

TRADE MARKING CELEBRITY IMAGE: THE IMPACT OF DISTINCTIVENESS AND USE AS A TRADE MARK

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Celebrity appeal underpins a multi-million dollar merchandising industry. Celebrities are often eager to control the use of their 'personality' and especially their image. Trade marking celebrity image is one avenue available to celebrities who wish to pursue such control. Registration is possible but raises issues both for the celebrity and the legal system. Celebrity trade marks do not generally indicate origin or quality, two traditional functions of a trade mark. The commercial reality of registered celebrity trade marked merchandise is that often it is the trade mark itself that is being bought and sold. Once famous, celebrity marks may not 'distinguish' the product as required for registration under the Trade Marks Act.

If registration occurs, infringement limitations may still arise due to the specific nature of celebrity image marks. In Australia, guidelines exist but a binding precedent that establishes a specific test for infringement of a celebrity image mark does not. It is clear, however, that a registered mark will only provide limited control to the celebrity or trade mark owner, as a celebrity's image may still be used on products simply for its innate appeal, not 'as a trade mark'. The United Kingdom and United States, where infringing use need not strictly be 'use as a trade mark', offer broader protection in this regard.

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Trade Marking Celebrity Image

Trade marks play an important role in today's global marketplace. Celebrity merchandising and product endorsement is becoming increasingly popular. Connect a celebrity to a product and chances are, sales will skyrocket. It seems probable that celebrities will increasingly wish to protect and exploit this valuable asset. There is dispute over whether celebrity popularity or 'fame' should be 'owned' by anyone and whether trade marks should be treated as valuable property in themselves, as they arguably are with celebrity image trade marks.² Regardless, limited ownership of 'personality' in a broad sense, is what trade marks may provide.

Celebrity 'personality' is a somewhat obscure concept. It most typically includes name, image, likeness, voice, signature or other distinctive qualities of an individual.³ This article concentrates on image. It focuses on two aspects of trade marking celebrity image. Firstly, it discusses the problem of 'distinctiveness' in obtaining registration. Secondly, possible limitations on infringement due to use of celebrity image in ways other than 'as a trade mark' are explored. The article overviews Australian authorities on 'use as a trade mark' and attempts to formulate a test that may apply to determine when infringement of a registered trade marked celebrity (image mark) has occurred. It considers the impact the 'use as a mark' constraint has on the protection afforded to celebrities who trade mark their image.

The first half of this article concentrates on the position in Australia while touching on the law of the United Kingdom and the United States. While the latter half of this article also focuses on the Australian position, it additionally canvasses and contrasts the situation in the United Kingdom and the United States. There is particular emphasis on the potential infringement of image marks appearing on merchandising products. Advertising and endorsement are also considered.

There is a much wider range of legal protection available to celebrities wishing to 'own' or protect their image in Australia, most importantly actions such as passing off and misleading and deceptive conduct under the *Trade Practices Act 1974* (Cth).

2 These are two important arguments in regard to whether trade marking of celebrity image is appropriate and legally justifiable. However, debate on these issues is beyond the scope of this article.

3 S Crennan, 'The Commercial Exploitation of Personality', (1995) 8 *Australian Intellectual Property Law Bulletin* 10, 129 at 129.

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An 'in depth' analysis of these provisions is beyond the scope of this article, which deals primarily with the trade mark issues that surround registered celebrity image marks.

Celebrity image is potentially a highly valuable asset. Celebrity endorsement, advertising and merchandising is not surprisingly, becoming more popular in an apparently celebrity obsessed society. Consumers are apparently either more attracted, or solely attracted, to a product because of the celebrity connection. It seems reasonable, therefore, for celebrities to attempt to protect and exploit this valuable asset. Ownership of 'personality' is what trade marks may provide.⁴

A trade mark has traditionally signalled the origin of the product. It often indicated quality and thereby influenced consumer choices.⁵ With some 'personality' products, the celebrity will not be connected in any way to the source or origin of the product and nor will any quality inference attach. When this occurs an image mark will extend a trade mark beyond its intended or traditional function. Regardless, because celebrity 'personality' is so valuable, the issue of 'ownership' arises.⁶ Trade marks are being sought and used as a means of controlling or owning the celebrity personality or image.

Trade marks in Australia, the United Kingdom, the United States and in most jurisdictions around the world that incorporate an intellectual property regime, operate on basically the same fundamental principles. A registered trade mark is essentially designed to protect the goodwill or reputation associated with a product. A trade mark does so by denoting the origin of the goods or service upon which it appears.⁷ So it is that a trade mark has a dual role. 'Apart from indicating

4 Although with trade marks it would be limited ownership in that trade marking will not grant complete control over the use of the image.

5 As raised by S Ricketson, 'Character Merchandising in Australia: Its Benefits and Burdens', (1990) 1 *Intellectual Property Journal* 4, 191 at 192.

6 This point is discussed in depth in A Story, 'Owning Diana: From People's Princess to Private Property', (1998) 5 *Web JCLI*, <<http://webjcli.ncl.ac.uk/1998/issue5/story5.html>>.

7 For example: in the United Kingdom see inter alia the judgment of Lord Justice Aldous in *Philips Electronics NV v Remington Consumer Products Limited*, Court of Appeal, [1999] EWCA 1937; for Australia see section 17, *Trade Marks Act 1995* (Cth); for the United States see inter alia M Lemley, 'The Modern Lanham Act and the Death of Common Sense', (1999), 108 *Yale Law Journal* 1687, accessed via the internet.

the origin of the goods, a trade mark is the well-spring of goodwill and a manufacturer's pledge of quality to his consumer.⁸

Australian legislation states that a trade mark is a 'sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with by any other person'.⁹ A 'sign' includes any 'letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent'.¹⁰ The United States and United Kingdom legislation is similar.¹¹

This intentionally broad definition leaves scope for image to fall within its boundaries. Name, image, signature or other distinctive qualities of personality are potentially capable of being registered as trade marks. The trade marked celebrity 'personality' or image can then appear on merchandising products or be used to advertise or endorse products or services, if these products or services originate with the celebrity. Well-known and much admired Australian model and actor Elle MacPherson provides an appropriate example of such trade mark use. Her name and signature are trade marked. Her successful line of lingerie trades under the label 'Elle MacPherson Intimates'. Trade mark registration for this name is currently pending under category 25 covering articles of clothing, lingerie, underwear, headwear, hosiery and footwear.¹²

Owning Celebrity Image

In Australia, like the United Kingdom, there is no 'right of publicity'. Put simply, other people can use a celebrity's personality without permission. Celebrities do not 'own' their personality, in the sense they do not own the commercial value of their personality. Courts, particularly in England, appear reluctant to grant

8 M Koh, 'The Tort of Passing Off: Life after the UK Trade Marks Act 1994?', [1998] 112 *Trade Mark World*, 25 at 25.

9 Section 17, *Trade Marks Act 1995* (Cth).

10 Section 6, *Trade Marks Act 1995* (Cth).

11 For example, section 1(1) of the *Trade Marks Act 1994* (UK) states: In this Act a 'trade mark' means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.'

12 See TM number 827191: pending as at 10 April 2001 according to ATMOSS – Australian Trade Mark Online Search System.

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merchandising monopolies. As Lord Justice Simon Brown of the Court of Appeal stated in the final paragraph of his judgment in *Elvis Presley Enterprises Inc v Sid Shaw Elvisly Yours*, '[t]here should be no a priori assumption that only a celebrity or his successors may ever market (or license the marketing of) his own character. Monopolies should not be so readily created'.¹³

The United States, however, takes a different view. There, both common law and legislation recognise personality rights, incorporating publicity and privacy rights.¹⁴ The right of publicity essentially means the celebrity's right to the commercial value of their fame. It is considered 'additional to and independent of the right to privacy'.¹⁵ A person's name, image or other aspects of personality cannot be used on merchandise without his or her consent.¹⁶ For example, Vanna White successfully sued Samsung Electronics, when it used a Vanna White look-a-like robot in one of its advertisements, without her permission.¹⁷ This was so despite the fact that no-one could have possibly been confused that the robot was really Vanna.

The issues in the United States are different. There is no necessity that misrepresentation, deception or confusion occur before it will equal misappropriation of personality. The right of publicity, therefore, acts as a means of promoting ownership of image in the United States and generally provides much more control to celebrities than that which is available in Australia or the United Kingdom. However, the right of publicity is not unlimited. The constitutional right to free speech in the United States acts as a counter balance. For example, generally the use of a 'personality' or image in news and media will not breach the right of publicity or privacy, as the right to free speech will override the right of publicity.

While in Australia, no formal personality rights exist, there are options available when seeking to protect or exploit 'personality'. A defamation suit may be available

13 [1999] EWCA 1086 (12 March 1999). Also see H Porter, 'Character Merchandising: Does English Law Recognise a Property Right in Name and Likeness?' (1999) 6 *Entertainment Law Review* 180 at 180.

14 *Introduction to Intellectual Property*, Intellectual Property part 2, <<http://www.scu.edu/law/FacWebPage/Glancy/html/ip2.html>> at 5.

15 See H Stallard and J Dennis, 'Personality Rights – the Contrasting Approaches of the US and the UK', [1999] *Intellectual Property Forum* 37, 16 at 17.

16 *Introduction to Intellectual Property*, Intellectual Property part 2, <http://www.scu.edu/law/FacWebPage/Glancy/html/ip2.html> at 5; also *Personality Rights and Privacy*, Theodore Goddard Legal Briefing, <http://www.theogoddard.com/law001.htm>

17 *White v Samsung Electronics America Inc*, 971 F.2d 1395 (9th Cir. 1992).

to a celebrity if the use of the merchandise was considered derogatory to the individual. This type of action is, however, likely to be expensive, complex and often difficult to prove. An action in passing off or under the *Trade Practices Act 1974* (Cth) for misleading or deceptive conduct may be available. These measures essentially come into force if consumers would be confused or misled into thinking there was endorsement or connection to the product.

Paul Hogan provides us with two good examples of successfully protecting 'personality' through extended actions in passing off. Hogan was able to stop an advertisement for Grosby shoes because it involved a caricature of the Crocodile Dundee character,¹⁸ and was likewise able to refrain certain retailers from operating under the name Dundee Country and using a depiction of a 'Crocodile Dundee' koala bear.¹⁹ His lawyers successfully argued that the use of the Dundee character would mislead consumers into assuming there was a commercial association between Paul Hogan and the merchandisers.²⁰

Actions in passing off can, however, involve burdensome evidential requirements, such as requiring proof of a reputation, some form of misrepresentation and damage to the celebrity. For these reasons, amongst others, celebrities may seek to trade mark their personality or image both as an alternative means of protection and as a means of control over the use of this potentially lucrative commodity. Registration of the trade mark is the first step for the celebrity who wishes to pursue this avenue. The legal system appears to have adapted to meet this specific type of mark, though there are implications for both the celebrity and a legal system that justifies protecting celebrity image by use of trade marks.

Registration issues: the need for distinctiveness

As stated, a trade mark's traditional function is to distinguish goods by signifying 'the origin of goods or services and [it] may say something about their quality, as well as serving to advertise the product'.²¹ Section 41(2) of the *Trade Marks Act 1995* states that

18 *Pacific Dunlop Ltd v Hogan* (1989) 87 ALR 14.

19 *Hogan v Koala Dundee Pty Ltd* [1988] ATPR 40-902.

20 This is labelled as an 'extended action' because it is one in which the passing off claim extends to goods of a different kind. See M Alderson, 'Privacy and publicity – whose life is it anyway?', (1996) 9 *Australian Intellectual Property Law Bulletin* 7, 110 at 111 - 112.

21 J McKeough and A Stewart, *Intellectual Property in Australia* (2nd ed, 1997) 419.

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an application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered...from the goods or services of other persons.

In its simplest form a trade mark serves to 'distinguish the goods or services of the enterprise from those of another'.²²

Consumers commonly, though perhaps not consciously, recognise this function. From cars to chocolate, Ford to Cadbury, the product is purchased with the consumer knowing, in a general sense, its origin. Quality expectations will often attach to the product because of the goodwill associated, through trading reputation, to the mark. It can be one and possibly the main reason for the purchase. Consequently, '[t]he value of the mark does not arise from its own inherent appeal but arises because the mark has conveyed 'the desirability of the commodity upon which it appears''.²³

Celebrity personality marks can fit within this traditional function. For example, with Paul Newman's spaghetti sauces and salad dressings, his face on the label and his signature, clearly act as a badge of origin by indicating the source of the product. It goes beyond mere endorsement of another trader's product. This type of personality or image mark therefore sits neatly with the traditional trade mark function of indicating the product's origin.

However, not all use of celebrity image or 'personality' on products will fall within these boundaries. Some celebrity images will appear on products that do not in any way stem from the celebrity. In these situations, the image, rather than acting as a badge of origin, is used for its innate appeal, or acts as either a form of decoration, or simply makes the product appealing by implying some form of connection with the celebrity. In these cases, if the image is trade marked, it would extend well

22 Also see A Terry, 'Proprietary Rights in Character Merchandising Marks', (August 1990) *Australian Business Law Review*, 229 at 239. He adds 'to represent the goodwill of the trade mark owner' to his list of trade mark functions. Also highlighted by s17 *Trade Marks Act 1995* (Cth).

23 See generally M Kennedy, *A Marriage of Inconvenience? Character Merchandising and the Trade Marks Act (1989)* 63 *Law Institute Journal*, 1150 at 1150 quoting from *Michawaka Rubber & Woollen Manufacturing Co v SS Kresge Co* 316 US 203, 205 (1942), per Frankfurter J.

beyond the traditional function of a trade mark. Whether this is appropriate is open to debate. Difficulties may also arise with proving infringement with this type of celebrity mark because its use is different to the traditional function of a trade mark. This issue is discussed in the second half of this article.

Either way, celebrities who do wish to trade mark their 'personality' within the more traditional confines or the wide trade mark application, may find obstacles to registration. The concept of 'distinctiveness', akin to the requirement of indicating origin, is a necessary threshold to be reached before obtaining registration under Trade Marks legislation in both Australia and the United Kingdom. Two recent English decisions, including one of Princess Diana memorabilia, highlight the difficulty of being 'distinctive' in the trade mark sense, once famous.

The Princess Diana case

The issue of 'ownership' of personality arose in England with the death of Princess Diana. Diana memorabilia worldwide has been estimated to be worth over \$250 million.²⁴ It was only after her death that the question of ownership of intellectual property rights in her personality arose. After her death, however, the question arose of whom, if anyone, owned intellectual property rights in her personality.²⁵

Diana's estate handled the issue in the following way. With court approval, Diana's will was varied and intellectual property rights were assigned to her sons, William and Harry.²⁶ In turn, her sons transferred some of these rights to the Diana, Princess of Wales Memorial Fund (the 'Fund').²⁷

The Fund sought to trade mark 52 photographs of her (26 colour and 26 black and white), and her signature.²⁸ The Fund also stated it had copyright in her name, 'Diana, Princess of Wales'.²⁹ The Fund then endorsed several Diana products. The first two chosen were tubs of Flora margarine bearing the Diana logo and lottery

24 B Lyons, 'Diana, Princess of Wales – an IP retrospective', (1998) 11 *Australian Intellectual Property Law Bulletin* 3, 31 at 31.

25 Story, above n 6 at 2.

26 Ibid. This must have been done on the assumption that these rights belonged to Diana and were transferable.

27 Ibid.

28 Ibid.

29 Ibid.

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Diana scratchcards.³⁰ It was recently reported that another 1,000 licensing deals were being considered.³¹

Meanwhile the Fund commenced several law suits against traders for infringement of copyright. In one of the first cases, the Diana Memorial Fund case, the Fund sued a United States company that was using 'Diana, Queen of Hearts' and 'Diana' as marks for its Diana dolls and ornaments.³² However, the Fund was unsuccessful in its claim that California's right of publicity had been infringed. It was English not US law that applied due to Diana had been domiciled in Britain during her lifetime.³³ The decision confirmed that England does not recognise a right to publicity.³⁴

This is, however, a separate issue to the question of whether the photographs of Diana, her name and signature could be registered as trade marks. The registration of the photographs was refused by the Trade Marks Office. The obstacle the Fund faced in registering the trade marks was attempting to show that use of Diana's personality distinguished the goods of the Fund from that of other traders, as required by trade marks legislation. The reasoning in the Elvis Presley case highlights the problem.

The Elvis case

Elvis Presley Enterprises Inc ('EPEI') is responsible for selling Elvis merchandise in the United States.³⁵ In 1989 EPEI filed to register the words 'Elvis', 'Elvis Presley' and 'Elvis A Presley' as a signature in the United Kingdom for toiletries and cosmetic products.³⁶ Mr Sid Shaw sold, amongst other goods, soap within which Elvis Presley's image appeared, 'like a stick of rock...right through the bar'. Mr Shaw opposed the EPEI trade mark applications, because he wanted to continue to

30 Ibid.

31 Ibid.

32 Above n 15 at 16.

33 Ibid.

34 Ibid.

35 B Cordery and J Watts, 'Character Merchandising - All Shook Up?', [1999] *Entertainment Law Review* 5, 155 at 155.

36 Ibid.

use the Elvis name.³⁷ Mr Shaw had earlier been granted a trade mark in the name 'Elvisly Yours' in relation to toiletries.³⁸

The English Court of Appeal confirmed that the names 'Elvis' and 'Elvis Presley' could not be registered as trade marks because they did not distinguish the goods of one trader from another.³⁹ It was held that Elvis Presley products 'were not associated with any particular manufacturer and did not serve to designate the origin of the goods'.⁴⁰ In other words, when a consumer buys an Elvis Presley product, it is because it bears the name or image of Elvis Presley, not because 'Elvis' is a badge of origin or guarantee of quality.⁴¹ The image of Elvis in the soap was 'decoration' in the broad sense. People bought the soap for the simple reason that Elvis' image was part of the product. Consumers were attracted to Elvis as a personality, and therefore attracted to the soap.

The distinctiveness requirement is arguably the reason the United Kingdom's Trade Marks Office refused to register Princess Diana's image. No reasons were published as they cannot be published without the authority of the applicant, which was not forthcoming. The decision was, however, reached by applying s3.12.10 of the Trade Marks Registry Manual, 'Pictures of famous person (living and deceased)'. Under this manual, examiners are required to consider whether the image will be taken as a trade mark for such goods or services.⁴² The manual also states that

the public is unlikely to regard a picture of a famous person as indicating the origin of souvenirs or memorabilia relating to that person. This will be particularly so (but not limited to) situations where other traders were, before the date of application, already producing souvenirs and/or memorabilia (even if not of the same type as the applicant's goods) celebrating or commemorating the works or life of the famous person whose picture is the subject of the application.⁴³

37 Ibid; Also see K Kilgour, *Elvis in Court: Character Merchandising*, (15 August 1997) <<http://www.heskethenry.co.nz/-hh/elvisin.htm>>.

38 Above n 35.

39 *Elvis Presley Enterprises v Sid Shaw Elvisly Yours*, [1999] EWCA 1086.

40 Above n 13.

41 Above n 35 at 156.

42 <[http://www.patent.gov.uk/dtrademk/manual/chapt6/sec3\(12\).pdf](http://www.patent.gov.uk/dtrademk/manual/chapt6/sec3(12).pdf)> at p63 (7.6.00)

43 Ibid.

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Therefore ultimately and somewhat ironically, if a celebrity wishes to protect the commercial value of their personality by trade marking their image, they should do so before they become too famous. If not, the requirement of distinctiveness may be difficult to achieve. However, it is likely that the context of the product in question will be highly relevant to the determination of whether there is sufficient distinctiveness to meet the trade mark threshold. It would seem difficult to persuade a court, as a hypothetical example, that golf clubs actually designed and produced by Greg Norman did not indicate origin because he is already too famous. The range of Paul Newman products on the supermarket shelves provides a good example of being a sufficiently distinctive trade mark, despite international fame.

The distinctiveness requirement will not necessarily so restrict other aspects of personality use. For example a signature, such as that of Australian sports celebrity Kieren Perkins, would still be capable of being registered as a trade mark despite his fame. As a general rule, signatures are by their nature inherently distinctive.⁴⁴

While the Paul Newman example discussed so far fits neatly within the boundaries of the traditional trade mark function, many other celebrity image marks arguably cross the line. As raised earlier, the celebrity image itself can often make the product appealing, regardless of origin or quality.⁴⁵ In these cases, the celebrity image on merchandise really becomes part of the product itself. In some cases, the image may really be the only reason why consumers purchase the product. For example, a decorative plate of celebrity images may be the sole reason for purchase. The array of Princess Diana memorabilia provides good examples. The trade mark is no longer a label of origin. In these cases, it is clearly arguable that it is the trade mark itself, that is being bought and sold. The value of the mark consequently arises from its own inherent appeal, rather than because it indicates origin, source or quality.

The distinction to the traditional function is clear. As celebrity image marks really act as the product rather than add value through denoting the origin, it is arguable that image marks stretch the function of trade marks beyond their intended and proper use. This article, however, focuses on the position once the personality or image is trade marked. How the image is used is not only central to registration but

44 Above n 21 at 435 citing *Parison Fabric Ltd's Application* (1949) 66 RPC 217 at 223.

45 Above n 23 at 1150.

also to possible infringement of the mark. It may therefore be the reason why it is not possible to register some images as trade marks.

If registration does occur, the next issue for the celebrity is the use of the trade marked image, by other traders. According to the Australian statute, the use must be 'use as a trade mark' to infringe. What amounts to use as a mark is therefore an important aspect if a celebrity is to control the use of his or her image.

When is use of celebrity image, use as a trade mark?

The Australian position

Generally speaking, trade mark infringement will occur if a substantially identical or deceptively similar sign is used on goods or services in respect of which the trade mark is registered, or on similar goods, 'as a trade mark'.⁴⁶ No celebrity image mark cases have yet come before the courts. Consequently, no binding precedent exists in this area. It is therefore uncertain what test will apply to determine what is, or is not, use as a trade mark specifically for this niche trade mark. Some insight into the test likely to apply, however, may be gleaned from examining some leading Australian cases. The following summary and analysis of the leading Australian cases is therefore taken in an attempt to formulate a possible test for image marks based on the current criteria for use as a mark infringement.

Shell v Esso

In *Shell Co of Australia v Esso Standard Oil (Australia) Ltd*,⁴⁷ the issue was whether the use of a 'humanised oil-drop' in television commercials infringed the plaintiff's trade mark in the oil-drop caricature. In the leading judgment, Justice Kitto emphasised the importance of the context in which the mark appears. The essential question was, would television viewers think that the oil-drop distinguished Shell petrol from other petrol in the course of trade. Justice Kitto concluded that there was nothing in the use of the on-screen character to suggest it did. Therefore, while the oil-drop may have been deceptively similar to the mark, its use in this context, did not amount to infringement.

46 Section 120 *Trade Marks Act 1995* (Cth).

47 (1963) 109 CLR 407.

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The Kettle Chip case

In 1996 in *Pepsico Australia Pty Ltd v The Kettle Chip Co Pty Ltd*,⁴⁸ the word 'kettle' was in dispute. It appeared on packets of potato chips manufactured by both parties, but in different ways. Again, the context and detail was the crux of determining if a breach had occurred. The defendants used the term 'Kettle Cooked Potato Chips' on chips they sold. The issue before the Court was whether the word 'kettle' had been used in a descriptive sense or as a mark.

Justice Sheppard noted that the exact setting of the words was important. Here, 'Kettle Cooked Potato Chips' appeared in smaller print underneath the words 'DOUBLE CRUNCH' and below the brand 'THINS'. Thus, much more emphasis was placed on the words 'double crunch', than the word 'kettle'. Neither appeared as prominently as the brand name 'THINS', further diminishing the impact of the word 'kettle'. Consumer impression was ascertained by examining the detail of the potato chip packet. Justice Sheppard warned, however, that there was danger in trying to overanalyse the hypothetical purchaser impression, as he considered that many consumers simply would not have any thoughts on the matter.

Justice Lockhart noted that whether or not the use amounted to use as a mark involved a fair degree of impression. As no evidence was given at trial, as may often be true in cases of this type, the court was required to act as the hypothetical consumer. His Honour stated that determining consumer impression should be done on a common sense basis. On analysing the detail of the packet, the judge decided the words were used to describe the cooking process, and were not used as a mark.

Justice Sackville in an in-depth analysis on 'use as a mark' cases, confirmed that the impression given is vital. Impression, the judge said, is determined by examining the context in which the allegedly infringing material appears, and its consequential effect on potential purchasers. Potential purchasers were divided into several categories with considerable emphasis placed upon attempting to ascertain what these prospective consumers would think. If the use of the word or words in issue would give hypothetical consumers the impression that these words somehow indicated the origin of the product, then this would amount to use as a mark that may result in infringement. If not, even if some benefit was gained through the use of the word because of its connection to the other party's product,

48 (1996) AIPC 91-213.

as was potentially the case here, that is not sufficient to amount to an infringement or use as a mark. Unless the use suggests origin, it is not 'use as a mark'.

The full Federal Court, therefore, held that the use of the term 'kettle' in the manner used by the defendants did not infringe The Kettle Chip Company's trade mark of the word 'kettle'.

The Pritikin case

In *Berzins Specialty Bakeries Pty Ltd v Monty's Continental Bakery (Vic) Pty Ltd*,⁴⁹ the issue was whether the use of the word 'Pritikin' in the label, 'Pritikin style bread' was use as a trade mark. The most important factor in deciding it did amount to an infringement, was that in the context of the labelling, the word 'Pritikin' was substantially larger than the other words.

Johnson & Johnson

In *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd*⁵⁰, the courts permitted the use of the trade marked word 'caplets' to be used on the defendant's identical product. The court concluded the word was descriptive in the sense that it indicated only the form or shape of the product, and therefore did not act as a badge of origin.

Philips v Remington

In *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd*,⁵¹ Phillips manufactured and sold electric shavers. At issue was the use of a three dimensional shape as a trade mark. Justice Lehane confirmed that the general test to be applied was the one found in the *Shell* case. He also highlighted that shape, being different to words or devices, may require separate considerations in determining whether a consequential use of the shape is use as a trade mark. Ultimately, similar considerations did apply in this case. The court concluded that emphasis of the triangular shape did not necessarily suggest a distinctive association with Remington. Several aspects of the brochure and advertisement referred to the shape

49 (1987) APIC 90-427.

50 (1991) 12 IPR 1.

51 [1999] FCA 816.

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and its beneficial qualities. However, this did not denote origin and therefore was not use as a trade mark.

Philips appealed for infringement of its trade mark, also raising issues of designs law, passing off and s52 of the *Trade Practices Act 1974* (Cth).⁵² The appeal court, consisting of Justices Burchett, Hill and Branson, in dealing with the trade mark issue commented that while the shape of the product was capable of registration as a trade mark, the shape of the rotary heads had an additional purpose to that of use as a mark. Here, the shape was a vital feature of the function of the product. Other traders were also entitled to use the shape to denote the function of their product, as this was not use as a trade mark. Consequently there was no infringement of Philips' trade mark.⁵³

Overall, the cases suggest the following test of infringement:

- (a) Whether or not infringement has occurred will depend upon the context in which the use of a given trade marked word or image appears.
- (b) Detailed examination of the allegedly infringing material will be required.
- (c) In the absence of evidence in this regard, the court will place itself in the position of the potential purchaser and adopt a common sense approach to ascertain the impression.
- (d) The impact on potential purchasers must amount to an impression as a badge of origin for infringement to occur.

Detail and context in which the word or image is used is the most important factor in determining the impression given to a potential purchaser. Only use that indicates origin will amount to use as a trade mark. Other parties are free to use the celebrity image as long as it does not act as a badge or origin. With celebrity images it is readily apparent that many other possible uses of image could occur, decoration being just one option.

52 *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* (2000) FSA 876 (30 June 2000).

53 See Treveor Stevens' casenote, *Intellectual Property Forum*, Iss 42, September 2000 at 55 – 56.

To apply this criteria to image marks it is necessary to divide image marks into the two distinctive areas of

- (1) celebrity advertising and endorsement, and
- (2) celebrity merchandise

The latter is the product, the former the service behind the product. The difference impacts on the application of the test.

Application to Celebrity Advertising and Endorsement

As stated, for a trade mark to serve its traditional purpose, it must indicate the origin or source of the goods. Use of a trade mark by another must do the same for infringement to occur. Applying these considerations specifically to the area of celebrity advertising and endorsement can be difficult. Not only is it the difference of image marks to traditional marks, discussed earlier that come into play, but the additional complication of this type of mark. With advertising or endorsement, it is the advertising service that is trade marked. The issue therefore appears to be whether or not the use of the celebrity image gives the impression that the celebrity is the source of advertising service. The impression does not need to imply that the celebrity is the source of the merchandise. This may cause some awkward analysis.

What is it about an advertisement that will indicate the celebrity is the advertising source, rather than is simply endorsing a product or has some other connection to the product? The product will be the focus of the advertisement and therefore the consumer's impression will almost surely relate to the product, not the advertising service behind the product. Consumers are additionally unlikely to give much, if any, thought to the matter.

The current test arguably requires potential consumers to distinguish between a celebrity advertising a product that does not stem from their own advertising services, and a celebrity advertising a product that does stem from their own advertising service. This appears to be an unworkable test to apply to advertising and endorsement.

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The general public is today familiar with the prolific nature of celebrity endorsement and sponsorship.⁵⁴ One might argue, therefore, that if a celebrity has trade marked their image for advertising services, any unauthorised use of their image or personality is sufficient for advertising purposes to falsely imply a celebrity's sponsorship or connection to the *product*. However, this still does not go so far as to imply that the celebrity's advertising *service* is the source of the advertisement. It would need to suggest the latter to be 'use as a mark'. If not, and mere consumer impression of celebrity connection to the product or service was sufficient, it would significantly increase the current scope of what is considered 'use as a mark'. As discussed later, expanding in this way would bring the Australian position closer to that in the United States and the United Kingdom.

Application to Celebrity Image Merchandise

Trade marked images that appear on goods may rest a little easier with the current test. There are, however, also difficulties in this area. Some trade marked celebrity images, function in the same way as traditional marks, an example already raised being Paul Newman's image on his range of supermarket produce. This clearly denotes the origin of the product. However, the use of celebrity image on products will often not denote origin but be used by a manufacturer to simply take advantage of the innate appeal of celebrity merchandise. Images appearing on badges and t-shirts provide two examples of such likely use.

To determine whether another's use of the image is use as a mark, our current law states that the context in which the celebrity image appears will be the fundamental consideration. Application of this principle may be unfavourable to the celebrity. Take for example, a large box of chocolates upon which the faces of some of our celebrated Olympic athletes appear. It may be difficult to argue that these images indicate the origin or source of the product. Consumer impression is likely to be, on a common sense analysis, that these images are merely decorative on a product that stems from a quite separate manufacturer. This is even more likely if multiple, rather than singular, Olympic faces decorate the box. If the impression does not denote the product's origin, then arguably even a celebrity whose image is trade marked, could not stop the use in this way, as it would not be use as a trade mark.

54 The Australian courts also accept this is the case, as seen in *Hogan v Koala Dundee Pty Ltd* (1988) 10 ATPR 40-902 and *Pacific Dunlop Ltd v Hogan* (1989) 11 ATPR 40-948.

In Australia, therefore, trade marking of image may well offer limited ownership to the celebrity. However, it does not automatically allow a celebrity to monopolise the use of their image. It will not stop another's use of their image in a variety of ways, as long as that use does not denote the origin of that merchandise.

The United States

The United States offers higher protection to the celebrity than either the United Kingdom or Australia, by virtue of privacy rights and more particularly, publicity rights. These exist both in statutes and at common law.⁵⁵ Celebrities are therefore likely to be less reliant on registered trade marks for protection within the United States.⁵⁶ A federal statute, known as the *Lanham Act*,⁵⁷ is the main source of US trade mark legislation.⁵⁸ Individual states also offer separate and additional trade mark protection.⁵⁹ Both sections 32(1) and 43(a) of the *Lanham Act* are relevant. Section 32(1) covers registered trade marks. Section 43(a) covers both registered and unregistered trade marks. Section 43(a) was amended in 1988 through the *Trademark Law Revision Act*, with the effect that both sections are similar in their nature and protection.⁶⁰

Section 32(1) makes defendants

liable for trade mark infringement when they 'use in commerce, any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with a sale...or advertising of any goods, or service or in

55 For general discussion on the topic, see inter alia, E Goodman, 'A National Identity Crisis: The Need for a Federal Right of Publicity Statute', *Journal of Art and Entertainment Law*, (Spring 1999) 227 (accessed via the internet, 6.10.2000) and 'Ornamental Use of Trade Marks: The Judicial Development and Economic Implications of an Exclusive Merchandising Right', *Tulane Law Review* (April 1995) 1311 (accessed via the internet: 6.10.2000).

56 Celebrities are more likely to turn to trade mark legislation if publicity rights under state law fail to provide protection: see E Goodman, *ibid*.

57 15 USC 1051 – 1127.

58 See especially section 32(a) of the *Lanham Act*, 15 USC for registered marks and section 43(a) of the *Lanham Act* for unregistered marks.

59 'Modern Forms of Intellectual Property in the United States', *Intellectual Property Part II, Introduction to Intellectual Property*, <http://www.scu.edu/law/FacWebPage/Glancy/html/ip2.html> (accessed 22.10.99)

60 M Bender & Co, *Trade Mark Protection and Practice*, Vol 2, Chapter 7, (accessed via LEXIS on 15 November 2000)

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connection with which, such use is likely to cause confusion or to cause mistake or to deceive.⁶¹

Section 43(a) of the *Lanham Act*, dealing with infringement, states inter alia:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –

- is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services or commercial activities by another person, or
- in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.⁶²

This section was originally interpreted to forbid 'passing off'.⁶³ It has now expanded to cover false or misleading statements, or false or misleading impressions of designation of origin, sponsorship or approval, and as stated, covers both registered and unregistered trade marks.⁶⁴ Infringement will essentially occur if 'someone other than the trade mark owner uses a mark similar to the trade mark to identify competing goods'.⁶⁵

Steven Cordero notes that originally:

61 S McEvoy, 'Pirone v Macmillan Inc: Trying to Protect the Name and Likeness of a Deceased Celebrity Under Trade Mark Law and Right of Publicity', (1997) 19 *Communications and the Law*, 51 at 55, above n 16; 15 USC 1114(1).

62 15 USCA. 1125(a), section 43(a).

63 S Cordero, 'Cocaine-Cola, the Velvet Elvis, and Anti-Barbie: Defending the Trade mark and Publicity Rights to Cultural Icons', *Fordham Intellectual Property*, (Winter 1998) *Media and Entertainment Law Journal*, 599 (accessed via the internet, 6.10.00)

64 Ibid.

65 Above n 59.

a trade mark owner's right to prevent another's use of the mark extended only to situations in which consumers were led to believe that the owner's product originated with the trade mark owner...In the last twenty years, the doctrine has expanded...to forbid unauthorised uses that elicit a public perception of the trade mark owner's approval or sponsorship...consumer confusion remains the basis for legal protection afforded to trade mark owners.⁶⁶

Unauthorised use of a trade mark in the United States will not have to be 'use as a mark' to infringe. It will be sufficient if confusion arises as to origin, approval or sponsorship, with any type of unauthorised use. Confusion as to approval or sponsorship, is a wider concept than the Australian requirement that the impression denote the origin of the product or service. The protection afforded under the *Lanham Act*, is therefore wider than that offered under the Australian trade mark legislation.

However, this does not mean that any use of a celebrity image will infringe a trade mark, as shown by the case of *Pirone v Macmillan Inc.*⁶⁷ In this case, the daughters of the famous baseballer, Babe Ruth, tried to prevent the use of their father's image in a calendar. Babe Ruth's image appeared three times in amongst many baseball-related images, including photographs of other players. The daughters claimed unfair competition, the right of publicity and trade mark infringement. The daughters had trade marked the name Babe Ruth. One issue that arose was whether the images that appeared could be considered a 'colorable imitation of Ruth's registered mark'.⁶⁸ The daughters failed to convince the court of this argument. The court further found that 'even if Ruth's daughters could show that they had established a trade mark in a particular pictorial representation of their famous father, it would not cover *all* pictures of him taken during his career'.⁶⁹

The court also addressed use of well-known images by others and noted that the use of famous sports stars in a calendar is use that primarily identifies famous figures. Use of image in this way is not a trade mark infringement.⁷⁰ The court applied the test of consumer confusion *as to the source of the goods*, but stated that

66 Above n 63. This focus is similar to the actions of passing off and the relevant section preventing misleading and deceptive conduct in Australia.

67 894 F.2d 579 (2d Cir. 1990); See casenote by S McEvoy, above n 61.

68 Ibid at 55.

69 Ibid at 56.

70 Ibid at 58.

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confusion of sponsorship or approval would suffice.⁷¹ On application of the test, the court concluded that because Ruth was only three images amongst many others featured in the calendar, consumers would not believe sponsorship occurred.⁷²

The United Kingdom

The United Kingdom's legislation is relatively new and implements Council Directive No 89/104/EEC specifically so that the new laws accord with the trade mark laws of the Member States of the European Union.⁷³ Some writers in the United Kingdom have suggested that image is not capable of registration.⁷⁴ However, celebrity image is potentially registrable.⁷⁵ The United Kingdom Trade marks Registry Manual, Chapter 6, notes that pictures of famous persons involve complex issues but are registrable if they will be taken as a trade mark for goods or services, and if the public are likely to regard the picture as indicating the origin of the souvenirs or memorabilia.⁷⁶ The necessity that the image be 'distinctive' in this sense, may provide difficulties for celebrities in obtaining registration. However, it will not automatically prevent registration. It involves separate issues, similar those raised in Australia, discussed in the first half of this article.

Trade marking of personalities has occurred in the United Kingdom and image has been successfully trade marked.⁷⁷ The image must still denote the origin of the product.⁷⁸ Racing car driver, Damon Hill, has trade marked the 'image of his eyes looking out from the visor of his racing crash helmet'.⁷⁹ The pop group the Spice Girls have several trade mark applications.⁸⁰ Princess Diana did not trade mark her

71 Ibid at 58 – 59.

72 Ibid at 59.

73 *Trade Marks Act 1994* (UK); also see the judgment of Lord Justice Aldous in *Philips Electronics NV v Remington Consumer Products Limited*, Court of Appeal, [1999] EWCA 1937.

74 P Jones, 'Manipulating the Law Against Misleading Imagery: Photo-montage and Appropriation of Well-known Personality', [1999] *European Intellectual Property Review* 1, 28 at 30.

75 See Chapter 6 – Examination, *The Trade marks Registry Manual*, UK at 63.

76 Ibid.

77 M Antingham, 'A Fortune Out of Fame: Personality Rights in the UK', (1999) 120 *Trade Mark World*, 25 at 26.

78 Ibid.

79 Ibid.

80 Ibid.

image. As discussed earlier, after her death, the Diana, Princess of Wales Memorial Fund unsuccessfully attempted to trade mark, inter alia, fifty-two photographs of her.⁸¹ It is likely that the registration was refused because Diana's image was not sufficiently distinctive in the sense that the mark would not denote the origin of the product.⁸²

However, Princess Diana, probably the most photographed woman in the world, provides an example of why issues arise even if trade marking of photographed images is successful. 'It would be very difficult (not to mention expensive) to protect by registration all the different combinations and series of images that would be needed to secure a monopoly.'⁸³ It is only the actual photograph or image trade marked, or one that is deceptively similar to it, that gains protection under trade mark law.⁸⁴ This is also the case in Australia and the United States.

The relevant provision in the United Kingdom's *Trade Marks Act 1994* is section 10, which states, inter alia, that infringement of a registered trade mark occurs, if a similar mark is used on goods where it is likely to cause confusion on the part of the public, including the likelihood of association with the trade mark.⁸⁵ Similar to the position in the United States, consumer confusion becomes a focus of infringement. There is no mention of the old requirement that the use be 'use as a mark' before infringement will occur.

While judicial authority in Australia is still heavily reliant on case law prior to the 1995 Australian act, the United Kingdom judiciary appears not to consider itself bound by its old law.⁸⁶ An interesting case comparison on 'use as a trade mark' is the *Philips v Remington* case.⁸⁷ The same fact scenario, discussed earlier in the Australian context, came before the courts in the United Kingdom. The result on whether Remington's use was 'use as a mark', however, was somewhat different. In a decision of the Court of Appeal, Lord Justice Aldous stated that the new United Kingdom legislation no longer required infringing use to be use as a trade mark. He

81 Above n 6 at 2.

82 Based on reasoning in *Elvis Presley Enterprises v Sid Shaw Elvisly Yours*, Court of Appeal, 12 March 1999.

83 Above n 77 at 26.

84 Ibid.

85 Section 10(1) – (6) of the *Trade Marks Act 1994* (UK).

86 See the judgment of Lord Justice Aldous in *Philips Electronics NV v Remington Consumer Products Limited*, Court of Appeal, [1999] EWCA 1937.

87 [1999] EWCA 1937.

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stated that the legislation provided 'a comprehensive list of the exclusions that were thought appropriate. That being so, any use not falling within that list will infringe, whether or not it is trade mark use.'⁸⁸

While the judges comments are obiter, as the infringement dispute did not in the end need to be decided, it would appear to be the principle that will prevail. By removing the restriction that the use must be 'use as a mark', the United Kingdom legislation enlarges the control granted to the celebrity who trade marks their image, to that which is available in Australia, in at least this respect.

Conclusion

The role of trade marks may require reevaluation in respect to their application to celebrity image marks. If famous faces or parts or derivations thereof, become trade marks, the traditional value of the mark is extended. Celebrity personality marks, particularly images, are often in effect the product itself. Trade marks themselves were intended to distinguish the product, not be the product. Therefore non-traditional celebrity image marks, when used for purposes other than indicating the origin or source of the product or service, arguably stretch the purpose of trade marks beyond the point where legal protection is justified. If legal protection should be granted to celebrities, perhaps this should be accomplished through other measures, rather than by blurring the legal role of trade marks.

Whilst celebrity image marks are potentially registrable and with the continuing popularity and growth in the celebrity merchandising industry, it would seem likely that cases will come before the courts to test the boundaries of what use another may make of a celebrity's image. No precedent exists in Australia that formulates an exact test for determining when the use of celebrity image will infringe another's image mark. It may be both necessary and appropriate to reach beyond the considerations so far addressed in 'use as a mark' cases, in order to satisfactorily meet the celebrity image mark niche. Cases do suggest, however, that Australian courts may be reluctant to expand the current 'use as a mark' interpretation to uses beyond that which denote origin.

Ultimately, the likely consequence is that only limited protection is available to the celebrity who trade marks their image, due to the constraint that another's use be 'use as a mark' before infringement will occur. No such restriction applies in either

88 Above n 86. For legislation see particularly sections 9 – 11 of the *Trade Marks Act 1994* (UK) and Article 6 EC Trade mark Approximation Directive.

the United States and the United Kingdom. In this respect, both countries provide broader control and protection to the celebrity wishing to exercise ownership of their image.

In all the jurisdictions discussed, however, trade marking of image has major limitations if the celebrity is looking for a more general control over the use of their image. One of the most restrictive elements as mentioned, is that with images or photographs, it is only that particular image or one deceptively similar to it that attracts protection. Other images or photographs will be open to exploitation by others. On the other hand, trade marking of image will possibly act in itself as a deterrent to others considering unauthorised use of a celebrity image, as even the prospect of possible litigation is undesirable. It appears that most corporations do seek authorisation before using celebrity image. The large proportion of income often earned by celebrities from merchandising, endorsement and related rights, in countries with seemingly little legal protection attests to this reality.⁸⁹

While trade marking image may offer only limited control, this article does not suggest that Australia's protection is thereby inadequate, nor that Australia should expand its trade marks law and increase the protection provided by trade marks to celebrities. Proper legal analysis and justification of such expansion and protection is required to reach a conclusion on this point, and this examination has not occurred in this article. Other actions available in Australia, such as passing off and those available under *Trade Practices Act 1974*, supplement the trade mark protection available for the unauthorised use of a celebrity's image. Protection of celebrity image per se, is not the role or function of trade marks.

Celebrities wishing and intending to start their own line of merchandise or advertising service are well advised to trade mark their personality, particularly their name, signature and if appropriate, their image. It will serve to designate the true origin of their product and is likely to protect them from exploitation of other imitation traders. It is this use that trade marking is both suited to and designed for. Australian celebrities in particular should, however, be aware that while trade marking their image will grant them partial ownership and control of this economically valuable asset, it will not in itself prevent another's more general use of their image.

89 It is not just celebrities in the United States where greater protection exists via personality rights, that can realise the majority of their income through such related, rather than primary activities.