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The economic part of the right to personality as an intellectual property right?

A comparison between English and German Law

A comparison between the German and English law on "publicity protection" reveals that both countries have experienced similar developments and that the rights granted can indeed be analysed in terms of intellectual property rights. In both jurisdictions "third party-cases" are resolved similarly even though questions of assignability are not clearly addressed. In contrast to English law, however, the roots of the right to personality explain the reluctance to recognise explicitly that in German law the economic component of the general right to personality is nothing but a right to publicity. All in all, a debate about publicity protection will only be successful if the respective issues are addressed in terms of publicity rights and not concealed within inappropriate actions.

I. Introduction

Can a celebrity control the use of his or her personality features and, in doing so, can he or she prevent third parties from commercially exploiting his or her acquired fame without prior consent? In England it is a controversial question whether such "publicity rights" should be granted or not. Irrespective of this debate, recent decisions like *Douglas* v *Hello*[1] and *Irvine* v *Talksport*[2] illustrate that

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1 [2008] 1 A.C. 1. The celebrity couple Michael Douglas and Catherine Zeta-Jones concluded a contract with the magazine OK!, in which they granted the magazine the exclusive right to publish photographs of their wedding. They agreed to ensure that nobody else except that magazine's reporter would be allowed to take photographs at the wedding, which was hosted by the Plaza Hotel in New York. Despite extensive security measures, another reporter succeeded in taking several photographs of the wedding which were then published in the rival Hello! magazine. Both OK! and the Douglases brought an action for breach of confidence against Hello!. Both claimants succeeded.

2 [2002] 1 W.L.R. 2355. Eddie Irvine, the famous Formula One racing car driver, built up a worldwide reputation in the sport, which was accompanied by a growing business in endorsing products. The defendant, a radio station known as "Talk Radio", re-branded its business as "Talksport", as it wanted to focus on live sports coverage. As part of its promotional campaign, the defendant distributed a brochure to potential advertisers. On its front page there was a doc-

the non-consensual use of personality features is restricted in England. German scholars, on the other hand, are currently focussing on the question of whether an individual can assign certain "commercial rights" with respect to his or her personality. The judiciary has fuelled this debate with the decision in the *Marlene Dietrich* case.[3] In this article, however, the question of the scope of the protection awarded will not be addressed. The state of the law in both countries leaves no doubts that third parties are not totally free to use personality features of celebrities. Even though particularly English lawyers deny the existence of a right to publicity, the actions for breach of confidence and for passing off *de facto* grant something like a right to publicity.

Despite these developments, the nature of these rights, in particular their relation to intellectual property law is still unclear. The law in both jurisdictions is far from settled. On the contrary, in the last decade a significant evolution of both the economic reality and the law's reaction to it can be observed in both countries and further developments are likely to follow. For that reason, analysing the law from a comparative point of view promises to be a challenging but fertile task. Bearing in mind, that the law in both the German and the English jurisdictions concerning the unauthorised exploitation of fame is judge-made law, a comparison of the state of law in both countries appears to be even more instructive.

In order to figure out whether the rights granted can be properly analysed in terms of intellectual property rights it will be helpful to outline the underlying theories of justification for the protection of fame in both countries (below, II.). Secondly, the problem of assignability will be investigated, since it is a key feature of an intellectual property right (below, III.). Against this background, finally it will be asked whether the protection which is granted in England and Germany can be classified as intellectual property protection (below, IV.).

II. Justifications for the protection of fame

As mentioned, for a more detailed analysis it is first necessary to outline how the protection of celebrity or rather the protection of commercial aspects of one's personality can be justified. While in Germany justification issues are rarely addressed, English commentators, particularly those sceptical of a right to publicity, more openly discuss the underlying policy arguments.

tored photograph of Eddie Irvine holding a portable radio bearing the name of the radio station. The advertisement clearly gave the impression that Eddie Irvine was listening to the radio and hence (given the logo) to "Talksport". Irvine successfully sued Talksport for passing off, claiming that the use of his photograph in such circumstances amounted to a misrepresentation that he endorsed the radio station.

3 BGHZ 143, 214 – Marlene Dietrich. A music producer had sold merchandising articles bearing the name and physical image of the late actress Marlene Dietrich. Her daughter claimed damages.

1. Justification theories

First of all, it needs to be considered how publicity rights can be justified theoretically. On the one hand, moral arguments are stressed. The allocation of the economic value of personality features to the individual might be justified by concerns with personal autonomy and dignity. Consequently, the protection of the commercial interests may be based on the assumption that it is the fundamental right of every person to control the commercial use of his or her identity[4]. Another school of thought justifies publicity rights with reference to John Locke's labour-based theory of property. Basically, it is considered to be a natural right to reap what one has sown[5].

On the other hand, economic rationales can be invoked to justify that the celebrity persona "belongs" to the celebrity. First of all, conferring such a right is regarded as a reward for the time, effort, talent, and money spent to become a famous person[6]. Alongside that, the "incentive argument" is also raised. People will have incentives to undertake socially enriching activities only if exclusive personality rights are granted[7]. Furthermore, property style publicity rights make sure that there will be a more efficient allocation of resources[8]. Last but not the least, one can find notions favouring investment protection[9], as well as consumer protection[10].

By contrast, many authors oppose the idea of "celebrity rights"[11]. Foremost it is argued that it is not the celebrity (at least to a certain extent) but the public who creates the celebrity status. Consequently the celebrity persona must be in the public domain[12]. Many authors concisely conclude: "Let the public reap what it has sown"[13]. Besides, it is pointed out that fame may be undeserved: "Maybe this person is not the best in his or her field but happened to be more eye-catching"[14]. Others stress that it is questionable whether the recognition of such property rights would serve any great purpose in society. It is asked, for example, whether the advertisements benefiting from fame are informative or of social value[15]. Additionally, critics challenge whether a right to publicity would really encour-

4 Peifer, GRUR 2002, 495.
5 Cf. Savan Bains, [2007] Ent.L.R. 205, 206; Libling, [1978] 94 L.Q.R. 103.
6 Cf. Stephen Boyd, [2002] Ent.L.R. 1, 2; BGHZ 143, 214, 219 – Marlene Dietrich.
7 Cf. Stephen Boyd, [2002] Ent.L.R. 1, 2.
8 Wagner, GRUR 2000, 717, 718; Frazer, [1983] 99 L.Q.R. 281, 301 ff.
9 Koos, GRUR 2004, 808, 813.
10 Carty, [2004] 3 I.P.Q. 209.
11 Smith, Image, Persona and the Law, London 2001, 3; McGee / Gale / Scanlan, [2001] 21 L.S. 226, 235.
12 Caenegem, [1990] 12 E.I.P.R. 452, 458; Phillips, [1998] 20 E.I.P.R. 201, with regard to dead celebrities; Schack, JZ 2000, 1060, 1061.
13 For example Phillips, [1998] 20 E.I.P.R. 201.
14 Smith (n. 11), 141.
15 Caenegem, [1990] 12 E.I.P.R. 452, 458.

age people to be creative[16]. Last but not least, it is argued that there is no need for further rewards in the form of licence fees. Celebrities are already remunerated by society by their celebrity status, which may be seen as recognition of their talents and as a consequence of their achievements in their chosen field of activity[17].

The scepticism against strong celebrity protection is partly based on a fundamental resistance to intellectual property rights in general, since in particular "overprotection stifles the very creativity forces it is supposed to nurture"[18]. Particularly the right to free speech is seen to be at risk. It would prevent others from making reference to the person even in circumstances where it would be socially or economically justified. Excesses might follow from conferring a private proprietary right in name, appearance and voice. If such a right was to be established, its conditions would therefore need to be carefully defined by statute[19].

Other academics warn that the recognition of an alienable right to publicity might even weaken an individual's right to his or her personality. Individuality might disappear in favour of trends influenced by the market[20]. Schack, a strong opponent of the development of "publicity rights", stresses the incompatibility of personality protection and business. From his point of view, the recognition of inheritability, for instance, does not strengthen but undermines the concept of self-determination. Other authors take the same line, expressing fear that inheritability might lead to a "disneyfication" of dead celebrities[21]. It has been noted sarcastically that "it is easy to paint the picture of an honest celebrity toiling with his fame for the benefit of his unborn descendants"[22].

2. The German and the English approaches

The concepts which are adopted in English and German law can be analyzed on the basis of these theories and their critics. In Germany, the protection of the commercial value of one's personality is rooted in the general right to personality and its special manifestations, which are initially intended to protect privacy. The emphasis lies on dignitary aspects. In *Paul Dahlke* the Federal Supreme Court stressed that it is the "natural consequence of the right to personality" to determine if and whether an individual wants to exploit his or her image for the business interests of third parties[23]. To this day the judiciary emphasises that the interpretation of the right to personality as a "pecuniary right" primarily serves

16 Smith (n. 11), 4; Carty, [2004] 3 I.P.Q. 209, 251.
17 McGee/Gale/Scanlan, [2001] 21 L.S. 226, 250.
18 Noted in McGee/Gale/Scanlan, [2001] 21 L.S. 226, 242; see also Schack, JZ 2000, 1060.
19 Carty, [2004] 3 I.P.Q 209, 252; Cornish/Llewelyn, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, 6th edition, London 2007, 653 f.
20 Schack, JZ 2000, 1060; Peifer, GRUR 2002, 495, 499.
21 Phillips, [1998] 20 E.I.P.R. 201, 202.
22 Ibid., 201.
23 BGHZ 20, 345, 351 – Paul Dahlke.

ideal interests. In order to prevent the commercialisation of an individual's personality, it is necessary to recognise its commercial value[24]; protection against commercialisation by commercialisation[25].

More and more, however, it is stressed that the economic and social reality demands the evolution of the right to personality[26]. In *Marlene Dietrich* the Federal Supreme Court considered that the economic value of fame was often the result of the particular person's achievement[27]. Whereas in England passing off protection has played an important role, unfair competition arguments were hardly taken into account in German law. Indeed, determining whether the unauthorised appropriation of personality is fair or unfair may be said to depend on the question of whether the respective person has an exclusive right with respect to his or her personality features[28].

On the other hand arguments against monopolies on fame have been considered ever since by the German courts. With regard to dead people, for example, the BGH only recently stressed in *Kinski.Klaus.de* that the public has a justified interest in discussing the deceased's life and oeuvre[29].

Due to the dignitary basis in Germany a monistic approach is favoured. The general right to personality as well as the specific personality rights are considered as "hybrid rights" protecting both non-economic and economic interests, which mirrors its dignitary justification[30]. Certainly, this hampers the evolution towards a right to publicity. Even though at the end of the day property-like protection is granted, judges as well as commentators hesitate to label the commercial part of the personality right as an intellectual property right. This reluctance becomes particularly apparent with regard to assignability, which will be discussed below.

By contrast, a minority of commentators has suggested that German law should take a dualistic approach, i.e. that it should recognise two distinct rights; first a pure right to personality which only protects ideal interests and secondly an intellectual property right which relates to personality features which can both be separated from the person and which constitute an economic value[31].

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24 BGHZ 143, 214, 219 – Marlene Dietrich.

25 Götting, GRUR 2007, 170, 171.

26 Koos, GRUR 2004, 808.

27 BGHZ 143, 214 – Marlene Dietrich; similarly BGHZ 49, 288 – Ligaspieler.

28 Beverley-Smith / Ohly / Lucas-Schloetter, Privacy, Property and Personality, Cambridge 2005, 95, 119 ff.

29 BGH GRUR 2007, 168, 170 – Kinski.Klaus.de.

30 BGHZ 143, 214 – Marlene Dietrich; Ehmann, AfP 2005, 237, 239; Beverley-Smith / Ohly / Lucas-Schloetter (n. 28), 108; Forkel, Festschrift für Karl H. Neumeyer, 1985, 231, 237, 242. In English literature this is criticised on the ground that human rights (those which protect e. g. human dignity or privacy) are confused with property rights, Bains, [2007] Ent.L.R. 164, 168.

31 Fikentscher, Wirtschaftsrecht II, München 1983, 112, promotes a "commercial personality right" (wirtschaftliches Persönlichkeitsrecht); cf. also Ullmann, AfP 1999, 209, 214; Beuthien / Hieke, AfP 2001, 353, 355.

In English law, on the other hand, policy arguments against the introduction of a right to publicity result in a general reluctance to establish such a right. In *Elvis Presley Trademarks*, for example, Simon Brown L.J. rejected a "free standing general right to character exploitation". He held the view that "monopolies should not be so readily created"[32].

In practice, however, these concerns have not prevented the courts from granting "patchwork protection", essentially on the basis of the actions for passing off and breach of confidence. The roots of passing off can be found in the common law tort of deceit[33]. Nowadays, passing off primarily aims to protect a trader who has acquired goodwill by using particular signs or symbols[34]. Restricting false endorsement by means of passing off has also been justified by notions of consumer protection[35]. More generally, the action of passing off in its modern form is referred to as a form of unfair competition[36]. Undoubtedly, it can be concluded that an economic viewpoint is taken when "publicity protection" is awarded on the ground of passing off. Indeed, commentators highlight that this topic has nothing to do with privacy and everything to do with (sometimes rather extreme forms of) public exposure[37].

Notwithstanding this point of view, in *Irvine* v *Talksport* privacy aspects were also considered. Laddie J. asked whether it was necessary to take Article 8 of the Convention of Human Rights into account:

> "Had I come to the conclusion that passing off had not developed sufficiently to cover false endorsements it would have been necessary to go on to consider whether this new strand of law was effective, to use the words of Sedley L.J. in *Douglas* v *Hello!* Ltd [2001] Q.B. 967, at 998, para. 11, to "give the final impetus" to reach the result. As it is, for reasons set out above, I have to come to the conclusion that the law of passing off secures to Mr Irvine the protection he seeks and no recourse needs to be had to the provisions of the 1998 Act[38]."

By contrast, the development of the action for breach of confidence towards a tort of misuse of private information was crucially influenced by Articles 8 and 10 ECHR, which have to be applied in domestic law by virtue of the Human Rights Act 1998. It is recognised that the values underlying these articles are now part of the cause of action for breach of confidence[39]. As illuminated in *Douglas* v *Hello!*, the action for breach of confidence, however, encompasses cases in a commercial

32 [1999] R.P.C. 567, 598.
33 Phillips/Firth, Introduction to Intellectual Property Law, 4th edition, London 2002, 278.
34 Bently/Sherman, Intellectual Property Law, 3rd edition, Oxford 2009, 713; Wadlow, The law of passing off, 3rd edition, London 2004, 479 ff.
35 Smith (n. 11), 143; Carty, [2004] 3 I.P.Q. 209, 249.
36 Arsenal v Reed [2003] E.T.M.R. 73 para. 70 (Lord Aldous); having said this does not mean necessarily recognising a general tort of unfair competition.
37 Taylor/Boyd/Becker, Image Rights, in: Lewis/Taylor (eds.), Sport: Law and Practice, London 2003, 636.
38 [2002] 1 W.L.R. 2355, 2379.
39 Campbell v MGN [2004] 2 A.C. 457, 465.

context, too. Lord Phillips found it appropriate to describe the respective confidence as "hybrid"[40]. After the incorporation of Article 8 ECHR, commentators first predicted that the action for breach of confidence might develop into a right to privacy[41]. Now commentators, while emphasising on the commercial side of the action for breach of confidence, point out that the action for breach of confidence might develop into something "akin to the right to publicity" rather than privacy[42]. Despite that, it is fair to say that the action for breach of confidence in English law protects both commercial and ideal interests[43]. Comparable with German law, a monistic approach is taken under English Law. This is, however, criticised: Commentators warn that privacy and publicity issues should be carefully distinguished[44].

At this moment it is difficult to predict how this monistic approach will develop in England. In contrast with Germany, it is quite unlikely that "dignitary issues" will prevent the further development towards intellectual property-like publicity rights. On the one hand, in England the tradition of personality rights is not as fixed as it is in German law. On the other hand, the action for passing off, by which only commercial aspects have been protected so far, could fulfil this role, too. Indeed, in English law not just one cause of action is available to cope with publicity issues. Shifting the focus from the action for breach of confidence to a broader view of the map of "publicity law" reveals that English law actually adopts something like a dualistic approach. On the one hand, the action for breach of confidence is the proper cause of action for privacy and dignitary issues, albeit commercial interests are embodied in this action, too. On the other hand, passing off is only concerned with economic interests, whereas dignitary aspects have not played any role in this action till now.

3. Conclusion

At first sight, the "magnetism of celebrity" is protected by different means in England and Germany. While unfair competition arguments prevail in England, German law relies on personality protection. Nevertheless, since Article 8 ECHR has crucially influenced English law – and will probably determine the further evolution of the action for breach of confidence and perhaps even passing off – it should not be overlooked that privacy nowadays constitutes a common underlying principle in both countries.

40 [2005] E.M.L.R. 28 para. 34.
41 Strachan/Singh, [2002] 2 E.H.R.L.R. 129.
42 Phillips/Firth (n. 33), 304; cf. Cornish/Llewelyn (n. 19), 366 f.; Michalos, [2007] Ent.L.R. 241, 246.
43 Phillips/Firth (n. 33), 284.
44 Carty, [2004] I.P.Q. 209, 215; Bains, [2007] Ent.L.R. 164, 165.

Unlike in Germany, this dignitary justification is not likely to prevent further developments towards a right to publicity in England. Besides the mentioned arguments, English lawyers are much more conscious of the fact that human rights (concerning the protection of e. g. reputation and privacy) and property rights are two distinct issues. They argue that a mixture of both concepts might result in blurring the boundaries between economic rights and fundamental rights. Germany is considered as a bad example from this perspective[45].

Even if one does not accept this criticism, it must be admitted that German lawyers should become more aware of the commercial nature of personality rights. Indeed, the English debate illustrates that mere reference to dignitary aspects might not be sufficient to justify the exclusive allocation of the value of one's personality to the respective individual. While the strong idealistic justification of personality rights in Germany should not be forgotten, the *Marlene Dietrich* judgment rightly stresses economic justifications. German lawyers should be conscious of this commercial context. This not only sharpens the understanding of this evolving right, it also supports its unencumbered development and allows for a more precise balancing between protection and countervailing public interests.

III. Assignability

Not only celebrities themselves may have an interest in protecting their privacy. Newspapers which have been granted exclusive rights in stories may wish to defend this right against competing papers, and advertisers try to vindicate their "exclusive endorsement agreement" when competitors try to benefit from the star's fame as well. Of course, in these cases the first contractor can seek to enforce his contractual rights. These rights, however, have a limited scope since they only govern the relationship between the parties to the contract. Beyond specific economic torts like interference with business relations or § 826 BGB, which grants protection against damage caused in an intentional and dishonest way, no relief will be afforded. Thus, it is vital whether newspapers or advertisers have their own proper rights which are good against the world. In other words, the question is whether rights to the exclusive use of personality aspects can be licensed and whether the licensee can enforce his or her right against third persons.

45 Bains, [2007] Ent.L.R. 164, 168; Klink, [2003] I.P.Q. 363, 387; Smith, [2004] I.S.L.R. 37, 41.

1. The doctrinal basis

In Germany, the question of whether the commercial part of the right to personality is transferable has not yet been decided by the judiciary. In *Marlene Dietrich*, however, the Federal Supreme Court held that personality rights, as far as commercial interests are concerned, can descend to heirs. However, the judges did not decide whether the exclusive right to the economic value of one's personality can be assigned *inter vivos*[46].

In an earlier decision the BGH avoided a clear answer. The German pop star Nena had granted a merchandising agency the "exclusive right" to exploit inter alia her image and name for commercial purposes. When another merchandiser used Nena's portrait for posters and T-shirts as well, the first agency brought an action against this firm. The claimant succeeded with an action in restitution based on the principle of unjust enrichment[47]. Unfortunately, the reasoning remained vague. In particular, the judges did not explain whether the claim of the agency was based on their licence or if the claimant was merely entitled to take legal proceedings on behalf of Nena by means of a representative action (*gewillkürte Prozessstandschaft*), which the German law of civil procedure allows under some circumstances. With greater clarity, however, the Federal Supreme Court held in the case *Universitätsemblem* that the right to one's name was not transferable, but only enforceable by means of a representative action brought by the exclusive merchandiser on behalf of the right holder[48].

Due to the lack of clear authorities and changing merchandising practice, the question of assignability is highly controversial. One point of view stresses the dignitary basis of the general right to personality: Since it was settled law that personality rights are not assignable, the commercial aspects could neither be transferred nor be the subject of a licence[49]. The protection of personality would be undermined, because at the end of the day the licensee could act against the licensor's will[50]. The proponents of this view concede, however, that a person may allow a third party to undertake some acts covered by the right to personality. A waiver (*pactum de non petendo*) or (revocable) consent is regarded as the correct doctrinal basis[51].

By contrast, commentators increasingly argue that the assignability of the commercial part of the general right to personality is desirable[52]. Nevertheless, it remains unchallenged that pure personality rights cannot fully be transferred.

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46 BGHZ 143, 214 – Marlene Dietrich.
47 BGH NJW-RR 1987, 231, 232 – Nena.
48 BGHZ 119, 237, 240, 242 – Universitätsemblem.
49 Schack, Urheber- und Urhebervertragsrecht, 4th edition, Tübingen 2007, 27 f.
50 Schack, JZ 2000, 1060, 1062.
51 BGHZ 119, 237, 242 – Universitätsemblem; see Beverley-Smith / Ohly / Lucas-Schloetter (n. 28), 129 ff. for more details.
52 Beverley-Smith / Ohly / Lucas-Schloetter (n. 28), 134.

Thus, from this viewpoint, the German monistic copyright conception, which regards copyright as a hybrid between personality and property rights, serves as a model. As a consequence of this dual nature, copyright is not assignable *inter vivos,* but the owner can grant all types of licences[53]. Accordingly, it is suggested that the economic part of the right to personality cannot be transferred, but that licences can readily be granted. As in copyright law, the licensor of the economic part of the general right to personality is entitled to withdraw the licence in some exceptional cases, particularly if his ideal interests become seriously affected[54]. This concept is referred to as "tied transfer"[55], as the licence remains tied to the "mother right". The same approach is advocated with respect to specific personality rights such as the right to one's name or picture[56].

In English law questions of assignability are less frequently addressed. It arose, however, in *Douglas* v *Hello!*. While the bridal couple was satisfied with the decision of the Court of Appeal, the magazine OK! appealed to the House of Lords. The question was whether OK! itself could sue for damages. The magazine succeeded with an action for breach of confidence. Whilst the Court of Appeal found that the benefit of an obligation of confidence was not assignable[57], the majority in the House of Lords held that the rival magazine *Hello!* owed a duty of confidence not only to the Douglases but also to OK!. Lord Hoffmann held that

> "OK! had paid £1 million for the benefit of the obligation of confidence imposed upon all those present at the wedding in respect of *any* photographs of the wedding. That was quite clear. Unless there is some conceptual or policy reason why they should not have the benefit of that obligation, I cannot see why they were not entitled to enforce it[58]."

Commentators criticise that "the precise legal mechanism by which an obligation came to be owed to OK" is unclear[59]. Indeed, the reasoning of Lord Hoffmann remained vague. What, then, is the proper analysis of the result reached by the House of Lords? On the one hand this happened to be a question of whether one of the elements of the action for breach of confidence could be established, namely the problem of ascertaining to whom the obligation was owed. On the other hand, however, this problem can be analysed in terms of assignability, namely whether OK! had a right which had been transferred by Michael Douglas and Catherine Zeta-Jones.

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53 §§ 11, 29, 31 Copyright Act (Urhebergesetz – UrhG).

54 Götting, GRUR 2004, 801, 805. Partly these results are explained on the basis of "irrevocable consent", cf. Beverley-Smith / Ohly / Lucas-Schloetter (n. 28), 132; cf. §§ 41, 42 Copyright Act (Urhebergesetz – UrhG).

55 Forkel, GRUR 1988, 491 ff.

56 Forkel, NJW 1993, 3181, 3183.

57 [2005] E.M.L.R. 38 paras. 119, 134 and 136 (Lord Phillips); cf. Lorna Brazell, [2005] E.I.P.R. 405, 409–410.

58 [2008] 1 A.C. 1 para. 117 (Lord Hoffmann).

59 Bently / Sherman (n. 34), 1033; Michalos, [2007] Ent.L.R. 241, 243.

The latter analysis, however, raises new questions. First of all it remains unclear what shall be assigned. Traditionally, confidential information within the action for breach of confidence is not regarded as a form of property[60]. However, recently the emphasis is less on "confidential" and more on "private" information. This could be seen in turn as an asset which belongs to the respective individual.

Things become even more difficult if the action for passing off is considered. Even in Australia, where the law of passing off has been interpreted in a rather celebrity-friendly way, the question of assignability is not discussed[61]. Partly this problem is avoided by interpreting generously who owns the goodwill. In English character-merchandising cases such as *Ninja Turtles* it was held that it is not necessary for the claimant to manufacture or market goods himself in order to create goodwill. Instead, simply being involved in a licensing business (which was crucially based on the subsisting copyright in a fictitious character) was regarded to be sufficient. Consequently, in that case all four claimants succeeded, even though questions of assignability were not addressed[62].

Besides that, three points need to be highlighted. First, it is settled law that goodwill cannot be assigned separately, i.e. isolated from the assignment of the business[63]. Secondly, the purpose of passing-off is to vindicate the claimant's exclusive right to goodwill and to protect it against damage[64]. Thirdly, from a comparative point of view, it is vital to point out that German unfair competition law does not grant any positive rights, but only prohibits certain acts, whereas the action for passing off is considered to be a part of intellectual property law[65].

Although goodwill is not transferable as such, the owner of goodwill is not prevented from allowing third parties to benefit from it. Indeed, Laddie J. explained that "it is for the owner of goodwill to maintain, raise, or lower the quality of his reputation or to decide who, if anyone, can use it alongside him"[66]. This, however, could be analysed in terms of licensor and licensee. In fact, a simple look at the precedents reveals that frequently more than one claimant brought an action for passing off. In *Irvine* v *Talksport*, for example, it was Irvine's management company that sued as well as Irvine himself.

After having analysed third party constellations, it finally is worth considering whether it would be desirable to recognise alienability. Four reasons for this can be identified: First of all, such an approach would put the problem, which has

60 Douglas v Hello! [2008] 1 A.C. 1 para. 275 (Lord Walker).
61 Caenegem, [1990] 12 E.I.P.R. 452, 456.
62 Mirage Studios and Others v Counter-Feat Clothing Company Ltd and Another [1991] F.S.R. 145, 155–156; cf. also Wadlow (n. 34), 480.
63 IRC v Muller & Co's Margarine Ltd. [1901] A.C. 217, 223; Barnsley Brewery Company v RBNB [1997] F.S.R. 462, 469.
64 Irvine v Talksport [2002] 1 W.L.R. 2355, 2366, para. 34.
65 Davis, Intellectual Property Law, 3rd edition, Oxford 2008, 2; cf. Carty, [2007] I.P.Q. 237, 252.
66 Irvine v Talksport [2002] 1 W.L.R. 2355, 2366 para. 34.

already arisen several times in the case law, on a clear and consistent doctrinal basis. Consequently, uncertainty might be reduced. Secondly, it can be considered as an advantage that third parties could start their own legal proceedings. Based on their licence they could vindicate their own rights[67]. That is consistent with the interests of the parties. The *Nena* case, for example, illustrates that celebrities are happy to have these disputes "outsourced". Critics, however, point out that this would be inconsistent with intellectual property principles. Hence, a licensee of an intellectual property right would not have this right[68]. Thirdly, advantages of priority can be identified. If one has transferred his right or granted a licence it is not possible to do so a second time. *Nemo plus juris transferre potest quam ipse habet*. This would lead to more certainty as well[69]. Fourthly, those who are interested in strong personality protection point out that only the recognition of assignability would serve this aim[70]. This, however, is heavily disputed. Furthermore, English lawyers would not consider this as a benefit due to a different English approach[71].

2. Conclusion

First of all, the comparison between the *Nena* decision and the judgment of the House of Lords in *Douglas* v *Hello!* illustrates that a desire to protect third parties can be observed in both Germany and in England. The facts of both cases fuel the idea of assignability and, indeed, judges in both countries show sympathy for those third parties. Crucially, in both cases the judges avoided basing their decisions on a clear doctrinal basis. In particular, they were reluctant to address questions of assignability.

Secondly, the *Marlene Dietrich* case can be seen as a hint in which direction the development is going. Indeed, it is quite likely that the next steps will follow this direction.

Thirdly, it can be concluded that in German law "dignitary" aspects cause difficulties with regard to assignability, whereas the problem of determining what to assign seems to be the major problem in English law. As to the latter, a comparison of "publicity protection" illustrates that the scope of protection awarded under German law cannot be defined clearly and so the subject-matter cannot be defined clearly either. Not every use of a personality feature without consent infringes personality rights. In each case the competing interests need to be weighed and, as a result, from a practical point of view it is often difficult to predict whether there is an interference with the personality right. This, however, did

67 Forkel, NJW 1993, 3181, 3182; cf. Mustad v Allcock [1963] 3 All E.R. 416.
68 Bently/Sherman (n. 34), 1033.
69 Forkel, NJW 1993, 3181, 3182 (fn. 27).
70 Ullmann, AfP 1999, 209, 210.
71 See above.

not prevent the judiciary from recognising inheritability. With regard to German law, it was already argued in this article that dignitary aspects should not prevent a "tied transfer" of the economic part of the general right to personality.

IV. Right to publicity?

Finally, this article will focus on the question whether German or English law recognises a right to publicity which can be conceived as an intellectual property right. With regard to German law, the terms personality rights and intellectual property do not seem to represent a contradiction anymore[72]. Particularly the *Marlene Dietrich* decision is considered by many as a milestone in the recognition of a right to publicity[73]. By contrast, several commentators point out that "the German personality right falls short of offering a general publicity right, a property right in the economic value of one's image such as is available in the United States"[74]. Certainly, there is a debate going on in Germany on the issue, whether the right to personality remains a mere "defensive right", a right to vindicate intrusion into one's personal sphere, or whether it will develop towards a "quasi-property right"[75].

In England, on the other hand, the latest decision of the House of Lords in *Douglas* v *Hello!* is analysed in terms of publicity rights[76]. Accordingly, the action for breach of confidence appears to take on a new role, which seems to be "more akin to a right of publicity than to a right of privacy"[77]. Others interpret the evolution of passing off in such a way that English law is on the way to recognising image rights[78]. The judiciary is less enthusiastic. Lord Hoffmann, for instance, observed no evolution towards an "image right" or "any other unorthodox form of intellectual property"[79].

Consequently, the question arises how far the law has already developed towards a right to publicity[80]. Such a right can be described as a fully assignable right which allocates the value of a person's personality exclusively to its "owner"[81]. Crucially, it can be classified as an intellectual property right. Accord-

72 Ullmann, AfP 1999, 209, 210.
73 Peifer, GRUR 2002, 495, 496; Schack, JZ 2000, 1060, 1061; Peukert, ZUM 2000, 710.
74 Davis (n. 65), 185; no publicity right as such, Carty, [2004] I.P.Q. 209, 226.
75 Cf. Biene, [2005] IIC, 505, 508.
76 Cornish/Llewelyn (n. 19), 366 f.
77 Phillips/Firth (n. 33), 304; Michalos, [2007] Ent.L.R. 241, 246.
78 Taylor/Boyd/Becker (n. 37), 651.
79 Douglas v Hello! [2008] 1 A.C. 1, 49 para. 124.
80 With regard to the right to publicity in the United States, see Haelan Laboratories v Toops Chewing Gum 202 F 2d 866 (2nd Cir. 1953); Zacchini v Scripps-Howard Broadcasting Co., 433 U.S. 362 (1977).
81 Koos, GRUR 2004, 808, 810; Smith (n. 11), 5.

ingly, it can be analysed, whether or not the legal means by which the "misappropriation of fame" is restricted shares similarities with intellectual property rights?

In Germany, a major difference between personality rights in the sense of privacy rights on the one hand and the protection of commercial aspects in terms of intellectual property on the other hand can be seen in the different remedies awarded. While pure personality rights are designed as "defensive rights", intellectual property rights trigger remedies as to pecuniary relief[82]. Furthermore, according to the traditional German understanding, privacy can only be defended with injunctions and exceptionally with compensation for the mental harm suffered by awarding compensation, whereas a claim for damages would not be successful. Irrespective of this doctrine, it is settled law that the infringement of the commercial interests of the right to personality gives rise to a claim for damages[83].

Indeed, it is pointed out that a calculation of damages on the basis of the infringer's profits can properly be explained only if the commercial interests attaching to the personality are seen as the object of intellectual property rights[84].

In English law, in turn, in *Douglas* v *Hello!*, the Douglases were awarded £ 3,750 each by the Court of Appeal as general damages for mental distress, whereas the claim for a notional licence fee failed. On the one hand, the basis of the claim was a breach of privacy and not the loss of an opportunity to earn money. On the other hand, it was argued that the couple never would have granted a licence to the defendant since they had already contracted with another magazine[85]. The latter reasoning reminds one of the ruling in several German cases which eventually was abandoned in *Lafontaine*[86]. Regardless of this finding, the Court of Appeal stressed that Douglas and Zeta-Jones would have been entitled to seek an account of profit, had the defendant not made a loss[87]. In the subsequent House of Lords' decision it was held that the defendant was also liable to pay damages to the third claimant, OK! magazine, for the loss caused by the unauthorised publication of the photographs of the wedding[88]. Thus, it can be summarised that English judges are in principle willing to allow claims for pecuniary relief, too,

82 Schack, AcP 195 (1995), 594, 595; Peifer, GRUR 2002, 495.

83 Ullmann, AfP 1999, 209, 212. As a result, it is necessary to modify the traditional distinction between property in tangible objects, rights in intangible objects and personality rights, ibid., 213.

84 Ullmann, AfP 1999, 209, 212.

85 [2005] E.W.C.A. Civ. 595, 684 paras. 246–248.

86 BGHZ 26, 349, 352–353 – Herrenreiter; BGH GRUR 2007, 139 – Oskar Lafontaine. In the Lafontaine case, a car rental agency used the portrait of the resigned minister in order to promote their services. Above the slogan "We rent cars to employees during their probation period, too", all members of the German Federal Government were pictured whilst Lafontaine's portrait was blanked out. Damages were, however, not granted since the defence of freedom of speech was applicable.

87 Ibid., para. 249; cf. Brazell, [2005] E.I.P.R. 405, 410.

88 [2008] 1 A.C. 1, 47 para. 115 ff.

albeit the claims are ultimately based on the violation of privacy. The same results are achieved in claims of false endorsement. A claim on the grounds of passing off regularly results in an award of damages[89].

Secondly, the assessment of damages gives further evidence of the intellectual property nature of "publicity protection". Indeed, under German law, remedies which are granted in cases where third parties exploit the business value of one's personality without consent are often similar to those which are granted in cases of intellectual property infringement (cf. Art. 13 Directive 2004/48/EC – "Enforcement Directive"). Since the concrete loss suffered by the right owner is difficult to assess, the courts allow the claimant to recover a "reasonable licence fee" or to claim an account of profits[90].

In *Irvine* v *Talksport*, Laddie J. held that the principles established for the assessment of damages for infringement of patents were applicable in cases of false endorsement. He then assessed the damages on the basis of a "reasonable endorsement fee" for Irvine's endorsement of the defendant's radio station[91]. Laddie J. thought a reasonable figure would be £ 2,000[92]. This, however, was overruled by the Court of Appeal, which allowed Irvine to recover £ 25,000, a sum which equalled the amount he would have charged[93]. In *Douglas* v *Hello!* these methods of assessment were considered but they were rejected on the facts of the case[94].

Altogether, the current assessment of damages in "misappropriation of personality" cases is difficult to explain on the basis of the theory that personality rights are purely defensive rights. In practice, the courts treat them as exclusive rights to the exploitation of personality aspects, which have all the hallmarks of property rights[95].

Thirdly, intellectual property rights are temporally confined. Whilst the German right to one's name expires with one's death[96], it has been recognised since *Marlene Dietrich* that the commercial components of the general right to personality are descendible. As a result, the heirs are entitled to exploit the personality of the late celebrity[97]. How long this protection should last, however, is still unsettled. The prevailing view suggests that the duration should be calculated in analogy to § 22 S. 3 KUG, which provides protection for the unauthorised use

89 Irvine v Talksport [2003] F.S.R. 35.
90 BGH NJW 2000, 2201, 2202 – Der blaue Engel; BGHZ 20, 345, 353 – Paul Dahlke.
91 [2003] E.M.L.R. 6 para. 7.
92 Ibid., para. 30.
93 [2003] F.S.R. 35 para. 111.
94 [2005] E.W.C.A. Civ. 595, 683–684 para. 244, 249.
95 Cf. Schack, AcP 195 (1995), 594, 595; Peifer, GRUR 2002, 495.
96 BGH GRUR 2007, 168, 169 – Kinski.Klaus.de.
97 BGHZ 143, 214 – Marlene Dietrich.

of a picture for ten years after the relevant person's death[98]. Recently the Federal Supreme Court confirmed in *Kinski.Klaus.de* that ten years after the celebrity's death the exclusive right to the economic value of the personality right elapses[99]. Notwithstanding the protection of economic interests, the relatives (not necessarily the heirs) of the deceased may defeat any violations of his ideal interests even after the protection of commercial interests has expired[100]. However, only "defensive claims", namely injunctions, will be successful, whilst substantial damages will not be granted[101].

In English law this issue of duration is not as frequently addressed as in German law. Recently, however, in *Pauline Bluck* v *The Information Commissioner*, a case concerning breach of confidence, it was held that "a duty of confidence is capable of surviving the death of the confider".[102] The nature and scope of the obligation may change over time though.[103] With regard to passing off, English authorities provide no answer as to whether misrepresentation of goodwill can be established after a person's death[104]. Consequently, commentators have criticised that the passing off approach does not resolve the question of descendibility and duration of protection after death[105].

To sum up, in Germany the exploitation of the commercial value of one's personality is clearly dependent on the factor of time. Despite the lack of clear authorities, celebrity protection appears to be limited in time in England, too.

Fourthly, it is a distinct feature of intellectual property rights that they are assignable. It has been argued that it is highly controversial whether the economic interests within the general right to personality can be assigned. As outlined, there are a number of good reasons why the exclusive right to the economic value should be a tradable commodity. Consequently, an increasing number of commentators argue in favour of this approach. Furthermore, the fact that it is now recognised that this part of the general right to personality is descendible indicates a certain trend for further developments.

Regardless of this prediction, assignability has yet to be recognised by the courts. In particular, the *Nena* case illustrates that the interests of third parties are protected as if those parties were licensees. As elaborated, a similar development can be observed in England. Particularly, the decision in *Douglas* v *Hello!* provides strong evidence for this.

98 Ullmann, AfP 1999, 209, 214; BGH NJW 2000, 2201 – Der blaue Engel; Götting, NJW 2001, 585, suggests that protection should be granted 70 years post mortem.

99 BGH GRUR 2007, 168, 169 – Kinski.Klaus.de.

100 Ibid., 169.

101 BGH GRUR 2006, 252, 253 – Postmortaler Persönlichkeitsschutz.

102 [2007] W.L. 4266111 para. 21.

103 Bently/Sherman (n. 34), 1058.

104 Cf. Elvis Presley Trade Marks [1999] R.P.C. 567, 583, 585; [1997] R.P.C. 543, 547, 551, 554; cf. Wadlow (n. 34), 480.

105 Caenegem, [1990] 12 E.I.P.R. 452, 458.

Fifthly, however, in both countries one vital obstacle to the recognition of publicity rights can be observed: it is difficult to determine the subject-matter of the right. In other words, it remains complicated to define the intangible asset in question. According to German principles, the personality of an individual cannot be separated from the person concerned. Consequently, some commentators deny the basis for an intellectual property right[106]. Others, however, argue more convincingly that although the human personality cannot be considered as an object of an intellectual property right, nevertheless, personality features (*Persönlichkeitsgüter*) can[107]. The latter can be regarded as an economic commodity and thus satisfy the doctrinal distinction between person and object.

In English law, the action for passing off provides sanctions against misrepresentations. On the other hand, in *Irvine* v *Talksport*, Laddie J. recognised that it is common for famous people to exploit their names and images by way of endorsement. Indeed, if someone acquires a valuable reputation or goodwill, the law of passing off will protect it from unlicensed use by other parties, consisting of a false claim or suggestion of endorsement[108]. In other words, the goodwill of a celebrity, manifested in his or her physical picture, likeness, voice or name belongs to this person to the extent that only this person can control who uses his or her personal indicia for commercial purposes, at least in that way that a clear link between the celebrity and the trader's behaviour arises[109]. Exactly this can be described as the subject matter of an intellectual property right. The same can be said of breach of confidence. To the extent that a celebrity can enjoin the use of any personality feature by the means of this action, it can be concluded that this use can be considered to be allocated to the celebrity exclusively.

V. Conclusion

It can be summarised that, in both countries, characteristics of intellectual property rights can be identified. In most of the questions addressed, the German doctrine seems to show more sympathy for the recognition of publicity rights. In Germany, for example, inheritability is already recognised, whereas so far this problem has hardly been discussed in England. Unlike the House of Lords in *Douglas* v *Hello!*, German courts are prepared to award damages on the basis of a notional licence fee despite the fact that the person concerned would not have been prepared to grant a licence. On the other hand English courts assess dam-

106 Peifer, GRUR 2002, 495, 499.

107 Beuthien, NJW 2003, 1220, 1221 f.; Beuthien / Hieke, AfP 2001, 353, 355; with respect to the right to one's name, Klippel, Der zivilrechtliche Schutz des Namens, Paderborn, München, et al. 1985.

108 [2002] 1 W.L.R. 2355, 2367–2368.

109 Cf. MacQueen / Waelde / Laurie, Contemporary Intellectual Property, Oxford 2008, 735.

ages in the same way as in cases of intellectual property infringements. Furthermore, the interests of third parties, albeit not considered as licensees, are protected by English courts, too.

Although the path to a full intellectual property "publicity" right remains partly obstructed by issues like the difficulty of defining its precise subject-matter, it seems appropriate to analyse the protection awarded as similar to intellectual property protection. *De facto*, a right to publicity exists in both countries, even if it is acknowledged that not every appropriation of personality features is unlawful. On the basis of this analysis, the future development will be able to proceed without being burdened by prejudices. Acknowledging the proprietary character of personality rights is not tantamount to giving them priority over countervailing interests. On the contrary, the proprietary analysis highlights that the issues of scope and justification must be given due consideration.

Zusammenfassung

Obwohl der ungefragten kommerziellen Verwertung von Persönlichkeitsmerkmalen sowohl in England als auch in Deutschland Schranken gesetzt sind, findet sich in keiner der beiden Rechtsordnungen ein klares Bekenntnis zu einem „right to publicity" im Sinne eines Immaterialgüterrechts. Das kontinental-europäische Verständnis geht von einer grundsätzlichen Unübertragbarkeit der Persönlichkeitsrechte aus, was letztlich der Einordnung auch dessen vermögenswerten Teils als Recht des geistigen Eigentums entgegensteht. Die Zurückhaltung des englischen Rechts erklärt sich mit einer grundsätzlichen Skepsis gegenüber ausschließlichen Rechten an der eigenen Persönlichkeit. Dessen ungeachtet macht die Gegenüberstellung der deutschen und englischen Rechtspraxis deutlich, dass die gewährten Rechte vielfach immaterialgüterrechtliche Eigenschaften aufweisen. Um eine interessengerechte Weiterentwicklung kommerzieller Persönlichkeitsrechte zu gewährleisten, wird empfohlen, diese Rechtsnatur anzuerkennen.