MERCHANDISING FAME

or

What can a celeb do these days to cash in on fame (legally)?

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The market

It is commonly thought that the level and intensity of interest in celebrities today is higher than it has ever been. Whether or not that is so, there is unquestionably a substantial and varied industry devoted to the creation and marketing of fame. There is in commercial circulation a huge volume of information and artefacts of about or relating to those who have achieved fame in sport, entertainment, the media, even politics.

For many consumers of this material what matters most, no doubt, is the nature and quality of it, its availability and price. How good are those wedding pix of the Hollywood couple? Are they exclusive? Can I get that Elvis mug? Is it china or plastic? Where do I get one? Has my friend got one the same? How much?

For the celebs to whom this material relates or is connected, the agenda is likely to be rather different. Personal privacy may sometimes be a genuine concern, but genuinely reclusive celebrities are thin on the ground. Reputation will often be a prime concern, because the maintenance of celebrity depends on the maintenance of public approval of some kind. A famous footballer cannot have scurrilous stories about his marriage given credit, at least if he wants to keep a good approval rating in Japan. A famous racing driver may well be concerned at a degrading association of tacky goods or services with his famous name or image.

But there are few if any who seek to maintain and burnish a celebrity reputation for its own sake. At the root of concerns about privacy, or reputation, or the quality of goods, there will often be found a financial motive. In many fields of endeavour celebrity is short-lived, and the peak earning years shorter still. Celebrity drives demand for material about the celebs. It will be created and sold by someone. The fundamental question is: *who gets the money?*

Control

The answer to the question is, of course: those who have *control*.

Control can be exercised through choices made by the celeb, such as careful security arrangements limiting access to information about them. It may be exercised by the market, with the public making free choices from material made available, from whatever source. Control may be exerted by law.

Speaking broadly, one would expect that in a modern free-market democracy the function of the law, in this area, would be to regulate the effects of the free market where *necessary* to ensure fairness. Putting it another way: the law would step in to

ensure the fair allocation of *control*. One would expect this to be done according to some rational and discernible principles of fairness. And these principles ought to be ones which command general or widespread acceptance.

Control in English law: the patchwork

How much of that can be said of the modern English law? Not much, I fear. As is well known, US law in many states affords the renowned a "right of publicity" or "personality right". This treats aspects of personality as a kind of property that may be misappropriated by commercial exploitation without consent. English law does not recognise such a right.

> … the proposition that performers … should be able to stop use of their names without their consent in relation to any goods and services without exception … is exactly the proposition that the Court of Appeal rejected in *Elvis Presley. ...*
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> It is certainly possible that Parliament or the European Union might legislate to confer a right of personality upon performers and other celebrities, as many states in the USA have. It is also possible that such a right might be held to be encompassed within the right to a private life under Article 8 ECHR, by extension from cases such as *Von Hannover v Germany* [2004] EMLR 21. Neither development has yet occurred, however … [1]

In this field, English law is a patchwork. There is a range of causes of action, often overlapping, each capable of providing some protection for some economic interests in personality, and each containing some obscurities. It is hard to detect a clear or principled pattern in the patchwork. Some strands of it are as follows.

(a) Trade marks

Trade mark law is the paradigm example of allocation by law of control over the exploitation of attributes of personality. Registration confers monopoly rights. But only a "sign capable of being represented graphically" can qualify. So names, other words, signatures, photographs and other images can in principle be registered but not, for example, a distinctive voice. And there are other serious limitations for celebs wanting to exploit the statutory monopoly.

- The mark must be one that can inform consumers where the goods they are buying originate (indicating trade origin). The problem here is that in practice few if any celebrity names function in this way. A person seeing "a Madonna mug" for sale will not take this as something made or approved by the pop diva. The name merely describes or refers to the person: *Elvis Presley Trade Marks* (1999).

- The same fate, it seems, is likely to befall attempts to register invented celebrity names. In the *Linkin Park* case the LCAP approved a decision to refuse registration of the US group's name in relation to printed matter (posters, again). He held the mark was descriptive. "A Linkin Park poster" would equally well describe an approved and an unapproved item, and it was

[1] *In the matter of Application no 2313504 in the name of Linkin Park LLC,* 0-035-05, *per* Richard Arnold QC, Lord Chancellor's Appointed Person (LCAP), at [51]-[52]

hard to see how either could be asked for in other terms. It has been observed that

> This mode of analysis appears to be fatal to celebrities' attempts to register their names for self-branded merchandise. The most effective way of asking for an item featuring your favourite pop-star ir sporting hero of choice will always be to ask for it by the name of the celebrity who appears on the item[2]

- Sure enough, when *Sir Alex Ferguson* applied to register his name as a mark for printed matter – posters and the like – he was turned down (October 2005). His name was already widely used by others and, used on a poster, would be merely descriptive of a characteristic of the goods: that they depict Sir Alex Ferguson. In effect, his claim to a trade mark was defeated by the very fame and celebrity that motivated the application.

- Sir Alex's name was also held to be 'devoid of distinctive character'. In other words, incapable of marking out 'official' Ferguson goods from those of others. This reasoning applies generally, of course. The Manchester United manager was not being singled out here.

Among celebrity marks which have made it onto the register are a number of photographic images of individuals. These include what appear to be rather banal and commonplace snaps of Alan Shearer and Alan Titchmarsh. I find it hard to believe their commercial value is significant.

There are inherent problems with photographic images of a celeb as trade marks. One mugshot tends to look much like another; few will be truly distinctive. A person's appearance is a public fact which, under current law and practice, can be and is appropriated freely by others without consent. It is the photographer, or his or her employer, who owns the copyright. It is unlikely that a given photograph will be taken by consumers to designate trade origin, and proof of infringement will be difficult. The position may be different if the image is applied to goods. But I confess that I have never spotted Alan Shearer's registered smiling face on a football, or a box of Shearer fudge.

(b) Copyright

Has limited utility as a means of controlling the market in celebrity personality. In the case of photographs, for the reasons just given. But if close control is maintained over an event or activity in which a celebrity is involved, pictures can be marketed exclusively, and their value retained. In *Douglas v Hello!* copyright in the authorised wedding photographs was acquired by the happy couple. Letters and other literary works of those celebs who can write are easier to protect, as the copyright is owned by the author. But infringement of exclusive rights in literary copyright can more easily be evaded by appropriation of the content, as opposed to the form.

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[2] Ilanah Simon, *CDs Celebrities and Merchandise: the Trade Mark Registry's Hybid Theory,* EIPR 2005, 27(7), 265-269

(c) Passing off

The range of situations in which this tort may assist a celebrity is much wider than those covered by the law of registered trade marks:

> If someone acquires a valuable reputation or goodwill, the law of passing off will protect it from unlicensed use by other parties.[3]

So a false representation that a celebrity has endorsed a product or service is likely to attract a legal remedy. There must however be a misrepresentation which uses or takes advantage of the celebrity reputation and goodwill:

> It remains the case …that the performer does not have any remedy in passing off if his or her name or likeness is used in a manner which does not mislead members of the public into believing that he or she has licensed or endorsed the use.[4]

The reasoning in the trade mark cases shows that much merchandising – for example, the use of a celebrity image on a T-shirt, mug or other artefact – may be carried on without involving any misrepresentation. There are also more subtle forms of advertising which associate goods or services with celebrity, and exploit the goodwill attached to fame, but would fool no-one. One class of advertising uses "attention-grabbing devices", which use names or images of the famous without implying any endorsement. Adverts which make clear they are unauthorised are one example. And there are celebrities whose images may be valuable to advertisers, but might find it hard to establish the goodwill essential to a passing off complaint.

(d) Regulatory regimes

The adverts for the 118 118 telephone service, using likenesses of the former athlete *David Bedford,* may illustrate one or both of the points just made. Retired from participation in athletics, and not exploiting his former fame commercially, Bedford would probably have had difficulty in showing goodwill. It is doubtful, too, whether misrepresentation could have been shown. The hairy-headed, bearded runners in short shorts who featured in the advertising campaign were clearly based on Bedford's appearance, when running in the 1970s. But they might have been found by a court to be no more than a distinctive and memorable "hook" for consumers.

Bedford's advisers found what must have seemed a better – and cheaper - route. Rule 6.5 of the broadcast advertising code prohibited caricature or portrayal of living people without their consent. A complaint that the advertising broke this rule was upheld by OFCOM.[5] The problem in the end was that no remedy was awarded to Bedford. The ad campaign was allowed to continue on the grounds that prohibition would be "disproportionate" in view of Bedford's delay and the lack of evident commercial damage to Bedford.

All forms of advertising are now regulated by the Advertising Standards Authority Codes, but the same prohibition is still to be found in its Broadcast Code (#6.5) and it

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[3] *Irvine v Talksport Ltd* [2002] EMLR 32, *per* Laddie J, at [38].
[4] *Linkin Park,* [30].
[5] *Bedford v The Number (UK) Ltd* [2004] ISLR, SLR-18

may be that a prompt complaint where some greater prospect of commercial damage could be shown would lead the regulator to grant a remedy. A ban on such an advert would of course hand control to the celebrity depicted.

(e) Libel & malicious falsehood

In the 1930s, advisers to the amateur golfer Cyril Tolley found another route to a remedy for someone who could not prove the facts necessary to sustain a passing off claim. In his case, selling fame for money was *prohibited* by the rules of the game. Tolley's image was used without consent to advertise chocolate bars, and he sued for libel and won - on the basis that the implication of endorsement falsely suggested he had "prostituted his reputation as an amateur golfer"[6]. There was a distant echo of that claim in the late 1980s when the Welsh rugby player JPR Williams sued for libel over allegations he had infringed his amateur status by taking "boot money"[7]. Viewed from the vantage point of the early 21st century, such claims have a quaint air to them. The days of the amateur celebrity are surely over. It is hard to envisage similar or analogous claims being made today, when a sports personality would more likely be damaged by a suggestion that he was failing to exploit his fame commercially.

Malicious falsehood, or "trade libel", might sometimes be a means of controlling unauthorised commercial use of valuable celebrity information. The cause of action prohibits deliberate or reckless falsehoods which cause financial loss. But the infamous case of *Kaye v Robertson* shows how the ingenious can circumvent such legal controls. Whilst "Allo! Allo!" actor Gorden Kaye lay stricken and semi-conscious in hospital (he had been thumped by a flying bit of advertisement hoarding in a storm), the *Sport* snuck in and took unauthorised snaps and extracted comments from the celeb.

The Court of Appeal struggled to find a cause of action to control misuse of this material, plumping in the end for malicious falsehood. The injunction granted prohibited the *Sport* from representing that the pix and words were authorised, its purpose being to preserve the commercial value of the story for Kaye to exploit. But the *Sport* steered round this with apparent ease. It went ahead with the story, prominently labelling it in almost boasting terms as the Unauthorised Version.

(f) Confidentiality

Nowadays, a Gorden Kaye would get some remedy in confidentiality or invasion of privacy. The Court of Appeal's decision in *Douglas v Hello!* makes that tolerably clear, at least as regards *personal* confidentiality. The right to confidentiality in images of the couple's private wedding was held so clear as to make the claim over rival publication of unauthorised pictures virtually a summary judgment case. The CA's previous decision to refuse an interim injunction was effectively held to be wrong.

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[6] *Tolley v JS Fry* [1931] AC 333
[7] *Williams v Reason* [1988] 1 WLR 96

The decision on *commercial* confidence is not so clear. The criteria identified by the court for the existence of a commercial confidence claim are slightly puzzling, as is the nature of the right they identified.

> Where an individual ('the owner') has at his disposal information which he has created or which is private or personal and to which he can **properly** deny access to third parties, and he **reasonably** intends to profit commercially by using or publishing that information, then a third party who is, or ought to be, **aware** of these matters and who has **knowingly** obtained the information **without authority**, will be in breach of duty if he uses or publishes the information to the **detriment** of the owner[8].

Somce comments:

- Clearly, this makes an intention to profit from the personal information an essential element of the right. But would that have helped Gorden Kaye? Lying semi-conscious in hospital, the exploitation of his story was presumably not at the forefront of his thoughts – such as they were. He was in no condition to form an intention to sell. Should an astute third party who sees a value which the 'owner' of the information does not (or cannot), be free to exploit it without payment? Should it not be enough that the information has value?

- The 'owner' of the information is the individual, and the court held that the right is not a property right that can be sold. If at the time of unauthorised use the owner has already extracted maximum value from the information by licensing a third party to exploit it there may be no detriment to the owner, and no claim available to the third party. The Douglases' claim in commercial confidence was upheld, but apparently because the information misused was *not* the information they had licensed to *OK!* If it had been the *same*, there may have been no detriment to the 'owners', and loss but no cause of action for their licensees.

- A requirement of actual knowledge that acquisition is unauthorised would mean a publisher duped into believing his use of information is authorised would be free of liability. Yet the loss (if any) would be the same.

- The criteria of "propriety" and "reasonableness" will plainly need elaboration.

Strategies for success

What does this brief (and incomplete) review of the legal patchwork imply for those called on to advise celebrities wanting to maximise their earnings by controlling the commercial use of aspects of their personality ? Advice might include the following:

- If you're already famous, you're probably too late to make much use of trade marks. You should have started young. Your teens may have been too late. Using a crystal ball to predict your future celebrity, you should have devised a graphic mark which was inherently distinctive; then somehow ensured that the

[8] *Douglas v Hello! Ltd* [2005] EWCA Civ 595; [2005] EMLR 609, [118] emphasis added.

mark is used by you and you alone, so it came to indicate trade origin *before* you become too famous.

- It's probably too late, too, if you *were* famous, but your moment of celebrity has passed, and with it your own ability to profit from it. Others may be able to make gains from the products of your golden years, without penalty (*Bedford*).

- If an advertiser is stupid enough to use your name and image so as falsely to imply that you have endorsed the advertised product or service, you will probably have a good claim in passing off: *Irvine*. But forewarned is forearmed, and the moderately ingenious advertiser will have little difficulty getting round this by "attention grabbing" use of your personality in ads which make it perfectly plain you had nothing to do with the ad.

- Similarly, if the media nick a valuable story about your private life the law will have them for trade libel if they dupe the public into thinking you've approved the publication. But again they can easily get round that one if they proclaim their own wrongdoing loudly enough when they publish.

- The brand spanking new *Douglas* commercial confidence right could help you in that kind of situation, but only if you've made your plan to profit from the personal information first. If you fail to spot the latent value in your personal life, or dither or delay, you're lost. But haste can be a problem too. If you've already sold your story to A by the time it's stolen by B, you and A might find you have no rights left.

- And by the way, the courts reserve the right to declare that commercialising your private life is, in the particular case, not "proper" or "reasonable". We can't help you on what that means yet. We'll have to wait and see.

Commentary

There have been significant developments in the law in recent years. Trade mark law is unlikely to prove a particularly powerful tool for celebs. *Irvine* and *Douglas* have clearly expanded the boundaries of protection for celebrity personality rights. By re-shaping established equitable causes of action the courts have placed a greater measure of control in celebrities' hands. But the sophistication of the marketplace has yet to be matched by a similar sophistication in the law. Coherence of principle is lacking. Whatever view one takes about how the balance should be struck between market and press freedom on the one hand, and the economic interests of celebrities, greater clarity is required.

In the longer term, it seems likely that a satisfactory solution can only be achieved through some international means. Because of the globalisation of media, entertainment and celebrity, international harmonisation is surely essential. The wide disparities between the protection available in different jurisdictions are economically inefficient, and our own law may well be regarded by others as deficient.

It *may* be that Article 8 ECHR can be pressed into service here, but this will not be simple. Art 8 was devised in the post-war era to protect citizens from state oppression. The Convention is a living instrument of course, but human rights law is not, perhaps, the natural home for a right of publicity. Unless, perhaps, Article 1 of Protocol 1 can be pressed into service on the basis that goodwill is a possession.

I suspect that only legislation or international convention will really work. That is not going to happen tomorrow. The financial interests of celebs are never going to rank that high on the political or diplomatic agenda. In the meantime, we are inevitably faced with the same kind of "incremental" development of existing causes of action that is going on in the law of personal privacy.

November 2005