

Australian Celebrity Endorsements: the Need for an Australian Right Of Publicity

Scott Ralston, in his highly commended entry in this year's CAMLA Essay Competition, compares the US and Australian approach to this topical issue.

Celebrity endorsements are big business.¹ We are surrounded by product promotions from the stars of sport, television and cinema.² The ubiquity of these endorsements testifies to their impact in a complex, communications based society. Endorsement occurs when

*"a product is associated with a desirable personality, in whose reflected light it will appear more pleasing."*³

But what happens when the association is made without the celebrity's authority? The future value of the celebrity's endorsement is usually diminished by exposure. In America, the celebrity may rely on the "right of publicity" in order to seek compensation for this loss. At present, this right does not exist in Australia. A prospective plaintiff must try to found their action in copyright, trademark, statutory misrepresentation or passing off. I suggest that this state of affairs should be rectified. Part I of this paper examines the American Right of Publicity. Part II compares the right with the relatively meagre Australian law in this area. Part III examines some of the issues of policy and principle that need to be considered before adopting the right.

PART I - THE RIGHT OF PUBLICITY UNDER UNITED STATES LAW

At last count twenty-seven US states have a right of publicity at common law or statute.⁴ The right of publicity is the right "of every person to control the commercial use of his or her identity."⁵ Identity in this sense is an umbrella concept that includes image, likeness, voice, name, nickname and slogans.⁶ The touchstone of liability is the *identification* of the celebrity, identification without consent suggesting an appropriation of the celebrity's interest in the goodwill associated with their identity.⁷ The *Midler* decision⁸ exemplifies the breadth

of the right. In that case, the Ford Company bought the rights to a Bette Midler hit song and asked Ms Midler if she would re-record the song for their use. When she declined, the company hired another singer who was asked to mimic Midler's voice as closely as possible. When Midler sued, she received damages for loss occasioned to her right of publicity. In another example, a football star with the nickname "Crazylegs" sued for the unauthorised use of the nickname and playing number in a commercial for women's shaving gel.⁹

But the right is not as expansive as these cases may at first imply. It is limited to protecting an individual's identity from commercially exploitative uses. It does not extend to

*"the use of a person's identity in news reporting, commentary, entertainment, or in works of fiction or non-fiction or in advertising that is incidental to such uses."*¹⁰

Since the right of publicity's relatively recent genesis,¹¹ it has proved "one of the most dynamic and fluid areas of law in the United States."¹² Contemporary debates revolve around the application of the right to the internet,¹³ fictional characters,¹⁴ and proposals for a federal statute to regulate the right.¹⁵

PART II - THE PROTECTION OF IDENTITY UNDER EXISTING AUSTRALIA LAW

In the *Tansing* case,¹⁶ a full bench of the Federal Court held that the right of publicity does not presently exist at common law but did leave the possibility of future development open. There is no statutory tort protecting such a right despite positive recommendations.¹⁷ Presently the prospective plaintiff must found their claim in other available causes of action, which are examined in this Part.

Copyright is of limited utility in protecting celebrities against unauthorized use of their identity. It exists for the protection of original literary, dramatic, musical, artistic works and other such subject matter, not facets of identity such as image or nickname.¹⁸ Similarly, many facets of identity do not come within the definition of a trademark¹⁹ or fail to meet the further requirements for registration.²⁰ And for infringement to be made out, the trademarked facet of identity must be used *as a trademark*.²¹ Consequently, it would be difficult for Ms Midler to protect the unauthorised use of a sound-alike, or Mr Hirsch to prevent the use of his nickname using these regimes. Under the *Trade Practices Act 1974* (Cth), the seemingly suitable provisions of Section 53(c) and (d) have been interpreted narrowly to mean formal endorsement must be suggested before liability will follow.²²

Protecting celebrity identity is left largely, therefore, to the realms of passing off and statutory misleading or deceptive conduct.²³ The statutory cause of action confers wider protection²⁴ and is more flexible in its remedies,²⁵ but it is similar enough to be discussed together with passing off.

For an action to be made out in passing off (or misleading or deceptive conduct), a *misrepresentation* of approval, consent or connection between the endorser and endorsed product must be identified.²⁶ Where no such connection is implied, the applicant fails even if it is clear that she is being referred to.²⁷ This means that if the advertiser refers to some aspect of the celebrity's identity (voice or nickname for example) but members of the public would be unlikely to conclude such a connection between endorser and endorsee exists, then liability is avoided. Thus, where there is a clear disclaimer of association, liability usually will be excluded.²⁸ This appears unfair. The celebrity has still suffered a loss in that

the value of his or her endorsement has been diminished by the exposure.

The Federal Court has arguably recognised this injustice and have relaxed the test for "misrepresentation" in the *Crocodile Dundee* cases.²⁹ In these two decisions, the Court appeared to suggest that mere *identification* was enough to suggest an association and therefore a misrepresentation.³⁰ This was despite the fact that the relevant advertisements were unlikely to lead anyone to assume Paul Hogan (the plaintiff) was actually participating, and in one case were obvious parodies. These decisions reveal that the search for a misrepresentation is sometimes artificial.³¹ It is not difficult to sympathise with judges searching for a misrepresentation in the subtle and subliminal nature of modern associative advertising. But the question is whether this often troublesome search disguises what the courts are really looking for. We may recall that *identification* is the touchstone of liability for the American right of publicity. The Federal Court may be, in substance, already applying a right of publicity-style approach.

The clearest indication of the affinity of Australian judicial reasoning with the right of publicity occurs when the courts seek to fashion a remedy. In *Henderson v. Radio Corporation*³² (a case in which passing off was established), the court said that the plaintiff had been "wrongfully deprived"³³ of his right to recommend any given product. In a more recent case concerning the swimmer Kieran Perkins,³⁴ the court said:

*"the damages claim was based upon the premise that the publication diminished the opportunity to commercially exploit his name, image and reputation"*³⁵

Such judicial language discloses the nature of the interest protected. It is not so much protecting the consumer from a misrepresentation, as the celebrity's proprietary interest in exploiting the goodwill, or potential goodwill, in their identity or reputation. What the courts are guarding against is not so much a *misrepresentation* but an *appropriation*. As Justice Pincus has put it, the "wrongful appropriation of a reputation."³⁶ Courts would be more candid about the nature of the cause of action if they were to acknowledge the artificiality of searching for a misrepresentation, and be more explicit about the element of

appropriation, a point succinctly made by Fisher J of the New Zealand High Court:

*"And what of the credibility of courts if they are seen to strain towards a particular finding of fact in order to adapt an ill-fitting cause of action? Is it really necessary to force the square peg of character merchandising into the round hole of passing off?"*³⁷

The answer to that question should be no.³⁸ A right of publicity that does not require a misrepresentation for the cause of action to be made out is the logical solution to the incidental and artificial protection afforded by the current state of the law.

PART III - WHY AUSTRALIA SHOULD ADOPT THE RIGHT OF PUBLICITY

The High Court of Australia has emphatically denied the existence of a general tort of unfair competition.³⁹ In *Nike International*⁴⁰ a unanimous court cited with approval an earlier statement from Dixon J who said that in "British jurisdictions" courts of equity have not:

*"thrown the protection of an injunction around all the intangible elements of value, that is, value in exchange, which may flow from the exercise by an individual of his powers or resources whether in the organization of a business or undertaking or the use of ingenuity, knowledge, skill or labour. This is sufficiently evidenced by the history of the law of copyright and by the fact that the exclusive right to invention, trade marks, designs, trade name and reputation are dealt with in English law as special heads of protected interests and not under a wide generalisation."*⁴¹

On conventional reasoning, it follows that an intangible value outside the boundaries of recognised heads of protected interests, such as personal identity, will not receive protection from appropriation. But while Dixon J's statement is axiomatic in a general sense, it precedes a tremendous growth in the existing categories of intellectual property, in Australia as well as other common law jurisdictions.⁴² The Canadian common law has not escaped the influence of the American right of publicity and includes a tort preventing the appropriation of identity.⁴³ The *Athans* case⁴⁴ is an instructive example

of the Canadian tort. A likeness of George Athans, a famous water skier, was used without his permission to promote summer camps. He failed in an action for passing off because no deception of the consumer could be shown.⁴⁵ However, the Court implicitly followed American authority and held he succeeded in a tort action for appropriation of personality because:

*"it is clear that Mr Athans has a proprietary right in the exclusive marketing for gain of his personality, image and name, and that the law entitles him to protect that right, if it is invaded."*⁴⁶

In Australia, as Deane J points out, the rejection of a general action for unfair competition:

*"does not involve a denial of the desirability of adopting a flexible approach to traditional forms of action when such an approach is necessary to adapt them to meet new situations and circumstances."*⁴⁷

What is needed then is justification for the right of publicity as a "special head of protected interest". Morally speaking, a Lockean defence of the right would suggest that the celebrity deserves to be rewarded for the fruits of his skill and labour in creating his persona.⁴⁸ At least in the case of a professional sportsperson, advertising power comes only as a result of extremely hard work. In a similar vein, it would be unjust for the exploiter to be enriched by using someone else's identity for his or her gain.⁴⁹

One way of separating the tort from a wider tort of unfair competition might be by the human element of the interest of a real person in his or her own identity. Properly limited by principle,⁵⁰ such an evolution in tort law need not result in the "high-sounding generalizations"⁵¹ to which a more general tort of unfair competition might give rise.

Consumers might also benefit from the integrity of endorsements that is a by-product of the right of publicity. The American right of publicity exists in addition to trade practice legislation⁵² and is a useful, if indirect, addition to consumer protection legislation.

In the US, the right is not without its critics.⁵³ They argue that celebrity identity is as much a product of society as of the celebrities themselves and should be reserved:

"as part of our cultural commons, freely available for use in the creation of new cultural meanings and social identities, as well as new economic values"⁵⁴

But we may query whether such a right would place too great a restriction on culture, or as one critic put it, allow celebrities to censor popular culture.⁵⁵ The right affects only commercial speech. Those who would gain from commercial speech unrestricted by the right are typically large corporations.⁵⁶ This highlights a point identified previously; that it is the celebrity that should gain from their own skill and labour, not the person who seeks to trade on their reputation.

CONCLUSION

In terms of the protection conferred on personal identity, the state of Australian law compares unfavourably with its American equivalent. Australian courts have been forced to use the legal fiction of misrepresentation to protect personal identity from appropriation by others. This need not be the case. The right of publicity shares an affinity with the current judicial approach in this area of the law, even if this affinity is not always explicit. The right is consistent with the fundamental rationales underlying intellectual property law. It is a feasible and desirable evolution in the development of law in this area and it is likely the courts will be given an opportunity to take this path before long.

1 By "celebrity" I mean any real person famous enough for their identity to have commercial value.

2 See, for example, "Oh Brother! It's Jemma's Jocks v O'Hare's Chesty Bonds", *Australian Financial Review*, 25 August 2001.

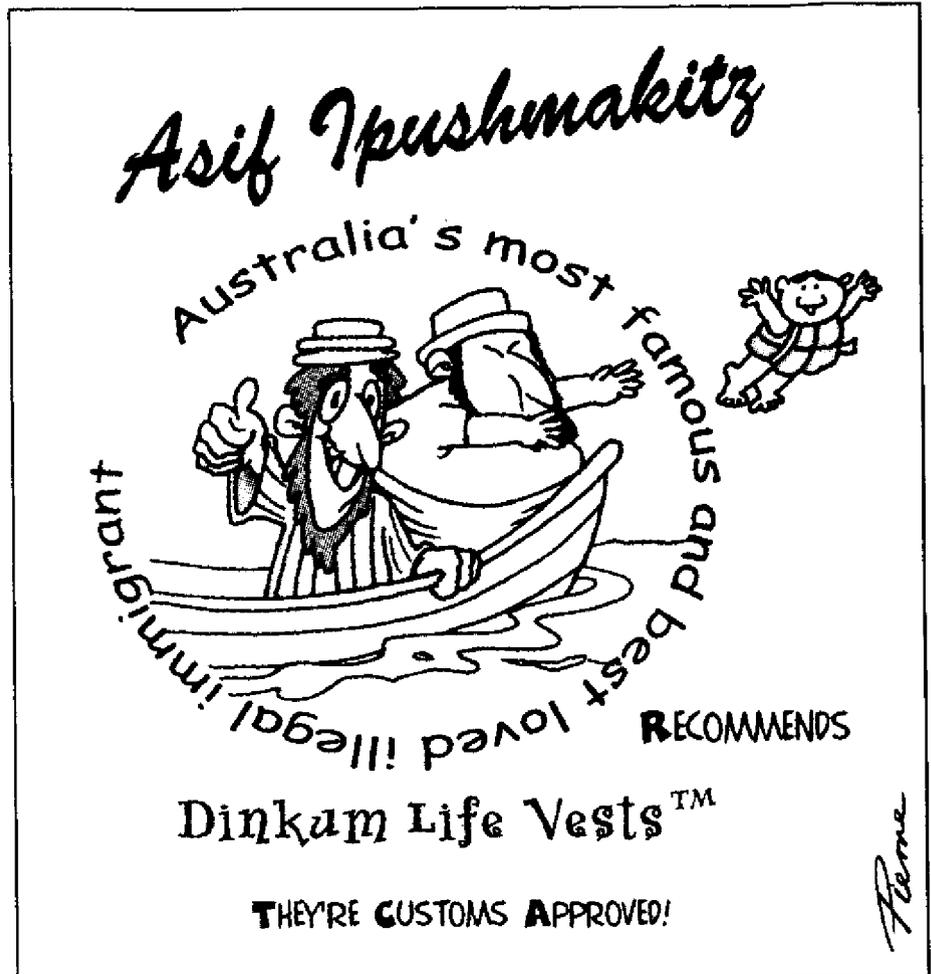
3 *Shoshana Pty Ltd v 10th Cantanae Pty Ltd* (1987) 11 IPR 249 at 250-1. [Hereafter "Shoshana"].

4 Fleischer S.M., "The Right of Publicity: Preventing an Identity Crisis" (2000) 27, *Northern Kentucky Law Review*, 985 at 986.

5 McCarthy J.T., "The Human Persona as Commercial Property: the Right of Publicity", 1996 7(1), *Australian Intellectual Property Journal* 20 at 21.

6 See respectively: *Wendt v Host International* 125 F.3d 806 (9th Cir. 1997) [Hereafter "Wendt"]; *Ali v Playgirl, Inc.*, 447 F.Supp. 723 (S.D.N.Y. 1978); *Midler v Ford* 849 F.2d 460 (9th Cir. 1988) [Hereafter "Midler"]; *Apple Corps, Ltd v Adirondack Group* 476 N.Y.S.2d 716 (Sup. Ct. 1983); *Hirsch v S.C. Johnson & Sons, Inc.* 280 N.W.2d 129 (Wis. 1979) [Hereafter "Hirsch"]; *Carson v Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983)

7 *Haelan Laboratories v Topps Chewing Gum* 202 F.2d 866 (2d Cir. 1953). [Hereafter "Haelan"].



J McMullan, "Personality Rights in Australia" (1997), 8, *Australia Intellectual Property Journal*, 86 at 94.

8 *Midler*, note 6; see, for a similar case *Waits v Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992).

9 *Hirsch*, note 6.

10 *US Restatement (Third) of the Law of Unfair Competition* 47 (1995); See, for an example, *New Kids on the Block v News America Publishing Inc.*, 745 F.Supp 1540.

11 Generally credited to *Haelan*, note 7.

12 Fisher K.M., "Comment: Which Path to Follow: A Comparative Perspective on the Right of Publicity", (2000) 16 *Connecticut Journal of International Law*, 95 at 95.

13 Ezer D.J., "Celebrity Names as Web Site Addresses: Extending the Domain of Publicity Rights to the Internet", (2000), 67, *University of Chicago Law Review*, 1291; Fernandez C., "The Right of Publicity on the Internet", (1998), 8 *Marquette Sports Law Journal*, 289.

14 See *Wendt*, note 6, and Dawson D.H., "The Final Frontier: Right of Publicity in Fictional Characters", (2001), *University of Illinois Law Review*, 635.

15 Goodman E.J., "A National Identity Crisis: The Need for a Federal Right of Publicity Statute" (1999) 9 *Journal of Art and Entertainment Law*, 227; Robinson R.S., "Preemption, the Right of Publicity, and a New Federal Statute", (1998), 16, *Cardozo Arts & Entertainment Law Journal*, 183.

16 *Sony Music Australia & Michael Jackson v Tansing* (1993), 27 IPR 649 (Full Federal Court).

17 Australian Law Reform Commission Report No. 11 of 1979, *Unfair Publication: Defamation and Privacy*.

18 *Copyright Act 1968* (Cth) Pts III and IV.

19 *Trade Marks Act 1995* (Cth) ss 6, 17.

20 *Trade Marks Act 1995* (Cth) ss 41, 44.

21 See *Koninklijke Philips Electronics NV v Remington Products Australia Pty Limited* [1999] FCA 816; and on appeal to the Full Federal Court [2000] FCA 876.

22 *Shoshana*, note 3, per Gummow J at 316; *Weitman v Kabies* (1979) 29 FLR 336 at 344 per Franki J. Though for a successful use of s53(c) see *Wickham v Associated Pool Builders Pty Ltd* 12 IPR 567; [1988] ATPR 910. [Hereafter "Wickham"].

23 *Trade Practices Act 1974* (Cth) s 52.

24 *Parkdale Custom Built Furniture Proprietary Limited v Puxu Proprietary Limited* (1982) 149 CLR 191 per Mason J at 205.

25 *Trade Practices Act 1974* (Cth) ss 80, 82.

26 *Shoshana*, note 3, per Wilcox and Gummow JJ; see for a discussion of the general requirements of passing off, *Conagra Inc. v McCain Foods (Aust) Pty Ltd* (1992) 23 IPR 193; (1992) 33 FCR 302.

27 *Honey v Australian Airlines* (1990) 18 IPR 185 (Full Federal Court); *Wickham*, note 22.

28 *Newton-John v Scholl-Plough (Australia) Ltd* (1986) 11 FCR 233 cf. *Hutchence (trading as INXS) v South Sea Bubble Co Pty Ltd* [1986] ATPR 40-667.

29 See *Pacific Dunlop v Hogan* (1989) AIPC 90-578, 12 IPR 225; *Hogan v Koala Designs* (1988) 20 FCR 314 [Hereafter "Koala Designs"].

30 Howell R.G., "Personality Rights: A Canadian Perspective: Some Comparisons with Australia", (1990), 1, *Intellectual Property Journal*, 212 at 219.

31 Ricketson S, "Character Merchandising in Australia: Its Benefits and Burdens", (1990), 1, *Intellectual Property Journal*, 191 at 192; Coronis S.G., "Basking in Reflected Glories: Recent Character Merchandising Cases", (1990), 18, ABLR 5.

32 (1960) SR (NSW) 576 [Hereafter "Henderson"].

33 *Henderson*, note 32, per Evatt CJ and Myers J at 595.

34 *Talmax v Telstra Corp* (1996) 36 IPR 46 [Hereafter "Talmax"]. For a good discussion of this case see McMullan, note 7.

35 *Talmax*, note 34, at 53.

36 *Koala Designs*, note 29, at 325.

37 *Tot Toys v Mitchell v/a Stanton Manufacturing HC (NZ)* (1992) 25 IPR 337 at 379.

38 See, for a contrary view, Katekar B.F., "Coping with Character Merchandising: Passing Off Unsurpassed", (1996), 7, *Australian Intellectual Property Journal*, 178.

39 *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No2)* (1984) 156 CLR 414 [Hereafter "Moorgate"]; *Campomar Sociedad Limitada v Nike International Ltd* (2000) 169 ALR 677

[Hereafter "Nike International"].

40 *Nike International*, note 39, at 680.

41 *Victoria Park Racing and Recreation Grounds Co Ltd v Taylor*. (1937) 58 CLR 479 at 509.

42 Consider the rejection of the same field of activity test in passing off in *Henderson*, note 34.

43 It is actually part of the common law of a number of Provinces, the most readily identifiable being Ontario. See generally C Nest "From *Abba to Gould*: A Closer Look at the Development of Personality rights in Canada" (1999) 5 *Appeal* 12.

44 *Athans v Canadian Adventure Camps Ltd* (1977) 17 OR (2d) 425, 80 DLR (3d) 583 [Hereafter "Athans"].

45 *Athans*, note 44, at 433.

46 *Athans*, note 44, at 434.

47 *Moorgate*, note 39, at 445.

48 Pendleton M.D., "Character Merchandising and the Proper Scope of Intellectual Property", (1990), *Intellectual Property Journal*, 242 at 249; Fisher, note 12, at 97.

49 *Zacchini v Scripps-Howard Broadcasting Co* 433 US 562 (1977); see also S Ricketson

"Reaping Without Sowing": Unfair Competition and Intellectual Property Rights in Anglo-Australian Law" (1984) 7 *University of NSW Law Journal* 1 at 3.

50 Consider the limits on the American right referred to above, or the Canadian application of a balancing of interests test: *Gould Estate v. Stoddart Publishing* [1998], 321 DLR (4th) 161 (Ontario Court of Appeal).

51 *Moorgate*, note 39, at 446.

52 For example the *Lanham Act* s 43(a) prohibits false or misleading statements in relation to sponsorship of goods and services.

53 Madow M, "Private Ownership of Public Image: Popular Culture and Publicity Rights", (1993), 81 *California Law Review*, 125; Sen S, "Fluency of the Flesh: Perils of an Expanding Right of Publicity", (1995), 59, *Alberta Law Review*, 739.

54 Madow, note 53, at 238-9.

55 Madow, note 53, at 144-6.

56 McCarthy, note 6, at 27.

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Cultural Parochialism and Free Trade

Tim Magarey, another highly commended entry in this year's CAMLA Essay Competition, argues that the output of the 'cultural industries' should not be exempt from the ambit of free trade agreements.

Australia maintains a policy of protection for local film, television and other media producers through the mechanism of such legislative regimes as the *Broadcasting Services Act 1992* (Cth) (BSA). Australian content restrictions on programming and foreign ownership rules operate to shield domestic producers from the ravages of the international marketplace. Many commentators argue that it is only because of the existence of this protection that local industries are able to survive. Legislative measures of the kind embodied in the BSA, however, are inconsistent with the provisions of international free trade instruments such as the *General Agreement on Tariffs and Trade* (GATT). It is only by virtue of exceptions such as that contained in Article IV of the GATT¹ that these regimes, which are by no means unique to Australia, persist free from international legal and political repercussions.

This paper considers the exclusion of culture from free trade instruments such as the GATT and from the auspices of the World Trade Organisation (WTO). It is argued that, given the benefits of free trade and the objectives of such agreements, there is no sufficient reason why goods and services which are

produced by the "cultural industries" should be exempt from the ambit of free trade agreements.

FREE TRADE AND THE GATT

The GATT has its origins in the negotiations at Bretton Woods following the end of the Second World War. It was one of a series of instruments and organisations which were established by the Allied Powers after that conflict with the principal objective of avoiding another war.² The premises on which the provisions of the GATT are based are:

- International trade raises the level of material wealth and thus the standard of living of individuals in participating nations. The theory of comparative advantage suggests that all trading nations benefit irrespective of their relative starting wealth.
- Free trade obligations prevent nations from deploying self-interested, beggar-thy-neighbour economic policies which in the inter-war period contributed significantly to the instability and conflict in the international system.
- Multilateral consensus is important because it prevents individual nations destabilising the system from without.³

Prima facie these premises are broad enough to have been generally accepted as sufficient justification for the jurisdiction of free trade agreements embodied in the GATT and the WTO. The detail of the provisions of the instruments themselves, however, has been the subject of hot debate since the GATT first came into force. The exclusion of particular industries from the province of the GATT has been expressed in the terms of their being "exceptions" to principles of general prevalence. The exception in Article IV,⁴ for example, was incorporated into the GATT in 1947 and has remained since then despite the efforts of the United States to have it removed or altered.⁵ Today, as was the case then, such exceptions have to be justified as a countervailing good which outweighs the benefits of trade.

INFORMATION FLOWS

In addition to general premises about the benefits of free trade, however, it is arguable that particular benefits attach to the free flow of information. While some of these are avowedly economic in flavour, others subsist in ideas about human rights which hold that access to information is essential to political and