

Vandana Mahalwar

Character Merchandising

Protection Under IP Laws

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To my parents, with infinite love.

Preface

Most of us, at some point in time, are guilty of spending our hard-earned money on a not-so-worthy product because our favorite celebrity has endorsed it. Celebrities have the ability to sell anything, from bread to car, as the consumers are constantly captivated by their lifestyle choices. In the twenty-first century of marketing, advertising reflects the choice of society. Celebrity advertising possesses more persuasive value than the ordinary advertisements. Celebrities' appearance in the advertisement impacts the viewers in terms of memorability in such a way that the products and services are remembered for long. Modern advertising relies immensely on the commercial exploitation of personality attributes like name, voice and likeness. The significance of these personality attributes lies in their representation of an individual's dignity, which is frequently infringed through unauthorized commercial use. The phenomenon of commercial appropriation of personality is not new; however, its status and the law governing the personality features is becoming increasingly relevant. The phenomenon, in which celebrities allow the manufacturers to use their persona for the promotional purposes, is termed as endorsement. Some argue that endorsement bifurcates into common and subliminal endorsement. In common endorsement, the celebrity explicitly speaks about the quality of the product, while in subliminal endorsement, the goods are merely associated with the celebrity without any explicit statement by the celebrity. In subliminal endorsement, seemingly, the attributes of product are implied because of the celebrity involved in the endorsement. The public figures who derive benefits from the use of their persona might be aggrieved to find that a third party, without authorization, is using aspects of their persona, for the advertising purposes, to derive profits and is threatening the character's legal right on the economic value of his persona. So, character merchandising, as an aspect of advertising, is an act of merchandising. Character merchandising takes place in regard to fictional characters and real persons as well. The term 'character' has a broad contextual meaning that encompasses both fictional characters and real characters. This book discusses the current state of the law relating to character merchandising. It inquires whether the law relating to character merchandising needs to be developed and taken ahead so as to confer a person comprehensive right to prevent the unauthorized use of aspects of his personality by third parties

in connection with the promotion or sale of goods or services. The unauthorized acts of personality appropriation can be inadequately controlled through the law of copyright, trademark and passing off. The range of character merchandising is so extensive that it cannot be protected by the existing IP laws. Apart from the IP rights, the right of publicity gives the right to an individual to exploit the commercial value of his or her persona. Moreover, some States in the US have enacted specific legislations for the protection of right of publicity of a person, while in India, the courts are in the nascent stage to recognize the right of publicity. This book discusses some statutory provisions of the IP laws which are bridging the gap between appropriation of the economic value of the characters and the existing frame providing protection to the characters.

This book is divided into six chapters. Chapter 1 offers a conceptual and theoretical framework of character merchandising. It examines the kinds of characters and their legal rights, viz. property rights, personality rights and publicity rights. It also addresses the moral and economic justifications, for recognizing the rights of characters. In Chap. 2, the right of publicity has been dealt with in an elaborative manner. It builds upon the argument that inadequate protection of privacy rights led to the emergence of publicity rights. Regarding the postmortem right of publicity, this chapter discusses certain requirements that need to be fulfilled before the postmortem right of publicity becomes enforceable. Chapter 3 deals with the protectability of characters under copyright law. It analyzes the different kinds of tests introduced by courts to determine when a character can be considered to be copyrightable, viz. ‘the intrinsic test’, ‘the story being told test’, ‘the character delineation test’, etc. Furthermore, it looks at the obscure distinction between literary characters and visual characters in order to establish their copyrightability. In Chap. 4, it has been argued that trademark law is another relevant IP law that is capable of protecting the rights of characters, fictional and real both. It examines the scope of passing off action while protecting the names, images or likeness of real characters. An in-depth analysis of the requirement of distinctiveness in names, images and signatures of celebrities has also been covered. Chapter 5 covers a comprehensive account of the existing state of the law relating to character merchandising in the U.S., the U.K. and India. It covers the case laws decided by foreign courts to reflect upon trends and approaches adopted to protect the rights of characters. Chapter 6 offers the concluding observations and possible solutions.

One of the joys of completion of this volume is to look back at the writing journey and think of those who helped in different ways during this journey. I am extremely grateful to several people in academia for being more than great support while I was working on this book—to Prof. Ranbir Singh, Prof. M. P. Singh, Prof. Jerome Reichman, Prof. S. K. D. Rao, Prof. G. S. Bajpai, Dr. Vijay Juneja, Prof. Alka Chawla, Prof. Manoj Sinha and many others who not only supported but also inspired me.

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foundation of my life. I am sure they would be happy to see me having authored this book. This book would never have been possible without the constant encouragement and support of my parents-in-law, Mrs. Sheela and Mr. S. S. Sahu, which made this journey much easier.

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About the Author

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Abbreviations

ABCP	Alberta Court (Provincial)
AC	Appeal Cases
AIR	All India Reporter
AIR (SC)	All India Reporter, Supreme Court
All ER	All England Law Reports
Art.	Article
Cal. 2d.	California Reports (Second Series)
Cal. 3d.	California Reports (Third Series)
Cal. 4th	California Reports (Fourth Series)
Cal. App.	California Appellate Reports
Cal. App. 2d.	California Appellate Reports (Second Series)
Cal. App. 3d.	California Appellate Reports (Third Series)
Cal. App. 4th	California Appellate Reports (Fourth Series)
Cal. Civ. Code	California Civil Code
Cal. Rptr.	California Reporter
Cal. Rptr. 2d.	California Reporter (Second Series)
CEC	European Community Cases
CIPR	Canadian Intellectual Property Reports
Copy. Repr.	Copyright Reporter
doc.	Document
e.g.	Exempli Gratia
ECTHR	European Court of Human Rights
ed.	Edited
edn.	Edition
ELR	European Law Review
ER	English Reports
et al.	Et alia
EU	European Union
F.	Federal Reporter (US)
F. 2d.	Federal Reporter (Second Series) (US)
F. 3d.	Federal Reporter (Third Series) (US)

F. Cas.	Federal Cases (US) (1789–1880)
F. L. Rev.	Federal Law Review
F. Supp.	Federal Supplement
F. Supp. 2d.	Federal Supplement (Second Series) (US)
FLR	Federal Law Reports
GoI	Government of India
Harv. L. Rev.	Harvard Law Review
i.e.	That is
ICJ	International Court of Justice
Id.	Idem, same work, different page
Inc.	Incorporation
IP	Intellectual Property
IPJ	Intellectual Property Journal
IPLR	Intellectual Property Law Reports
IT	International Treaty
NY	New York Court of Appeals Reports
NY Civ. Code	New York Civil Code
NW	North Western Reporter (US)
NW 2d.	North Western Reporter (Second Series) (US)
S. Ct.	Supreme Court Reporter (US)
SC Wash	Supreme Court of Washington
SCC	Supreme Court Cases
SCCal.	Supreme Court of California
SCNY	Supreme Court of New York
Sec.	Section
Supp.	Supplementary
TRIPS	Trade-Related Aspects of Intellectual Property Rights
U.K.	United Kingdom
U.S.	United States of America
U.S.C.	United States Code
UNDHR	United Nations Declaration of Human Rights
UOI	Union of India
USCA	United States Court of Appeal
v.	Versus
Vol.	Volume
w.e.f.	With effect from
Wash. Rev. Code	Washington Revised Code
WIPO	World Intellectual Property Organization
WPPT	WIPO Performances and Phonograms Treaty
WTO	World Trade Organization

Chapter 1

Concept of Character Merchandising



1.1 Introduction

The celebrity culture phenomenon influences countless minds and sets up itself as a vital concept within society, wherein the population longs to be associated with celebrities in their daily lives. The popularity of celebrities makes the traders to shift upon the purported “celebrity bandwagon” and to use their significant personality traits such as names, likenesses and other recognized peculiarities, to advertise goods in the extremely profitable market. The manufacturers tend to take the free ride on the fame of celebrities that violates not only the publicity rights of celebrities but the cultural foundation of society as well. In the last few decades, the expansion of mass-media and the progress in technology has made the celebrities omnipresent, and even more vulnerable to the commercial use of their persona traits.¹ The society has grown more obsessed with celebrities. Society’s dealing of celebrities indicates to the world that in some way these folks are significantly exclusive and not ordinary. The public gets attracted to every article bearing their image, television shows, and newly released movies in which their much-loved celebrities appear. No wonder that the most renowned characters are usually the highest paid and their private lives undergo an immense abuse.²

The twenty-first century has observed the mass media outbreak as a supplier of information and also as a resourceful tool for marketing. Be it by print, audio, visual, or web means, markets are flooded with commercial advertisements of merchandise. Character merchandising has emerged as a significant tool that is used for marketing and other commercial purposes to promote sales.³ Over the years, the power of persona has been recognized by the advertising industry to create awareness and

¹ Bains (2007).

² Amin (2010).

³ *Lorimar Productions v. Sterling clothing* (1982) R.P.C. 99 (16): 395–424.