisdictions that do not have provisions concerning so called "fair use," for example the European Union. However, there is some guidance in the recitals 18 and 27 of the Directive (EU) 2015/2436 and 21 of the Regulation (EU) 2017/1001. In addition, Directive 84/450/EEC as amended by Directive 97/55/EC lays down the conditions for comparative advertising. Regarding parodies, the Directive 2001/29/EC on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society ("Copyright Directive") does not grant global fair use exception to copyright. However, Article 5.3 of the Copyright Directive lists exceptions to the author's "reproduction right" and "right of communication to the public."

Also, there are some jurisdictions that follow a narrow, highly prescriptive “fair dealing” exception—one of which is New Zealand—that have this kind of exception for copyright infringement, but parody does not constitute an exception and hence, a “parody” of a copyrighted work would constitute a copyright infringement. However, in New Zealand there is an exception to trademark infringement for comparative advertising. Another country that has a narrow, highly prescriptive “fair dealing” exception for copyright infringement is Singapore. Regarding trademark infringement, Singapore does have an exception for comparative advertising.

There is also the case of Hong Kong SAR, China, that has a “fair dealing” exception to copyright infringement, but unlike in some other common law jurisdictions, parody does not fall under the “fair dealing” exception in this country. Hong Kong also has an exception to trademark infringement for comparative advertising which is similar to the “fair dealing” exception for copyright infringement. The test in Hong Kong is surprisingly “fair use–like” and is based on references to “honest practices,” “unfair advantage,” and “detrimental to the distinctive character or repute.”

Practitioners can conclude that each of us may find answers in our own jurisdictions, but that hardly seems enough. The world of trademarks and copyright is a global world: Merchandise crosses borders; ads are broadcasted globally; and the same brands are known in many countries. And what about the Internet and its disregard for physical and geo-political borders? What will become of comparative advertising and parody, in a wide, global view? We will continue finding different answers to this question, probably until international treaties include provisions on this matter.

The following chart is part of the Subcommittee’s ongoing efforts to gather information and document how fair use is treated in different jurisdictions for the assessment of comparative advertising and parody disputes.

Comparative Advertising and Parodies: Treatment Through a Fair Use Approach Under Trademark and Copyright Law in Selected Jurisdictions

No.	Jurisdiction	PARODY			COMPARATIVE ADVERTISING		
		Does parody constitute a “fair use”?	Is there any local law “fair use” equivalent/substitute?	Comments	Does comparative advertising constitute a “fair use”?	Is there any local law “fair use” equivalent/substitute?	Comments
1	Argentina	No	Yes, though quite limited.	<p>According to Intellectual Property Law No. 11,723, authorization is required to parody an intellectual property work in the private domain.</p> <p>Said law does not include a “fair use” provision.</p> <p>Though it does include a “right to cite,” this right is limited only to <i>literary or scientific works</i> and <i>musical works</i>.</p> <p>Trademark Law No. 22,362 does not refer to “parody” and does not include a “fair use” provision either.</p> <p>Under certain conditions (such as freedom of speech) some courts may consider non-commercial parody of trademarks to be legitimate.</p>	No	Yes	<p>Though authorized by case law under certain conditions, Argentina did not have an express provision allowing or forbidding comparative advertising until Decree 274/2019 entered into force on May 1, 2019.</p> <p>The Decree provides that comparative advertising is legitimate under certain conditions.</p>

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2	Australia	No	Yes	On December 11, 2006, a new fair dealing exception for parody for copyright infringement came into effect under the Australian Copyright Act. In 2014 and 2018, reports recommended adoption of a principles-based fair use exception for both copyright and trademarks.	Yes	N/A	In 2014 and 2018, reports recommended adoption of a principles-based fair use exception for both copyright and trademarks.
3	Belgium	No	Yes	The Belgian Code on Economic Law provides that “when the work has been lawfully divulged, the author cannot prohibit caricature, parody or pastiche, taking into account the fair practices.”	No	Yes	Article XIV.9 of the Belgian Code on Economic Law (BCEL) provides that comparative advertising is allowed under some conditions.
4	Canada	No	Yes	Fair dealing, according to Section 29 of the Copyright Act of Canada.	No	Yes	Canadian Trademark Law has provisions regarding the comparative use of rival trademarks but is not sufficiently developed.
5	China	No	No	Article 22 of the Copyright Law of China provides an enumerative and exhaustive list of exceptional circumstances where it is possible to use a copyrighted work without authorization or payment to the	No	No	Advertisers, advertising operators, and advertisement publishers are all prohibited from infringing any third parties’ rights and interests under Articles 5 and 31 of China’s

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				copyright owner but does not specifically include parody.			Advertising law and comparative advertising is not an exception.
6	Estonia	No	Yes	Under the Copyright Act of Estonia, the use of a lawfully published work in a caricature, parody, or pastiche to the extent justified by such purpose is permitted.	No	Yes	Estonian Advertising Act provides that comparative advertising is allowed under some conditions.
7	European Union	No	Yes	Article 5.3 of the Copyright Directive lists exceptions to the author’s “reproduction right” and “right of communication to the public” (15 exceptions), including: “use for the purpose of caricature, parody or pastiche.”	No	Yes	There is no trademark infringement if the trademark is used “fairly” (including freedom of speech) or “for the purpose of artistic expression.”
8	France	No	Yes	Article L.122-5 of the French Intellectual Property Code provides that “the author may not prohibit parody, pastiche and caricature, observing the rules of the genre.”	No	Yes	Comparative advertising is ruled by Articles L.122-1 and subsequent of the French Consumer Code, which implements the Directive 2006/114/EC.

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				French trademark law does not explicitly provide for a parody exception. The French Supreme Court ruled that parody in copyright and trademark matters may be lawful under certain conditions.			Comparative advertising is authorized under certain conditions set by Articles L.122-1 and L.122-2.
9	Guatemala	No	Yes	Freedom of speech treatment	No	No	It is considered unfair competition.
10	Hong Kong SAR, China	No	No	Parody does not fall under the “fair dealing” exception	No	Yes	The test in Hong Kong is “fair use-like” and is based on references to “honest practices,” “unfair advantage,” and “detrimental to the distinctive character or repute.”
11	Israel	Yes	N/A	Section 19 of the Israeli Copyright law acknowledges fair use doctrine without referring specifically to parody, and it is up to the courts to evaluate and apply.	No	Yes	It is considered unfair use, although other opinions have been heard in some court cases.
12	Italy	No	Yes	Italian law does not have a provision for parody.	No	Yes	According to Italian Legislative Decree No. 145/2007, comparative advertising is allowed under certain conditions. If these conditions are

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				<p>However, the doctrine assimilated the parody to the concept of “free use” described in Sections 65–70 of Copyright Law No. 633/1941. In particular, Section 70 authorizes the summary, quotation, or reproductions of fragments or parts of a work for the purpose of criticism or discussion, or for instructional purposes.</p> <p>In trademark matters, case law has allowed parody when deemed a fair and proportionate criticism, even when commercial.</p>			not complied with, it may be considered an unfair competition case.
13	Latvia	Yes	N/A	The Copyright Law of Latvia has a parody and caricature exception, but is not further specified by the law, so it must be analyzed by the courts.	No	Yes	According to the Advertising Law of the Republic of Latvia, comparative advertising is allowed under some conditions.
14	Lithuania	No	No	The Lithuanian Copyright Law does not provide a limitation as regards parodies.	No	Yes	Comparative advertising is allowed under some conditions.
15	Netherlands	No	No	It is up to the national court to determine, in the light of all the circumstances of the case whether the	No	Yes	Article 6:194a of the Dutch Civil Code stipulates that comparative advertising is allowed under some conditions.

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				application of the exception for parody is applicable or not.			
16	New Zealand	No	No	The New Zealand courts have yet to consider whether use for parody falls within one of New Zealand’s fair dealing exceptions	Yes	N/A	Comparative advertising is allowed under the Trademark Act.
17	Singapore	No	Yes	There is a fair dealing exception found in Sections 35–37 and 109–111 of Singapore’s Copyright Act, but parody is not explicitly mentioned.	Yes	N/A	The test to establish the exception is based on “fair use.”
18	United States of America	Yes	N/A	U.S. law provides an illustrative, non-exclusive listing of factors to be used in determining whether a particular use is considered fair and non-infringing, but the defendant must show that it made a critical commentary about the plaintiff, its trademark, or what it represents.	Yes	N/A	The purpose of the comparative ad—to highlight the differences between the products—should help to dispel confusion even where other likelihood of confusion factors would typically favor the plaintiff (e.g., identity of targeted consumers, similarity of price).
19	Uruguay	No	No	In Uruguay the Copyright Act does not have ANY fair use exception (including parody) and hence, there is no defense regarding the use—without the authorization of the copyright owner—of copyrighted work.	No	Yes	Comparative advertising is allowed under Article 25 of Consumer Act no. 17250, as long as the comparison is objective and as long as the conclusion or message of the comparison can be proved.

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				In Uruguay there is no regulation about trademark parody defense. Hence, the Parody defense would be difficult to apply on a specific case.			