



5¢ DEPOSIT

100% STEEL MUST

# Real men don't drink Duff!

Only fictional ones do.

Sharon Theedar

## Personality as Property

Given the huge dollar value attached to "personalities" and fictional characters, and as a result of saturation marketing and character merchandising, the question arises: what happens when a trader uses a name or image without the consent or approval of the owner or author?

Some interesting issues arise. Does the expression "Dundee"<sup>1</sup> taken from the movie *Crocodile Dundee* deserve protection? Can Olivia Newton-John insist on a licence fee from the mere use of her name?<sup>2</sup> Can James Dean's estate sue a company for using a look alike in a take away food advertisement?

The answer in some of these cases is in the affirmative. For example, in the case *Pacific Dunlop v Hogan* it was held that the Respondent's, (the makers of Hush Puppies shoes) send-up of a famous knife scene from the movie *Crocodile Dundee* constituted passing off and misleading and deceptive conduct. The decision was based on the Respondent's representation that there was an association between the makers of Hush Puppies and the actor, Paul Hogan.<sup>3</sup> The question then, is where do the courts draw the line? In the recent case *Twentieth Century Fox and Matt Groening v The South Australian Brewing Ltd and Lion Nathan Australian Pty Ltd* (the "Duff Case"), the Federal Court has once again acted to protect personalities and images.

Can Joe "Citizen" successfully sue a tobacco company for the use of his happy cheerful face which has been included as part of a crowd on a billboard photograph advertising cigarettes?

The answer depends on the extent to which the law recognises rights in these intangible concepts and how far they are willing to extend these rights. While there is no proprietary right in personality and image per se, the two most commonly used actions are Section 52 and passing off.

## Section 52 and Passing Off

Section 52 of the *Trade Practices Act 1974*, prohibits misleading and deceptive conduct and is the statutory equivalent of the passing off action. In regards to the definition of "passing off", it means what it says; passing off and cashing in on someone else's goodwill as if it was your own by suggesting some sort of association or endorsement of the product by the owner or creator of the image.

## The Duff Case: an Expansive View Taken

The creators and producers of the popular cartoon series,

"The Simpsons" (Ed: watched by any self-respecting adult) contended that by using the name "Duff" on beer cans, the Respondents were falsely passing off the beer and product as being associated with "The Simpsons".

The Applicants ("Fox") sought to restrain the use of the word "Duff" on beer cans and any representation by the Respondents that the "Duff" beer product is a product of the producers or creators of "The Simpsons" or that it was produced with the sponsorship of or approval of the creators of "The Simpsons". They also sought delivery up of all unsold beer stock.

His Honour Judge Tamberlin accepted that there was an abundance of evidence to indicate widespread publicity of "The Simpsons" and held that it was unnecessary that the public should know the precise identity of the Applicants, to establish passing off.

The Respondents submitted that a vast difference exists between the prominence given to "The Simpsons" and that given to Duff beer. However, Tamberlin J held that the 6 minutes and forty seconds of references to Duff in episodes of "The Simpsons" resulted in very significant exposure given the numerous repeats of the episodes.

Similarly, it was held that the changing of the colour and the "tidying up" of the way "Duff" was written on the beer cans did not eliminate the association with "The Simpsons". The use of the name Duff was enough to evoke an association.

## Licensing

An important aspect of the Applicant's argument concerned the licensing of these names and images in relation to a wide range of products. Tamberlin J acknowledged the way "The Simpsons" characters have been depicted, describing Homer and Bart as "irreverent" and "very unusual".<sup>4</sup> He cites the expression "eat my shorts" as an example of an irreverent expression which would have strong appeal to the target audience of 18-25 year olds.

The promotion of "The Simpsons" has proven to be a hugely successful marketing exercise. For example, it is noted in the judgement that:

"the merchandise comprises t-shirts, caps, sweat shirts, tank tops, ceramic mugs, trading cards, greeting cards, mouse pads, swim wear and canvas show bags, only to name a few."<sup>5</sup>

In Australia and New Zealand alone, 24,000 T-shirts with Duff Beer and approximately 16,000 copies of cartoons relating to Duff Beer have been sold.<sup>6</sup> Homer products have proven to be a valuable source of revenue and an elaborate system of licensing has been set up under which traders and manufacturers pay for permission to use the characters or their names in connection with their goods.<sup>7</sup>

#### Endorsement and approval

Does the mere mention of a name in an advertisement provide grounding for the assumption that the goods advertised have been approved by the person named? In 1988 Pincus J expressed the strong view that this was not the case. Just because a well known car driver "endorses" all the products referred to in his car and clothing, he is not generally thought to be expressing a view about them.<sup>8</sup>

However, times have changed. Tamberlin J was of the view that the consuming public would be misled into believing that the producers of "The Simpsons" sanctioned the use on beer cans of a name associated with "The Simpsons".

While it was acknowledged that, in reality, every person buying Duff beer would not "take the time to analyse the subtle legal overtones and ask whether the proprietors gave their permission" Tamberlin J nevertheless held that a vagueness of suggestion could suffice.

#### Quality Control

In relation to an association, an extra factor that may have influenced the judgement is that many of the viewers are in fact children. It is noted in the case that Fox has consistently refused to grant licences to parties who intended to use *The Simpsons* in relation to products which were detrimental to children.

#### Distinguishable Character

When it comes to establishing a successful action in passing off in relation to character merchandising it seems you have to be some part of the rich and famous, or at least a celebrity (ed: or a cartoon character!). Whether it is established by consumer evidence or by evidence of television ratings, a distinguishable character which is recognised by the public is essential.

This was one area which Fox had no difficulty in proving. Tamberlin J noted that: "Homer is depicted as inept and bumbling but good natured. His preferred drink is 'Duff Beer'. His attachment to this beer is a prominent characteristic of his fictional personality. He is regularly depicted clutching or consuming this beer, on occasions, in copious quantities".<sup>9</sup>

Consumer psychology also has a large role to play and it was commented that in "The Simpsons" series "the beer and it's consumption are not shown in a favourable light".<sup>10</sup>

These characteristics appealed to the Respondents because they were likely to "strike a chord" with the "leading edge" (meaning young people who attend trendy bars), according to Mr Jonathan Cole, Director of Innovation, who was a principal witness for the Respondents.

It was stated by Mr Cole that the beer market in Australia, which comprises 18 to 25 year old people, have an interest in "irreverent product propositions". Beers with names such as "Vault", "In your face" and "Razorback" were quoted as some of

the more successful beverages.

#### Imagery Legends

On a more general note, the action for passing off is by no means limited to fictional characters, and can also extend beyond the grave. Some may remember the McDonald's advertisement that featured a brooding James Dean look alike walking down the recreated famous boulevard of broken dreams.

The image of Dean was heavily guarded by his estate, which had been granted full rights over the use of his name and likeness. A passing off action against McDonald's ended in an out of court settlement.

Marilyn Monroe also "rose from the grave", to limit the amount of junk food she could be portrayed eating. A McDonald's advertisement, which screened early in 1994, featured a Marilyn Monroe look alike standing over a sub way air grill munching away on a single chip. One chip was the maximum her estate would allow, given that scoffing down a Big Mac would hardly become her glamorous image.

#### Conclusion

The DUFF case confirms that protecting intangible property rights in names and image has become a serious business. The reason? Simple economics. Whether the characters are dead, alive or exist only on paper, distinguishable personalities are now recognised as valuable assets, and Australian

Courts will protect them. I'm sure FOX will drink to that.

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- 1 See *Hogan v Koala Dundee Pty Ltd* (1988) 12 IPR 508 (FC).
- 2 In the case *Newton John School-Plough (Aust) Ltd.* (1986) 11 FCR 233 (FC) an issue was whether Olivia could claim passing off for the use of her look alike described as "Olivia? No. Maybelline".
- 3 See *Pacific Dunlop v Hogan* (1989) ATPR 40-948, (Full Fed. Crt)
- 4 *Twentieth Century Fox Film Corporation and Matt Groening Productions v South Australian Brewing Co. Ltd and Lion Nathan Australian Pty Ltd.* (unrep, Fed Crt, Tamberlin J) at 15
- 5 *ibid*, at 7
- 6 *ibid*, at 7
- 7 See Dixon J's comments in *Radio Corporation Pty Ltd v Disney* (1937) CLR 455-456
- 8 See comments of Pincus J in *Shoshana Pty Ltd v 10th Cantene Pty Ltd* (1988) ATPR 40-833, 48, 988
- 9 *opcit*, fn 4, at 5
- 10 *opcit*, fn 4, at 5

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