
IN-LINE LINKING

The Ninth Circuit remanded the issue of the in-line linking to the District Court for further consideration. It is interesting to note that the District Court's original decision was that the in-line linking was also a fair use of Mr Kelly's images. This ruling seems to be in spite of the fact that at least on the last 3 grounds noted above arguably would not apply to in-line-linking to full-sized images, as opposed to creating and using thumbnails of those images. A further appeal to the Ninth

Circuit may be imminent if the District Court reaches the same conclusion in the further proceedings.

THE AUSTRALIAN POSITION

Australia has limited 'fair use' defences to copyright infringement when compared to the more general 'fair use' doctrine of United States jurisprudence. The creation of a thumbnail from a full-sized image would be reproduction in a material form, and the delivery of that thumbnail over the Internet in response to a search query would be a

communication to the public. Thus, to avoid infringement, a specific defence would need to be raised. As many of the grounds relied on by the US court to find 'fair use' would not be relevant to defences under Australian copyright law, the case provides an example of where Australian copyright law may be more beneficial to copyright owners than in the United States.

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The Price of Fame : Protection of Personality Rights in Australia

David Bowman examines the current status of personality rights in Australia and argues for reform

An association of some desirable character with the product proceeds more subtly to foster favourable inclination towards it, a good feeling about it, an emotional attachment to it. No logic tells the consumer that boots are better because Crocodile Dundee wears them for a few seconds on the screen ... but the boots are better in his eyes, worn by his idol (Emphasis in original) ¹.

INTRODUCTION

According to the Honourable Justice Peter Heerey, Lord Horatio Nelson was probably the first celebrity in the modern sense ². Since that time the value of celebrity has grown exponentially due, in part, to the advent of television, the influence of Hollywood and the globalisation of sport. There has been a concomitant growth in the merchandising of celebrity for the reasons expressed so eloquently by Justice Burchett above.

It has been reported that Michael Jordan's endorsements have earned \$8 billion for Nike³ but as the value of celebrity has grown so too has its cost. The creation and maintenance of the modern celebrity usually involves considerable time, expense and expertise often involving personal trainers, dieticians, spin-doctors, make-up artists, and plastic surgeons just to name a few. Given the investment required in creating and maintaining a celebrity persona, and its enormous potential value, should Australian law formally acknowledge and protect so called

"personality rights" in a manner similar to the laws of the USA and Canada?

In addressing this issue one must first consider the current state of Australian law in this regard. Australia has no equivalent to the right of publicity that exists in the USA⁴. There are however a number of different legal mechanisms that have been used, with varying degrees of success in an attempt to prevent the unfair appropriation of a personality for commercial advantage.

The following is a review of each of the different mechanisms that have been used and those that might be used in order to protect personality rights in Australia. The intention is not to provide an in-depth analysis of each area but rather to provide an overview which will make apparent the inadequacy of the present system of inappropriately extended law.

PASSING OFF

For the sake of brevity this section considers actions under s52 of the *Trade Practices Act 1974* (Cth) as essentially the same as actions for passing off. While there are important distinctions between

the two, these do not arise in a personality rights action as considered below.

The common law tort of passing off was originally developed to protect a trader from rivals who seek to untruthfully purport that their goods are the goods of the trader⁵. Traditionally passing off actions have required a plaintiff to show three things⁶:

- that they have established a reputation or goodwill in the community;
- that as a result of some misrepresentation or deception on the part of the defendant;
- they have suffered damage to their reputation or goodwill.

The traditional role of the tort of passing off was extended in the *Henderson* case⁷ to protect a person who was not, at least in the traditional sense, a trader. The case involved two professional ballroom dancers who sued in respect of an unauthorised photograph which was used on record covers. The dancers were successful in spite of the fact that they were not in the business of endorsing record covers, the NSW Supreme Court ruling

that the album cover falsely implied a connection between the dancers and the record.

This extension of passing off, while perhaps appropriate in this case, by no means provides a “right of personality” as such. In the *Olivia Newton-John* case⁸ a lookalike of Ms Newton-John carried a disclaimer (“Olivia? No, Maybelline”) that was considered to be sufficiently prominent as to make the public realise that there was no actual connection to Ms Newton-John.

In the *Tabasco* case⁹ Lehane J. ruled that any perceived connection between an exhibition design service in Australia and the US manufacturer of a spicy chilli sauce would be too remote saying that the public would conclude ‘*the designer has - as the fact is - perhaps cheekily, used a name, which, by reference to its only other known use, conjures up “hot” associations.*’

These two cases limit the flexibility of passing off to be used to enforce personality rights and mean a passing off action would be unlikely to succeed in cases where it is clear there is no commercial connection with the actual personality or where there is a prominent and credible disclaimer of any connection or in situations where such a connection would simply not be believed by the public. To borrow a hypothetical example from Heene J:¹⁰

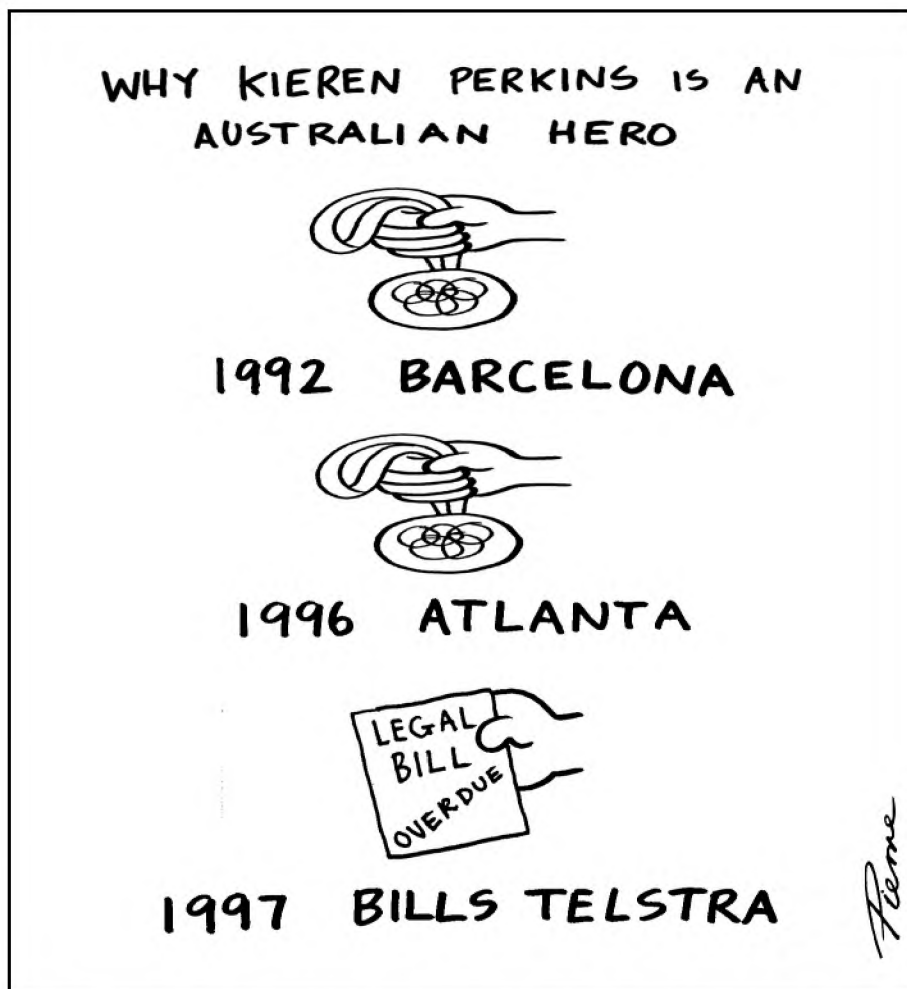
“*Suppose a sleazy nightclub publishes an advertisement including a picture of a well known clergyman and a statement ‘Reverend X would never visit our place’. Doubtless offensive but not defamatory, and it is hard to see a remedy under the TPA or in passing off*”

Such cases have, so far, not come before the courts. The usual claim made in a personality rights case heard under passing off is:¹¹

“*...that the use of the name, image or persona mislead a significant proportion of the public by implying:*

- (a) *that the personality approved of the advertiser or its product;*
- (b) *a connection between the personality and the advertiser;*
- (c) *that the advertiser was authorised by the personality.”*

Perhaps the best example of this is the *Kieren Perkins* case¹² where Telstra had used an unauthorised photograph of Mr



Perkins at the end of a swimming race. The court held that:

“*In summary, therefore, we are of opinion that the respondent’s publication misrepresented that Mr Perkins was sponsored by it, had consented to its use of his name, image and reputation in its advertising, and supported it in the forthcoming ‘preselection’ process.*”

This case highlights the difficulty of using the law of passing off, even in this extended way, to protect personality rights. What Mr Perkins is complaining of is not passing off in the traditional sense but something more closely resembling taking without permission. He, most likely, does not care whether the public thinks he supports Telstra or not, he is simply annoyed that he wasn’t paid for his implied support. That he should be paid does seem reasonable, clearly the public believes so, and it would appear in this, and in other similar cases, that the court has sought to distort the law in order to make an unfair situation into an unlawful one.

With respect, the judges’ reasoning in this case is circular. The public falsely assumes that Telstra must have Perkins’ consent to use his photo. Telstra is, in effect, held

liable for this widely believed falsehood and is ordered to compensate Perkins’ which, in turn, perpetuates the erroneous public assumption.

A similar situation arose in the case of *Pacific Dunlop v Hogan*¹³ where Sheppard J. said in his dissenting judgment

“*...the case brought against the appellant was a speculative one. It depended upon vague thoughts by members of the community concerning the legal rights film makers might have in ideas or characters and beliefs on the part of some people that in some general way permission was needed before use could be made of ideas or characters. To the extent that people have thought along these lines, they had done so because they were under a misapprehension. They had thus deceived themselves and they had not been misled by any conduct engaged in by the appellant.*”

The majority of the court however ruled that a television advertisement which drew on Hogan’s famous character “Crocodile Dundee” to advertise Grosby shoes would mislead the public into thinking there was a commercial arrangement between Hogan

and Grosby's parent Pacific Dunlop even though the actor in the commercial was clearly not Mr Hogan and the scene depicted was an obvious spoof. This ruling, while difficult to understand for the reasons mentioned above in regards to the *Kieren Perkins* case, is even more difficult to reconcile with the *Olivia Newton-John* case.

Similarly it is difficult to reconcile the *Henderson* and *Kieren Perkins* cases with the *Tracey Wickham* case¹⁴ where Ms Wickham sued to prevent her name and image being used in relation to swimming pools. In this case the court ruled that there was no common field of interest since Ms Wickham had no trade or business in swimming pools.

As shown, courts often struggle to find a misrepresentation in these cases but the assessment of damage is often difficult and to some extent artificial. Take, for example, the reasoning applied in the *Kieren Perkins* case:¹⁵

"No suggestion was made that any of the misrepresentations adversely affected Mr Perkins' reputation. Broadly stated, the damages claim was based upon the premise that the publication diminished the opportunity to commercially exploit his name, image and reputation. In general terms, it was said that it is disadvantageous to expend celebrity in promoting an entity, product or service on a single occasion; each association to which a famous person lends himself or herself utilises a part of his or her 'credibility' for advertising purposes. More specifically, the misrepresentation of an association between Mr Perkins and the respondent eliminated or diminished the prospect of an association between him and some other prospective 'clients'."

and the response to this argument from Heerey J¹⁶

*"This argument assumes that celebrity is a finite resource and that each exploitation, whether authorised or unauthorised, leaves a diminished residue. There may be some force in this if one is speaking of direct endorsements. A celebrity seen to be endorsing an endless range of goods and services would lose credibility. However if it is a case of suggested or indirect endorsement by association (as in *Talmax* [the *Kieren Perkins* case]) there is also the consideration*

that publicity itself is the very thing that sustains celebrity.

All in all, the lost royalty seems the most theoretically satisfactory basis of assessing damage. It is also more likely to be susceptible of rational quantification by probative evidence."

In conclusion the tort of passing off is clearly not suited to protecting celebrity rights. While it is relatively easy for a famous person to establish that they have significant goodwill in the community, the process of demonstrating a misrepresentation is difficult and often requires recourse to the sort of circular legal fiction outlined above. These difficulties are further compounded by the requirement to demonstrate damage which, once again, relies upon public misconception and is also, to some extent, fictitious.

DEFAMATION

It is even more difficult to use the law of defamation to protect personality rights than to use passing off. In part this is due to the fact that the law varies between the states and territories since some apply only the common law, some apply a combination of common law and state law and some apply state law exclusively¹⁷. However the major difficulty with the various defamation laws is the need to show that the impugned material would cause the public to think less of the plaintiff.

It may be possible to show that an association with a product or service is harmful to a plaintiff, as was held in the English case of *Tolley v Fry*¹⁸. In this case Fry, a chocolate manufacturer, used a cartoon of Tolley, a well known golfer, which featured a block of Fry's chocolate in his back pocket. This was found to be defamatory because it implied that Tolley, a strictly amateur golfer, had been paid for the endorsement. Once again this argument rests on the sort of circular legal fiction discussed above and, as in the case for passing off, could not be used if the advertisement made it clear that the person did not consent.

Defamation was also used in the quasi-personality rights case of *Ettingshausen v Australian Consolidated Press*¹⁹. In the case Mr Ettingshausen, a well known footballer, sued for defamation over publication of photograph of him in the shower. He successfully argued that the image damaged his reputation in the

community by implying that he was the sort of person who would consent to having such a photograph published. Again a case that relied on, and thus further reinforced, the public's misapprehension that such consent is required.

Like passing off, defamation law is not really suited to providing the sort of protection sought in cases like *Ettingshausen* and *Tolley*. Although successfully applied, the link to defamation or ridicule is somewhat tenuous. In both cases a sufficiently prominent disclaimer or in the case of *Ettingshausen* a more invasive and thus obviously not approved photograph, would probably remove any basis for action.

TRADE MARKS

Celebrities may seek to register aspects of their personality as trade marks in order to provide protection against their misappropriation. Indeed after the *Kieren Perkins* case Mr Perkins successfully registered images of his face in different orientations as trade marks²⁰. Without any binding precedent in Australia²¹ it is difficult to know how successful such moves will be although a number of difficulties can be foreseen.

Traditionally trade marks exist to denote the origin of goods and services. In Australia the *Trade Marks Act* 1995 (Cth) ("Act") at section 120 requires that any offending use must be use as a trade mark and, except in the case of well-known trade marks, the mark must have been used on goods or services of a similar description. Celebrities may also have difficulties in mounting an action because of the 'intention to use' requirements of the Act.

While it may be possible to argue under the provisions of s120(3)(c) of the Act that a mark such as Mr Perkins' face is a well known image and therefore cannot be used on any goods or services without his consent, such a registration is vulnerable to the argument that while Mr Perkins' face may be well known it is not well known as a trade mark and therefore is not covered by s120(3)(c). Further, even if such an argument were successful it would still be incumbent upon the plaintiff under s 120(3)(d) to show that he has sustained damages as a result of the unauthorised use. This would be difficult without resorting to the sorts of legal fictions already described.

The problem for a plaintiff in a case like this is the requirement to demonstrate that the offending use was, in fact, use as a trade

mark. In many cases celebrity merchandise carries images that are not used in order to indicate the origin of the goods but simply for their own innate appeal.

Some celebrities do use their persona as trade marks in the traditional sense, for example 'Elle Macpherson Intimates' underwear or 'Paul Newman's Own' range of condiments. These trade marks clearly give their owners more protection for their personality rights than they would otherwise have, especially as they may be able to establish that their names are well-known marks under the provisions of s120(3)(c). This protection however still suffers from the requirement that any offending use must be use as a trade mark.

Trade marks legislation suffers from the same weakness as the other areas of law already discussed, it is not designed to protect personality rights and is fundamentally ill-equipped to do so.

CONCLUSION

Although personality rights do not exist in Australia it is long overdue for such rights to be formally introduced. The courts have introduced a de-facto basis for making personality rights claims by extending and distorting the laws of passing off and defamation. The rationale

for doing so, in nearly every case is that the public expects, perhaps out of some notion of fairness or natural justice, that such rights already exist. One of the many problems with this approach is that we are now left with a poorly equipped and inconsistent set of laws that try valiantly to enforce a set of rights that do not really exist. This not only results in difficulties for celebrities wishing to know their rights. It creates ludicrous inconsistencies such as the *Tracey Wickham* case and the *Kieren Perkins* case which tarnish one of the principle ideals of justice - consistency.

Clearly many courts in Australia feel that the law should protect against the misappropriation of one's personality and it is evident that the public assumes such rights already exist. Therefore the debate about whether they are necessary would already seem to be concluded. If we accept that such rights are necessary then surely it is better to enable them through properly drafted and well-thought through legislation than to continue with the present hodge-podge of inconsistent decisions and legal fictions.

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- 1 *Pacific Dunlop v Hogan* (1989) 32 FCR 314
- 2 Heerey P "Character and Personality: Where to for Protection in the Intellectual Property Area?" (1999) *Intellectual Property Forum* 39 at 8
- 3 *Ibid*
- 4 McMullan J "Personality Rights in Australia" (1997) *Australian Intellectual Property Journal* 8 at 86
- 5 *Reddaway v Banham* (1896) AC 199
- 6 *Conagra Inc v McCain Foods (Aust) Pty Ltd* 23 IPR 193
- 7 *Radio Corp Pty Ltd v Henderson* (1960) 60 SR (NSW) 576
- 8 *Olivia Newton-John v Scholl-Plough (Aust) Ltd* (1986) ATPR 40, 697
- 9 *Mclhenny Co v Blue Yonder Holdings Pty Ltd* (1997) 30 IPR 187
- 10 op cit note 2 at p. 13
- 11 op cit note 4 at p. 87
- 12 *Talmax Pty Ltd v Telstra Corporation Ltd* 36 IPR 46
- 13 *Pacific Dunlop v Hogan* (1989) 23 FCR 553
- 14 *Wickham v Association of Pool Builders* (1988) 12 IPR 567
- 15 op cit note 12 at p 53
- 16 op cit note 2 at p 16
- 17 Slater A "Personality Rights in Australia" (2001) 20(1) *Communications Law Bulletin* 12 at 13
- 18 *Tolley v JS Fry & Sons Ltd* (1931) AC 533
- 19 (1991) 23 NSWLR 443
- 20 op cit note 2 at p 10
- 21 Weathered L "Trade Marking Celebrity Image: The Impact of Distinctiveness and use as a Trade Mark" <<http://www.bond.edu.au/law/blr/vol12-2/Weathered.doc>>

The End of Spam?

Nick Abrahams and Colin Chang consider Australia's current approach to spam, and the proposals of a recent NOIE report.

Spam has become enemy number one in enterprise IT. A serious threat to security and productivity, spam is a real headache for networking pros.

Spam is no longer merely an annoyance. The widespread proliferation of spam in recent years now threatens the very viability of email as a communications medium. It has been estimated that as much as 55% of all email traffic now consists of spam¹. According to Brightmail (a vendor of anti-spam solutions), the number of spam attacks detected on its network more than doubled from 2.7 million in the month of January 2002 to over 6 million in the month of January 2003².

Employers hate spam due to its impact on productivity whilst network providers hate spam due to the drain that it places on their limited resources. In a recent

survey by Silicon.com, 82% of respondents reported spending as much as one and a half hours per week dealing with spam³. It is estimated that spam will cost companies more than US\$20.5 billion this year and that this will blow out to more than US\$198 billion within the next 5 years⁴.

It will probably come as a surprise to many that 2003 marks the 25th anniversary of spam. The earliest recorded case of spam dates back to 1978 when Gary Thuerk, a sales representative with DEC, sent an email to every person with an ARPAnet (the precursor to today's Internet) address on the western seaboard of the United States advertising DEC's

latest products⁵. The result was, not surprisingly, a huge groundswell of complaints from within the ARPAnet community.

From these early beginnings, spam has grown to become one of the largest issues facing Internet users today. The attraction of spam to mass marketers is that, unlike traditional mail, it costs no more to send 1 million messages than it does to send a single message. Even if a spammer only receives a positive responses from 1% of recipients, the number of response in absolute terms can prove highly lucrative. In recent years, a whole industry has arisen to combat the increasing spam problem. It has been estimated that