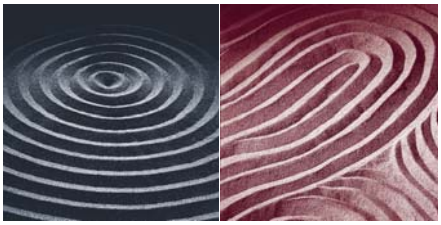
MILLER THOMSON LLP
Barristers & Solicitors
Patent & Trade-Mark Agents

2700 Commerce Place
10155-102 Street
Edmonton, AB Canada
T5J 4G8
Tel. 780.429.1751
Fax. 780.424.5866
www.millerthomson.com



TORONTO VANCOUVER WHITEHORSE CALGARY EDMONTON KITCHENER-WATERLOO GUELPH MARKHAM MONTRÉAL

"I am the Greatest" The Use of Celebrity Endorsements and Images

Rob McDonald and
Chad Zima (Student-at-Law)
April 2006

"I AM THE GREATEST"

THE USE OF CELEBRITY ENDORSEMENTS AND IMAGES

by Rob McDonald and Chad Zima
MILLER THOMSON Intellectual Property Group, Edmonton, Alberta

A celebrity's identity and image has become an important and valuable commodity in today's marketplace. For example, former heavy-weight boxing champion and international celebrity Muhammad Ali recently sold the rights to his likeness, name and image to CKX Inc. for $50 million (U.S.). CKX Inc. also owns similar rights for Elvis Presley, and indicates that the Muhammad Ali "brand" has generated as much as $7 million U.S. annually over the past five years. Many of Ali's catch phrases are known worldwide, such "I am the greatest" and "float like a butterfly, sting like a bee". One cannot deny the benefits acquired by a company or organization through the use of celebrity endorsements, or even the mere association of a famous personality with their products, services or causes. Of course, the corollary is that celebrities have a vested interest in protecting the unauthorized use of their identity and image. One might presume that using a celebrity image without consent constitutes an invasion of privacy; however Canadian law has yet to recognize a right to sue for invasion of privacy, *per se*. Rather, Canadian law affords protection to one's privacy rights through specific legislation and other causes of action. Specifically, Canadian courts have expressed a willingness to protect the goodwill in one's identity through the tort of "appropriation of personality". In light of this, organizations should be aware of an individual's right to sue in respect of misuse of their own identity. This article will discuss some of the leading cases in this area.

The tort of appropriation of personality was first recognized in Canada in the 1974 decision of *Krouse v. Chrysler Canada Ltd* [*Krouse*]. In *Krouse*, the defendant, Chrysler Canada, had devised an advertising product, a portion of which depicted a football scrum, flanked by four pictures of Chrysler vehicles. The image in question portrayed Bobby Krouse, then #14 of the Hamilton Tiger Cats, locked in a tackle. Krause objected to the non-consensual use of his image in the advertising. At trial, the Court held in favour of Krouse, noting that "[h]is picture for advertising purposes has real value as advertisers feel it enhances saleability and it is common practice to pay for endorsements and the like." Accordingly, the Court was prepared to afford protection the commercial value in one's identity.

However, the trial decision in *Krouse* was reversed on appeal. While the Ontario Court of Appeal acknowledged the existence of the tort of "appropriation of personality", it did not find that an appropriation had in fact occurred. Instead the Court held that it was the game of professional football which was being depicted in the advertising and not Krouse's specific image. The Court stated that such non-consensual commercial exploitation must be expected as a by-product of participation in the game, especially in situations where the game itself is being promoted. In the Court's view, the use of Krouse's image was "in no way parallel to the use of a hockey player's signature on a hockey stick, or of a photograph of a professional athlete driving an automobile of the advertisers." On that basis, the Ontario Court of Appeal in *Krouse* suggested the need for a direct or indirect product or service endorsement by a person before an appropriation of personality suit could be properly advanced.

In 1977, the Ontario High Court of Justice handed down the decision of *Athans v. Canadian Adventure Camps* [*Athans*]. The plaintiff, George Athans, was a water-skier of some notoriety who often promoted himself with a particular photograph taken while waterskiing. The defendant, Canadian Adventure Camps (CAD) had used a stylized drawing of the Athans photo on their summer camp brochure. Athans successfully brought an action against CAD for appropriation of personality. Of particular interest in this case is the fact that the Court allowed the claim despite a finding by the Court that the use of the drawing did not constitute a direct or indirect endorsement of CAD by Athens. For the Court, it was enough that there was a commercial use of Athans' representational image without his consent. As a result, it would appear that the *Athans* decision has expanded the availability of the tort of appropriation of personality.

In 1996, the General Division of the Ontario Court decided *Gould Estate v. Stoddart Estate* [*Gould*]. There, the defendant journalist had interviewed Glenn Gould, a famous Canadian pianist, several times during his career. The journalist had also taken several hundred photographs of Gould. These materials were used by the journalist for publication of a newspaper article in 1956. However, after Gould's death, the journalist used the materials in rendering a biographical account of Gould's career. Gould's estate sued for copyright infringement and appropriation of personality.

In *Gould*, the Court highlighted the distinction between the situation where the identity of a celebrity is used to promote a product or service, as opposed to the situation where the identity of the celebrity is the actual subject of the work or enterprise (such as a biography). The Court held that the latter situation does not fall within the ambit of the tort of appropriation of personality. Accordingly, the estate's claim was dismissed. On appeal in 1998, the trial Court's decision was upheld, but for different reasons. Essentially, the Court of Appeal stated it was more appropriate to dismiss the estate's claim on the basis that the journalist held the copyright in respect of the interviews and photographs which he had taken. As a result, it is questionable whether the principles regarding appropriation of personality as expressed by the trial Court still carry any weight. However, it should be noted that this case clearly demonstrates the right of one's estate to sue for appropriation of personality on their behalf.

Shortly after the trial decision, but prior to the appellate decision in *Gould*, the General Division of the Ontario Court released the 1997 decision of *Horton v. Tim Donut* [*Horton*]. In *Horton*, the plaintiff was the widow and beneficiary of the estate of a famous hockey player (Tim Horton) who died in 1974. Prior to his death and from about 1964, Tim Horton and a partner established a chain of company-owned and franchised stores. Following Tim Horton's death, the individual defendant purchased the remaining shares from the plaintiff. In 1991, a portrait of the player was commissioned as part of a charity campaign. Three years later, the plaintiff commenced an action for unlawful appropriation of commercial personality and copyright infringement. The Court held that the tort of unlawful appropriation of personality is based on the usurpation of the celebrity's right to control and market his own image. However, there can be no interference with the right where the celebrity gives over the right. Representations of the hockey player were part of the early marketing initiatives of the company. By these actions, the defendant company acquired the personality rights of the player.

As an aside, the Court noted that if any claim existed, it should have been brought against the party who was commissioned to do the painting, as he did not own Tim Horton's personality

rights. However, on this basis, the Court still would have dismissed the claim on the basis of the trial decision in *Gould*, since this was a copyrightable artistic work of which Tim Horton was the subject.

These decisions make it clear that a person is entitled to exploit his or her personality, name and image, and that they have a course of action against anyone that attempts to exploit their rights without their consent. The Courts will protect a person's proprietary rights to their personal goodwill, but generally, only celebrities or people with some public notoriety have the ability to successfully bring such an action. Further, there must generally be some direct or indirect endorsement or association being suggested, and the individual's image must typically be distinguishable from a more general depiction of a public event. Charities and not-for-profit organizations have no greater right than any other party to use celebrity images without consent, although the damages awarded for unauthorized use may be less severe where there has been no commercial exploitation. In conclusion, any unauthorized use of a person's personality, name or image could lead to a lawsuit, and this risk increases in direct proportion to the notoriety of the celebrity. Clearly, using Muhammad Ali's image without consent would result in a legal knock-out to the offending party. The best way to avoid this risk is to always seek consent before attempting to associate a celebrity in any way with your products, services, causes or institutions