

**THE ROLE OF TRADE MARK LAW IN THE PROTECTION OF CELEBRITY
PERSONALITY**

HILARY MAY BLACK¹

ABSTRACT

[101] There is currently no comprehensive legal protection for celebrity personality under Australian law. Until recently celebrities attempting to prevent unauthorised exploitation of their personalities have relied upon actions under passing off and the *Trade Practices Act 1974* (Cth). Recent changes to the *Trade Marks Act 1995* (Cth) now allow trade marks to play a significant role in the legal protection of celebrity personality in Australia. Trade mark registration provides valuable protection for selected indicia of celebrity personality such as name, signature and likeness. It is also unique in Australian law in offering a form of post-mortem protection for celebrity personality.

The Nature of Celebrity Personality

The celebration of individuals and the concept of individual fame has been an aspect of society since ancient times.² The term ‘celebrity’ derives from the French word *celebre* to mean ‘well-known’ or ‘public’. The modern day conception of the celebrity, that is, an individual who is ‘celebrated’ is more aptly described, in Prosser’s words, as a person who ‘by his [sic] accomplishments, fame, or mode of living ... has become a ‘public personage. He is ... a celebrity — one who by his own voluntary efforts has succeeded in placing himself in the public eye.’³

The use of celebrities to market a product is known as personality merchandising.⁴ Personality [102] merchandising involves the exploitation of the essential personality aspects of an individual and the creation of demand for certain products or services because of consumer affinity and interest in that personality.⁵ However, modern personality merchandising involves far more than just the use of an individual’s physical image. Singers are notable for their distinctive voices and style. Actors are

¹ Solicitor, Gilbert + Tobin, Sydney.

² L Brady, *The Frenzy of Renown: Fame and Its History* (1986) 29–51.

³ W L Prosser, ‘Privacy’ (1960) 48 *California Law Review* 383, 410 citing *Cason v Baskin*, 30 So 2d 635, 638 (1947).

⁴ See *Shoshana Pty Ltd v 10th Cantanae Pty Ltd* (1987) 11 IPR 249, 250–1 (Burchett J).

admired and enjoyed not just for their dramatic talent but also for their mannerisms and particular performance style. These individuals develop a distinctive 'identity'⁶ which becomes a marketable commodity in its own right. The term 'celebrity personality' connotes the various indicia of a celebrity's identity such as name, likeness, reputation, voice, mannerisms and personal style which contribute to that individual's distinctiveness.⁷

Merchandising of personalities in the areas of sports and entertainment has experienced enormous growth in recent years. In 1996 it was estimated that US corporations spent US\$3.54 billion on sports sponsorship alone, an increase of 15 per cent from 1995.⁸ In 1994/5 an estimated \$A175m was spent in Australia on sponsorship and advertising combined.⁹ In 1998 that figure had risen to an estimated \$A850m spent on sports sponsorship alone.¹⁰

In the absence of specific legislative protection for personality or personal privacy and lacking a tort in the nature of the American right of publicity, protection of celebrity personality in Australia has been achieved through actions under the tort of passing off and the *Trade Practices Act 1974* (Cth) (TPA). Remedies may also be available, depending upon the circumstances, under the law of defamation, the tort of injurious falsehood, the law of confidential information, copyright law and contract law. However, increasingly celebrities and sporting personalities are turning to the protection to be gained under the *Trade Marks Act 1995* (Cth) (the 1995 Act) in their attempts to prevent the unauthorised exploitation of their personalities in the commercial realm.

A Greater Role for Trade Mark Law since 1995

Introduction

⁵ O J Morgan, 'Mmmmm Beeeer — Character Merchandising in Australia and the Duff Beer Case' (Pt 1) (1997) 10 *Australian Intellectual Property Law Bulletin* 8, 9.

⁶ P D Marshall, *Celebrity and Power: Fame in Contemporary Culture* (1997) 83.

⁷ D J Boorstin, *The Image* (1992) (first published 1961) 65.

⁸ L Hogg and F Ganter, 'Legal Issues in Sports Marketing' (1997) 13 *Queensland University of Technology Law Journal* 92.

⁹ Australian Bureau of Statistics, *Sports Industries Australia 1994–1995* (1997).

¹⁰ N Shoebridge, 'Where the Value Lies in Sports Sponsorship' [23 March 1998] *Business Review Weekly* 65 citing figures from B Sweeney & Associates, *Australians and Sport* (1998).

Reform of Australian trade mark law in 1995, prompted by the *GATT-WTO-TRIPS* agreement of December 1993, has paved the way for a greater role for trade marks in the protection of celebrity personality under Australian law. In essence, character and personality merchandising are the licensing of a trade mark, to be associated with the licensee's goods where the proprietor has no direct connection in trade with such goods or services. Previously, the role of trade marks with regards character and personality merchandising, was hindered by the view, at common law, that trade marks acting as 'badges of origin', could not be licensed to others without the goodwill of the trader.¹¹ Consequently, protection was denied to the practice of character merchandising because it was not permissible to deal with trademarks as commodities in their own right.¹²

Reform in this area commenced in 1948 with the amendment of the *Trade Marks Act 1905* (Cth) s 58 [103] to allow for the licensing of registered users in line with changing business practices. The *Trade Marks Act 1955* (Cth) s 82(1) subsequently permitted the assignment of a mark 'with or without the goodwill of the business concerned' unless there had been no user of the mark prior to assignment.¹³ However, continuing problems arose where companies wished to assign trade marks associated with only part of their business and were unable or unwilling to offer the goodwill as well.¹⁴

In 1988 the Industrial Property Advisory Committee recommended that the principle against trafficking in Australian trade marks legislation¹⁵ be amended specifically to allow greater protection for character merchandising.¹⁶ Consequently, the 1995 Act recognises trade marks as a form of personal property,¹⁷ abolishes the prohibition

¹¹ *Bowden Wire Ltd v Bowden Brake Co Ltd* (No 1) (1914) 31 RPC 385; *Pinto v Badman* (1891) 8 RPC 181, 194–5 (Fry LJ).

¹² *American Greetings Corp Application* (1983) 1 IPR 133 (*Holly Hobbie Case*).

¹³ *Trade Marks Act 1955* (Cth) s 82(2), (3).

¹⁴ *John Sinclair Ltd's Trade Mark* (1932) 49 RPC 123.

¹⁵ *Trade Marks Act 1955* (Cth) s 74(4).

¹⁶ IPAC, *Legal Protection of Character Merchandising in Australia*, Report to the Hon B O Jones, Minister for Science, Customs and Small Business, AGPS, March 1988, 14–15.

¹⁷ 1995 Act s 21(1).

preventing the 'trafficking' or assignment of trade marks without their accompanying business goodwill,¹⁸ and makes provision for multi-class applications.¹⁹

Trade Marks No Longer Just A Badge of Origin

These changes reflect the commercial reality of trade marks having moved from their original role as 'badges of origin' connected to the product of a particular trader²⁰ to an indication of authorised licence, sponsorship or approval.²¹ Trade marks are a valuable marketing tool for celebrities who wish to capitalise on their public standing by authorising manufacturers to associate particular indicia of their personalities with selected products and services.²² In the process, trade marks provide valuable legal protection for certain aspects of celebrity personality under Australian law.

The Scope of Trade Mark Protection for Celebrity Personality

The definition of what constitutes a trade mark was considerably expanded in the 1995 Act from 'a device, brand, heading, label, ticket, name, signature, word, letter or numeral'²³ to include 'aspect(s) of packaging, shape, colour, sound and scent'.²⁴ Despite this expanded definition trade marks have a relatively narrow role in the protection of celebrity personality as they can only be applied to certain indicia of personality rather than the personality per se.

The particular indicia that may be trade marked include portraits,²⁵ pictures and representations of the [104] individual,²⁶ surnames,²⁷ famous names,²⁸ signatures,²⁹

¹⁸ 1995 Act s 74. Section 106(3) permits the assignment of trade marks with or without the goodwill of the business concerned in the relevant goods or services.

¹⁹ 1995 Act s 27(5). Recommended by the Working Party to Review the Trade Marks Legislation, to reduce the complexity and cost of trade mark applications: *Recommended Changes to the Australian Trade Marks Legislation*, Report to the Hon R Free, Minister for Science and Technology, AGPS, July 1992, 59 (*The Free Report*).

²⁰ *Re Powell's Trade Mark* (1893) 2 Ch 385, 403–4 (Bowen LJ); *Bass, Ratcliff and Gretton Ltd v Nicholson & Sons Ltd* [1932] AC 130.

²¹ A R Martino and W Ullah, 'The Role of the Trademark' (1990) 134 *Solicitors Journal* 646; Frank Schechter, 'The Rational Basis of Trademark Protection' (1927) 40 *Harvard Law Review* 813.

²² A Terry, 'Proprietary Rights in Character Merchandising Marks' [1990] *Australian Business Law Review* 229, 238.

²³ *Trade Marks Act 1955* (Cth) s 6(1).

²⁴ 1995 Act s 6.

²⁵ See Trade Mark #327865, GMFC (Aust) Pty Ltd (portrait of slimming salon founder Gloria Marshall) and Trade Mark #468651, Paul Newman, USA.

²⁶ These are always registrable but normally require endorsement by the applicant to the effect that the photograph is likeness of the applicant: *Trade Marks Office Manual of Practice and Procedure*, Pt 22, Para 22.2 (*TMO Manual*). See Trade Mark #654914, MPL Communications Ltd, London, (Cook book

and possibly slogans associated with the individual,³⁰ such as the ‘Here’s Johnny’ signature welcome associated with American performer Johnny Carson.³¹ Although sounds are now registrable³² it is unlikely that ‘sound alike’ versions of a celebrity’s spoken or singing voice would be actionable under trade mark law³³ because only specific sounds, capable of graphic representation³⁴ are registrable.³⁵ Clearly, this system is not designed to allow the registration of a celebrity’s musical repertoire or unique pronunciation of the English language. Nevertheless, trade mark registration can provide protection for the most significant indicia of a celebrity personality, in the form of name and likeness, albeit when used in the form registered.³⁶

Trade mark law plays two important roles in the development and protection of celebrity personality. Firstly, trade mark registration of various aspects of a celebrity’s personality signals to the market that the celebrity is open to the authorised assignment or licensing of his or her personality for merchandising purposes in the

author Linda McCartney); Trade Mark #726720, Universal Products Marketing GmbH, Germany (Michael Schumacher, racing car driver); Trade Mark #701835–701841, Jacques Villeneuve, Monaco (Jacques Villeneuve, racing car driver).

²⁷ However, a trade marked name must be ‘inherently adapted to distinguish’ the relevant goods or services: 1995 Act s 41(3). The commonness of a surname is a guide to the extent of inherent adaptation to distinguish that the surname has in relation to the applicant’s goods or services. The name is given a ‘SFAS’ (Search for Australian Surnames) Value based on a list of all surnames occurring on the electoral rolls of all Australian states. Trade marks consisting of more common surnames, (that is, with an SFAS value greater than 500) will not generally be accepted: *TMO Manual*, Pt 22, Para 16.

²⁸ Famous names are registrable as long as they are not misleading: 1995 Act s 43 and are acceptable without the need for evidence, depending on the SFAS value of the surname, *see TMO Manual*, Pt 22; Para 18.2. *See*, for example, Trade Marks # 457786–457793, Rimfire Films Pty Ltd (words ‘Crocodile Dundee’).

²⁹ The signature of an applicant is always registrable but requires endorsement to the effect that the trademark consists of the applicant’s signature: *TMO Manual*, Pt 22, Para 18.1.

³⁰ *See TMO Manual*, Pt 22, Para 12.

³¹ *See Carson v Reynolds* 49 CPR (2d) 57 (1980), where the US Federal Court held that the use of the words ‘Here’s Johnny’ for a portable toilet advertisement falsely suggested a connection between Johnny Carson and this product, those words being unique to the Johnny Carson television show and actionable under the plaintiffs’ right of publicity.

³² 1995 Act s 6.

³³ *See Midler v Ford Motor Co* 849 F2d 460 (9th Cir, 1988) and *Waits v Frito-Lay Inc* 978 F2d 1093 (9th Cir, 1992) re protection of the singing voice under US law.

³⁴ 1995 Act s 40.

³⁵ Only a limited number of sound marks have been registered to date. Successful applications include marks where sounds have been used in liaison with a slogan such as the frozen foods mark: ‘Ah, McCain’ followed by a ping sound ... followed by the words ‘You’ve Done It Again’: Trade Mark #759707 and Pacific Dunlop’s ‘Sproing’ sound, ‘so as to imitate the sound of a spring reverberating on metal’: Trade Mark #738848.

³⁶ This usage does not need to involve an exact replication of the registered trade mark. Infringement of a trade mark is based on the use of a ‘sign that is substantially identical with, or deceptively similar, to the trade mark in relation to goods or services in respect of which the trade mark is registered.’: 1995 Act s 120(1). Consequently, non-identical but closely related forms of the same indicia may also be protected.

classes of goods and services for which registration has been sought. Secondly, the celebrity obtains a means of defending those aspects of their personality against unauthorised use. Unlike action under the tort of passing off or the TPA, trade mark registration is unique in providing a prospective form of protection for celebrity personality.

[105] *Valuable Post Mortem Protection*

Trade mark registration in Australia has the advantage of providing valuable post mortem protection for celebrity personality which may be difficult to establish under actions such as passing off³⁷ and under the TPA s 52 and s 53.³⁸ Trade marks are now recognised as a form of personal property³⁹ and are devisable by will and by operation of law.⁴⁰ Under Australian law a trade mark applicant must endorse photographs and signature as their own⁴¹ and therefore would normally be sought by living persons. However, it is possible for the estate or other representative⁴² of a deceased person to seek registration of these indicia if it is able to establish that it is entitled to do so.⁴³ Elvis Presley Enterprises Inc, for example, has registered a number of marks in the name of Elvis Presley, including one mark featuring a photograph of Presley, since 1986.⁴⁴ In addition, although trade mark registration expires ten years after it is first filed⁴⁵ renewal, to 'any person' is available.⁴⁶ Consequently, where a celebrity has

³⁷ At common law the motto *actio personalis moritur cum persona* applies so that the estate of a deceased person cannot sue or be sued for any tort committed by or against the deceased: *Baker v Bolton* (1808) 1 Camp 493. This rule has been modified by statute in all Australian jurisdictions: see *Law Reform (Miscellaneous Provisions) Act 1944* (NSW) s 2. However, It is uncertain whether this provision would allow the estate of a deceased celebrity personality to take action under passing off.

³⁸ It is possible that an action for misleading or deceptive conduct under the TPA may survive the death of a party although this is still an open question. See *Premiership Investments Pty Ltd v White Diamond Pty Ltd* (1995) 61 FCR 178.

³⁹ 1995 Act s 21(1).

⁴⁰ As recommended, prior to the introduction of the 1995 Act by the *Free Report*, 38.

⁴¹ These items requiring personal endorsement of the applicant to permit registration: *TMO Manual*, Pt 22, Paras 18.1 and 22.2.

⁴² The celebrity may have operated under a proprietary company, for example. In that case the company may be entitled to make such an application.

⁴³ The estate, company or person seeking to register indicia of the deceased persons' personality would be required to establish, to the satisfaction of the Trade Marks Office, that they are entitled to do so. This would normally be in the form of a statutory declaration outlining the basis of their authority in this matter. In general the Trade Marks Office will accept such an application without extensive investigation: Personal declaration of Ms Karen Loughhead, Principal Examiner of Trade Marks, Trade Marks Office, IP Australia, 28 July 1999; 14 August 2000.

⁴⁴ See, eg, Trade Mark # 449958-449965. Trade Mark #763824 (Elvis Presley), Registration: 2 June 1998. This registration carries the endorsement 'The representation in the trade mark is that of Elvis Presley whose successors have consented to its use as a trade mark.'

⁴⁵ 1995 Act s 72.

obtained trade mark registration for indicia of their personality but subsequently dies it can be renewed, potentially in perpetuity, by their estate or other representative.⁴⁷ In either situation the estate or representative of the celebrity,⁴⁸ can take action against infringement of the mark despite the fact that its subject is deceased.

Misleading and Deceptive Conduct — Trade Mark Protection Compared to the TPA

From the outset an action for trade mark infringement under the 1995 Act is advantageous from an evidentiary point of view in that the registered trade mark owner has presumptive rights in their mark [106] which must otherwise be proven in an action under the TPA s 52.

In addition, registration under the 1995 Act has the advantage of providing an easier means of attacking similar marks — by preventing their registration under s 43 — than taking action under the TPA. Under s 43 registration will be denied where, because of some connotation that the trade mark has, the use of that trade mark in relation to goods or services would be likely to ‘deceive or cause confusion’. As discussed below, in relation to infringement actions, under the 1995 Act ‘confusion’ will often be sufficient to deny registration in an action, whereas under the TPA s 52, something more than mere confusion must be shown.⁴⁹

Trade Mark Infringement

Remedies available under the 1995 Act for infringement of registered trade marks under s 126 include the grant of an injunction (final or interlocutory) and, at the option of the plaintiff, damages or an account of profits. Under Pt 13, subject to certain conditions, the owner of a registered mark may ask the Comptroller-General of Customs to seize imported goods alleged to infringe that mark. In equity the

⁴⁶ 1995 Act s 75(1): ‘Any person may, within the prescribed period before the registration of a trade mark expires, ask the Registrar to renew the registration.’

⁴⁷ Confirmed by personal declaration of Ms Karen Loughhead, Principal Examiner of Trade Marks, Trade Marks Office, IP Australia, 28 July 1999.

⁴⁸ Assuming they are otherwise entitled to become the new owners of the mark, that is, no action against their claim to ownership as a result of a previous assignment of the ownership of the mark by the celebrity or a claim against the celebrity’s estate is pending.

⁴⁹ *Taco Co (Aust) Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177, 202 (Deane and Fitzgerald JJ).

plaintiff may also seek ex-parte interlocutory relief,⁵⁰ and delivery up or obliteration of the trade mark or destruction of the goods bearing the infringing mark.⁵¹

In common with the law of passing off and action under the TPA s 52 and s 53 misrepresentation is the device used in trade mark law to balance the demands of trade mark owners, their competitors and the public as consumers.⁵² Accordingly, infringement of a registered trade mark, under the 1995 Act s 120(1) occurs when a person uses as a trade mark a sign that is 'substantially identical with or deceptively similar to the trade mark in relation to goods or services in respect of which the trade mark is registered'.⁵³

Under the 1995 Act s 10 a 'trade mark is taken to be "deceptively similar" to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion.' In *Australian Woollen Mills*,⁵⁴ Dixon and McTiernan JJ held that in interpreting the term 'deceptively similar' the court is not to compare the marks 'side by side'.⁵⁵ Instead:

An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device ... The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same.⁵⁶

The 'imperfect recollection test' outlined in *Australian Woollen Mills*⁵⁷ was examined further by the Federal Court in the recent *Coca-Cola Case*.⁵⁸ In this case the Coca-Cola Company took action for alleged [107] trade mark infringement and misleading

⁵⁰ JW Dwyer and A Dufty, *Patents, Trade Marks and Related Rights*, Vol 1A, 58,259–60.

⁵¹ *Ibid* 58,354.

⁵² M Pendleton, 'Excising Consumer Protection — The Key to Reforming Trade Mark Law' (1992) 3 *Australian Intellectual Property Journal* 110, 113.

⁵³ 1995 Act s 120(1).

⁵⁴ *Australian Woollen Mills v F S Walton & Co Ltd* (1937) 58 CLR 641.

⁵⁵ In comparison see *Shell Co of Australia Ltd v Esso Standard Oil* (1963) 109 CLR 407, 414 (Windeyer J at first instance) held that the term 'substantially identical' is to be applied by comparing the marks 'side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.'

⁵⁶ *Australian Woollen Mills v FS Walton & Co Ltd* (1937) 58 CLR 641, 658 (Dixon and McTiernan JJ).

⁵⁷ *Ibid*.

⁵⁸ *Coca-Cola Co v All-Fect Distributors Ltd* (1999) 47 IPR 481, 497 (Black CJ, Sundberg and Finkelstein JJ).

and deceptive conduct under the TPA against the distributor of a jelly like cola flavoured confectionary item which when laid out bore ‘some resemblance’ to the famous Coca-Cola contour bottle. At first instance, it was noted that the colour scheme, get up and pictorial representations on the container holding the confectionary did not suggest any association with Coca-Cola or that anyone involved in the sale of the product believed it to be associated with Coca-Cola. Furthermore, the confectionary was sold in tubs clearly labelled with the name of the confectionary manufacturer ‘Efruti’.⁵⁹

However, on appeal, Justices Black, Sundberg and Finkelstein confirmed that under the 1995 Act the ‘idea suggested by the mark is more likely to be recalled than its precise details’.⁶⁰ Confusion was likely to be caused to consumers because they would be led to ‘wonder’ whether the allegedly infringing item might come from the same source as those items bearing the legitimate trademark.

The ‘imperfect recollection’ test and the resulting conclusion in *Coca-Cola*⁶¹ indicate that the test of deceptive similarity under the 1995 Act is set at a relatively low threshold. In contrast to the requirements under the 1995 Act, mere confusion is not sufficient to ground a case for trade mark infringement under the TPA s 52.

In *Puxu*,⁶² Mason J held that conduct which ‘merely cause(s) some uncertainty in the minds of relevant members of the public does not breach s 52’. Whether or not conduct produces or is likely to produce confusion or misconception it will not ground an action under s 52 for misleading or deceptive conduct unless it conveys, in all the circumstances of the case, a misrepresentation.⁶³

In relation to the use of product labelling and disclaimers in trade mark infringement cases it was held in the recent *Philips Case*⁶⁴ that where the true source of the allegedly infringing product is ‘displayed with sufficient clarity, then the trader’s

⁵⁹ *Ibid* 486.

⁶⁰ *Ibid* 497.

⁶¹ *Ibid*.

⁶² *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191, 225–6.

⁶³ *Taco Co (Aust) Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177.

⁶⁴ *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* (1999) 44 IPR 551.

conduct is unlikely to be regarded as misleading or deceptive'.⁶⁵ In both *Puxu* and *Philips*⁶⁶ this 'clarity of source' was said to be provided by the alleged infringer's prominent display of their own brand name on the imitative product which served to undermine the applicant's claim of misleading or deceptive conduct on the part of the respondent. It can be recalled that a similar clear labelling of the true source of the offending product in *Coca-Cola* did not provide a defence to trade mark infringement in that case.

Because it rests on the 'impression' give by the use of the offending mark the 'imperfect recollection' test potentially gives considerable protection for the trade marked indicia of personality. By way of example, Olympic swimmer Kieren Perkins' image and personality have been the subject of unauthorised use on several occasions.⁶⁷ Perkins has obtained trade mark registration of his name,⁶⁸ signature,⁶⁹ his nickname 'Superfish',⁷⁰ and four photographic views of his head.⁷¹ The four photographs for which Kieren Perkins⁷² has obtained registration are simple 'head shots' without any background material, two [108] facing forward, the two others facing obliquely at 45 degrees left and right. How the courts would apply the imperfect recollection test to the use of an unauthorised celebrity photograph in the face of this type of trade mark registration remains an open question.

Although tandem actions under both the 1995 Act and the TPA s 52 are customarily taken in the case of trade mark infringement, celebrity personalities seeking to attack the infringement of their registered trade marks or, for that matter, registration of similar marks to their own, will find an action under the 1995 Act involves less demanding criteria than that found under the TPA s 52.

⁶⁵ Ibid 591.

⁶⁶ *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* (1999) 44 IPR 551, 590–1.

⁶⁷ See *Talmax Pty Ltd v Telstra Corp Ltd* [1997] 2 Qd R 444, 451 (Fitzgerald P, Davies J A and Moynihan J).

⁶⁸ Trade Mark #781602, Talmax Pty Ltd.

⁶⁹ Trade Mark #774554, Talmax Pty Ltd for the signature 'Kieren Perkins' and Trade Mark #774555 for the signature 'K Perkins'.

⁷⁰ Trade Mark #778944, Talmax Pty Ltd for the word 'Superfish'.

⁷¹ Trade Mark #777586, Talmax Pty Ltd.

Additional Protection Given to Well Known Marks

Additional protection is given to well known marks under the 1995 Act in accordance with international Agreements to which Australia is a signatory.⁷³ Infringement will occur in similar circumstances to ordinary marks but extends to unrelated goods and services where, because the trade mark is well known, 'the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark'.⁷⁴ The protection of well known marks is important, with regards personality merchandising, as it recognises that the value of the trade mark, and consequently the indicia of personality, will be diluted if used by anyone other than the registered proprietor.⁷⁵ Protection now given to well known marks gives registered proprietors greater market control than can be achieved under the TPA, given the more restrictive definition of misleading or deceptive conduct under that statute, or the tort of passing off, as there is no need to establish reputation afresh with each action as is the case in passing off. This provides valuable protection to celebrity personalities well established in the personality merchandising market.

Limits to the Use of Trade Mark in Protection of Celebrity Personality

Use as a Trade Mark Required

An overriding restriction on the protection given to the indicia of celebrity personality under the 1995 Act is the proviso that not all uses of the trade mark will constitute an infringement. For an infringement to occur the use must involve the mark being used *as a trade mark*.⁷⁶ Under the 1995 Act s 17 a trade mark is defined as 'a sign used or intended to be used, to distinguish goods or services ... in the course of trade by a person from goods or services ... [of] any other person'. Where the mark is not used in such a way as to indicate and distinguish commercial origin infringement will not occur.⁷⁷ Use of the mark in comparative advertising by a competitor is not an infringement,⁷⁸ nor is the 'descriptive' use of a mark.⁷⁹

⁷² *Ibid.*

⁷³ 1995 Act s 120(3). Protection of well known marks is mandated by art 6*bis* of the Paris Convention for the Protection of Industrial Property (1883) and TRIPS Agreement (1993) art 16(2).

⁷⁴ 1995 Act s 120(3)(a), (b).

⁷⁵ J Lahore, *Patents, Trade Marks and Related Rights*, vol 1A, Para 56,240 (56,236).

⁷⁶ 1995 Act s 120(1).

⁷⁷ *Pepsico Australia Pty Ltd v Kettle Chip Co Pty Ltd* (1996) 33 IPR 161, 182 (Sackville J).

⁷⁸ 1995 Act s 122(1)(d).

⁷⁹ *Pepsico Australia Pty Ltd v Kettle Chip Co Pty Ltd* (1996) 33 IPR 161.

In particular, celebrities cannot expect that all uses of their trade marked names will be protected. In the *Rolling Stones* case,⁸⁰ the use of the words 'Rolling Stones' on the cover of an unauthorised CD recording of an early live performance by the well known rock group, was held not to infringe the registered trade mark 'Rolling Stones'. The court held that the use of the registered words did not indicate the source or commercial origin of the goods. Beaumont J, at first instance, held that, in particular, 'the [109] applicant makes it plain in his advertising and in his get-up ... that the source of origin of the goods is not an "authorised" source.'⁸¹

The underlying policy consideration for the principle of 'use as a trade mark' is that registered trade mark owners should not be given an unlimited monopoly over trade marked words. According to Justices Gummow and Heerey (on appeal):

The appellant's case is an attempt to obtain a monopoly over words used to describe a lawful product. Consistently with the appellant's argument, the maker of a film on the Rolling Stones entitled 'The Story of the Rolling Stones' would be infringing the mark. The producer of a compact disc called 'John Farnham Sings the Music of the Rolling Stones' would suffer a like fate.⁸²

Davies J, in dissent, refers to a number of US cases where trade mark law has been applied to protect the names of musical groups from unauthorised exploitation in similar circumstances.⁸³ Similar to cases regarding the tort of passing off⁸⁴ and the TPA s 52,⁸⁵ his Honour addresses this problem of misappropriation in the language of misrepresentation:

⁸⁰ *Musidor BV v Tansing* (1994) 29 IPR 203 (Gummow and Heerey JJ; Davies J dissenting).

⁸¹ *Tansing v Musidor BV* (1994) AIPC 91-075, 38,376. Confirmed on appeal: *Musidor BV v Tansing* (1994) 29 IPR 203, 216 (Gummow and Heerey JJ).

⁸² *Musidor BV v Tansing* (1994) 29 IPR 203, 217.

⁸³ Eg, *The Five Platters Inc v Purdie* 419 F Supp 372 (1976); *Bell v Streetwise Records Ltd (New Edition)* 640 F Supp 575 (1986) and a previous US case involving the same authorised distributor of the Rolling Stones: *Musidor BV v Great American Screen* 658 F2d 60 (1981); *Musidor BV v Tansing* (1994) 29 IPR 203, 207.

⁸⁴ *Hogan v Koala Dundee Pty Ltd* (1988) 12 IPR 508; *Pacific Dunlop Ltd v Hogan* (1989) 14 IPR 398, 429; *Twentieth Century Fox Film Corp v South Australian Brewing Co Ltd* (1996) 34 IPR 225.

⁸⁵ *Talmax Pty Ltd v Telstra Corp Ltd* [1997] 2 Qd R 444.

In the present case the respondent seeks to exploit the mark and its goodwill. It is sufficient that there has been a use as a mark of the registered mark, or of a mark which is substantially identical with or deceptively similar to the registered mark.⁸⁶

The use of the mark as an identifier of the musical group is a typical use of the registered trade mark according to Davies J. Consequently, even though the respondent labelled the CD's as being unauthorised versions his Honour took the view that their use was not in good faith and was an infringement of the registered mark.⁸⁷

As with other forms of intellectual property, trade mark law is appropriately concerned with reaching a balance between the entitlements of the registered owner, public access to information and the protection of competition in the marketplace. Nevertheless, a narrow interpretation of the requirement of '*use as a trade mark*', as taken by the majority in the *Rolling Stones* case means that this form of misappropriation continues unchecked causing inevitable dilution of the value of the trade mark to celebrity personalities.⁸⁸

[110] *Trade Mark Registration Not for Emerging Personalities*

The initial cost of trade mark registration,⁸⁹ the complexities of the registration process,⁹⁰ the time involved in obtaining registration⁹¹ and the organisational and financial infrastructure required to maintain its use, either by the owner or his/her assignees,⁹² means it is only of practical use to relatively well established individuals. Consequently, trade mark registration of key indicia of celebrity personality is

⁸⁶ *Musidor BV v Tansing* (1994) 29 IPR 203, 208.

⁸⁷ *Ibid*, 207–9 referring to the *Trade Marks Act* 1955 (Cth) s 64(1)(b) now covered in similar terms in the 1995 Act s 122.

⁸⁸ Frank Schechter, in his landmark 1927 article '*The Rational Basis of Trademark Protection*' introduced the concept of protecting against trade mark dilution by preventing concurrent use in non-competing products. The 'real injury' caused by such use was not the traditional evil of consumer confusion but the 'gradual whittling away' of the value of the trade mark by dispersing its originality and uniqueness in the marketplace: (1927) 40 *Harvard Law Review* 813, 825.

⁸⁹ S K Murumba, *Commercial Exploitation of Personality* (1986) 23.

⁹⁰ See IP Australia, *Trade Marks Application Kit*, February 1999, 10 for flowchart setting out steps in obtaining trade mark registration under the 1995 Act.

⁹¹ The minimum time for registration from the date of filing is ten months if no objections to registration are received following advertising of the application: Interview with Mr Don Nancarrow, Trade Marks Section, IP Australia: 16 July 1999. The time needed to register a trade mark is problematic because, according to IPAC, the pirate use of a merchandising character, and by analogy, a celebrity personality will tend to be at a peak in the early stages as that personality is emerging: IPAC, *Legal Protection of Character Merchandising in Australia*, AGPS, March 1988, 35.

unlikely to be useful to emerging personalities whose commercial value is untested or who are likely to have a limited 'shelf life'.

Operation of s 129 and Groundless Threats

In addition to its role in the marketing of celebrity personality trade mark registration may act as a general deterrent to unauthorised use of the mark or a similar mark. The existence of trade mark registration suggests that the celebrity is ready, willing and able to protect the valuable indicia of their personality against unauthorised use. However, the utility of trade mark registration as a platform from which to issue threats to unauthorised users of the mark or similar marks is circumscribed by the prohibition against groundless threats in the 1995 Act s 129.⁹³

Section 129 gives a right of action to any person who has received groundless threats of legal proceedings alleging infringement of a registered trademark.⁹⁴ However, under s 129(5) should an action for infringement be commenced and pursued with due diligence⁹⁵ the action for groundless threats may not proceed.⁹⁶ Section 129, according to Wilcox J, in *Montana*,⁹⁷ is designed to prevent the negative commercial ramifications that a threat to bring legal action for infringement of a trade mark may have. The possibility that trade mark registration creates a perception among potential users of a broader degree of protection afforded by registration than may exist in reality is a collateral benefit of the trade mark system. However, s 129 appropriately prevents a trade mark owner or assignee from taking unfair advantage of such a perception by issuing threats of legal action where they are unable to substantiate their claim.⁹⁸

⁹² If the trade mark owner is unable to obtain users in the classes in which the trade mark is registered it becomes vulnerable to removal from the register under the 1995 Act s 94(2).

⁹³ The author gratefully acknowledges the comments of Mr David Yates SC regarding the role of s 129 and groundless threats.

⁹⁴ R De Boos, 'Attack on Australia's Grey Market Creates New Risks for Foreigners' [July/August 1999] *IP Worldwide* 14.

⁹⁵ See *Montana Tyres Rims & Tubes Pty Ltd v Transport Tyre Sales Pty Ltd* (1998) 41 IPR 301, 321 (Wilcox J) regarding the requirement of 'due diligence' in s 129(5).

⁹⁶ *Montana Tyres Rims & Tubes Pty Ltd v Transport Tyre Sales Pty Ltd* (1998) 41 IPR 301, 321 (Wilcox J).

⁹⁷ *Ibid.*

⁹⁸ *Ibid.*, 322 (Wilcox J); *Avel Pty Ltd v Intercontinental Grain Importers Pty Ltd* (1996) 65 FCR 154, 159.

In this sense the trade mark is not permitted to act as a ‘sword of Damocles’ swinging above users’ heads. Section 129 ensures, as Bowen LJ stated in *Skinner*,⁹⁹ in relation to a similar provision in English [111] patent law,¹⁰⁰ that the legislature had intended that sword ‘should either not be suspended or should fall at once’.¹⁰¹ In these circumstances, a threat of action under the tort of passing off or the TPA may achieve the same result without the repercussions to be found in the 1995 Act.

Conclusion

Recent legislative reforms in Australian trade mark law now allow the registered trade mark to play a greater role in the protection of celebrity personality and character merchandising, in general. The recognition under the 1995 Act of the registered trade mark as a type of personal property has permitted a shift from its role as a badge of origin to a symbol of authorised use and licensing essential to the concept of character and personality merchandising. There are limitations to the extent that trade mark law, under the 1995 Act, provides protection for celebrity personality. These limitations are particularly apparent with regards the prohibition against the descriptive use of a mark, its inapplicability to emerging celebrity personalities and the fact that it can only be applied to selected indicia of a celebrity personality such as name, signature and likeness. Nevertheless, trade mark registration under the 1995 Act remains the only prospective form of protection for celebrity personality available under Australian law — a valuable strategic tool in the management of celebrity personality. In addition, it offers post mortem protection of selected indicia of celebrity personality unmatched by actions under the tort of passing off or the TPA.

⁹⁹ *Skinner & Co v Shew & Co* [1893] 1 Ch 413. Approved in *Montana Tyres Rims & Tubes Pty Ltd v Transport Tyre Sales Pty* (1998) 41 IPR 301, 321 (Wilcox J).

¹⁰⁰ *Patents Act 1883* (UK).

¹⁰¹ *Skinner & Co v Shew & Co* [1893] 1 Ch 413, 425 (Bowen LJ).