

**This is the peer reviewed version of the following article: McArdle, D. (2016) ‘You had me at “no capital gains tax on a disposal”’: legal and theoretical aspects of standalone image rights. *Legal Studies*, 36: 639–657, which has been published in final form at <http://doi.org/10.1111/lest.12129>. This article may be used for non-commercial purposes in accordance With Wiley Terms and Conditions for self-archiving.**

## **You had me at ‘no capital gains tax on a disposal’. Legal and theoretical aspects of stand-alone image rights**

**Dr David McArdle**

University of Stirling

*This paper considers the provisions of the Guernsey image rights register, which came into being in 2012, alongside the image rights protections available in the EU member states as revealed through a Commission-funder survey into the image rights of athletes. While it suggests several reasons for the limited popularity of the register and notes that the applicable regimes depend on whether violations are by third parties or by those with whom the performer is currently within a contractual relationship, it highlights the Guernsey scheme’s potential benefits to performers, particularly in the field of tax planning, and makes suggestions as to how its relevance to them might be enhanced in the light of the Commission survey data and the applicable UK tax regime. By drawing on literature from Masculinity and African-American Studies especially, the paper also offers suggestions as to why performer endorsement is potentially so lucrative; but it also highlights some of the industry’s negative effects and suggests that, while there is not a particular problem of image rights violations within the member states, discussions about the benefits of stand-alone image rights need to be informed by an awareness of these wider issues.*

### 1. INTRODUCTION

In December 2012, the Bailiwick of Guernsey became the first jurisdiction to establish a register of individuals’ image rights. Describing it as ‘eagerly awaited’, the register’s proponents said it would be of interest to ‘anyone currently in the public eye anywhere in the world, or who is not yet well known but anticipates having a high public profile in the future’.<sup>1</sup> Although this is an infinite category of potentially interested persons, it was considered particularly relevant to celebrities in the United Kingdom who might struggle to protect their image from unauthorised use because of the absence of an explicit ‘image right’ in UK law.<sup>2</sup> However, as of September 2015 a mere 58 individuals and undertakings had availed themselves of Guernsey’s registration opportunity. The less-celebrated registrants included Connah’s Quay Football Club, ‘Geordie Shore’ personages Gary Beadle and Scott Timlin, an unheralded child named Bob and two sisters, Alana and Natasha Horn, who

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<sup>1</sup> J Romer and K Storey ‘Image is everything! Guernsey registered image rights’ (2013) 24(2) *Entertainment Law Review* 51.

<sup>2</sup> As recently revisited in *Fenty v Arcadia Group* [2015] 1 WLR 3291 CA.

apparently appeared on ‘Take Me Out’. Better-known people included Guernsey-born tennis player Heather Watson, boxer Bradley Saunders and football manager Manuel Pellegrini. Those three aside, the only registrants regularly in the public eye were Tom Cleverley and Michael Owen, current and former England footballers respectively; few of the others could claim to possess the ‘significant reputation or goodwill’ that Laddie, J outlined in *Irvine v Talksport* as necessary for a successful passing off action.<sup>3</sup>

The register’s advocates noted that ‘there is no internationally accepted basis for, or means of recognising, an image right’ and argued that, while certain jurisdictions (including approximately half the states of the US<sup>4</sup>) provide a free-standing right for individuals to commercially exploit their image, performers elsewhere ‘must seek protection through the various intellectual property and privacy rights, in particular registered trademarks or common law passing off claims, which to date have not provided certain or comprehensive protection for the personality’s image’.<sup>5</sup> While the UK’s patchwork of IP protections – which might include copyright, data protection, ECHR Art 8 claims, trademarks, advertising standards codes, defamation, malicious falsehood and unlawful interference with contracts as well as passing off<sup>6</sup> - hardly lend themselves to the straightforward resolution of image rights disputes, the Guernsey register only provides a potential remedy in respect of violations that occur within the Bailiwick; it is axiomatic that IP rights are ‘strictly territorial in nature’<sup>7</sup>. While the small number of registrations suggests Guernsey’s scheme has not been erroneously perceived as offering a remedy beyond its shores, it also indicates that celebrities with an exploitable image either do not know about the Register or are not unduly vexed by the possibility of their rights being infringed within the islands.

There is an inevitable tension between this territorial specificity of image rights and the realities of the celebrity ‘industry’. Elite performers in sports, film and popular music routinely ply their trade around the world; it is inevitable that some will be confronted by breaches of their image rights and, when this does arise, there will be occasions when either the unpredictability of national laws or the time and expense of pursuing the miscreants will deprive them of a remedy. The failure of global basketball superstar Magic Johnson to protect his celebrated ‘dunk’ trademark in China (the court in Beijing ruling that there was no real likelihood of confusion amongst Chinese consumers<sup>8</sup>) is the latest in a series of cases involving high-profile US athletes and has prompted renewed debate about the

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<sup>3</sup> *Irvine v Talksport* [2002] 1 WLR 2355 Ch, per Laddie J at 2369: ‘to succeed, the burden on the claimant includes a need to prove at least two, interrelated, facts. First, that at the time of the acts complained of he had a significant reputation or goodwill. Second, that the actions of the defendant gave rise to a false message which would be understood by a not insignificant section of his market that his goods have been endorsed, recommended or approved of by the claimant.’

<sup>4</sup> See for example *Healan Laboratories v Topps Chewing Gum* 202 F 2d 866 (2d Cir 1963).

<sup>5</sup> Romer and Storey, above n 1, p 52.

<sup>6</sup> C Walsh ‘Are personality rights finally on the UK agenda?’ (2013) 35(5) *European Intellectual Property Review* 253.

<sup>7</sup> *Coin Controls Ltd v Suzo International (UK) Ltd* [1999] Ch 33 at 43 per Laddie, J; in the Guernsey context see *Healthspan Ltd v Healthy Direct Ltd* 2003-04 GLR 193.

<sup>8</sup> N Brison N and T Baker ‘Jumpman Trademark Woes *Michael Jordan v Qiaodan Sports*’ paper presented at the Sport and Recreation Law Conference, New Orleans 2015, February 27<sup>th</sup>.

challenges posed by the vagaries of state national laws<sup>9</sup>. The Guernsey register is no panacea but it offers a new perspective on those conversations: a stand-alone provision which proponents of a similar right for other jurisdictions<sup>10</sup> can point to as an example of how it might operate in practice. Those in the US who would argue for a model intellectual property law<sup>11</sup> and, within the EU, advocates social dialogue as a means of protecting performers' legitimate interests will also find merit in the Guernsey scheme.

However, the occasions when high-profile performers like Johnson have been thwarted by national laws provide only a partial picture of the legal landscape. A recent survey of the image rights of professional footballers in the EU28 (the results of which are discussed below) does not give the impression of a wild-west industry where cowboy operators ride roughshod over performers. The results suggest that a combination of national laws and industry-specific remedies can at least protect performers from unauthorised use by those with whom they already have a contractual relationship but who might be tempted to push the boundaries. However, it also seems that remedies in respect of a third party who seeks to ride on the performer's coat-tails no easier to secure than they are in the UK. That said, this perceived 'problem' of unauthorised third-party exploitation seems to be a very rare occurrence and there is no more a 'problem' of image rights abuse across the European Union than there is in Guernsey.

That being so, the paper provides an overview of the Guernsey scheme and explores aspects that might render it more immediately attractive to potential signatories and also inform discussions about the benefits and disadvantages of a statutory image right generally. It argues that registering with the Guernsey scheme can help persuade the UK tax authorities that a performer's image rights company is a legitimate enterprise, and with that in mind the paper explores the applicable tax regime and explains why registration might be beneficial. The EU image rights survey is then discussed in order to show how those rights are currently protected elsewhere and thus contribute to wider consideration of the Guernsey scheme. Finally, the paper draws on theoretical perspectives of how image rights 'work' because consideration of how they might be protected should be informed by an appreciation of the phenomenon that one is actually seeking to protect. These perspectives also help explain why, in the context of sports especially, most of the principal beneficiaries are male performers - although the roles of female athletes and performers in other cultural fields are also acknowledged. It is hoped that the paper will contribute to a wider understanding of image rights as well as specifically informing discussions about the strengths and weaknesses of a database approach as an alternative model of image right protection.

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<sup>9</sup> S Plaimondon 'Air Jordan Grounded in China' 2015 *The IP Law Blog*, July 31, available at [www.theiplawblog.com/2015/07-articles/trademark-law/air-jordan-grounded-in-china](http://www.theiplawblog.com/2015/07-articles/trademark-law/air-jordan-grounded-in-china).

<sup>10</sup> Walsh, above n 6, at p 260.

<sup>11</sup> J Reichman 'Universal minimum standards of intellectual property protection' (1995) 29(2) *International Lawyer* 345.

## 2. GUERNSEY'S IMAGE RIGHTS REGISTER

The Bailiwick of Guernsey consists of Guernsey itself and several smaller islands (two of which, Alderney and Sark, have their own Parliaments). It has a combined population of approximately 65,000 with its own government and legislature. It is a British Dependency (referred to as a 'Crown Dependency' locally), is constitutionally similar to Jersey and, like Jersey, is a Norman Customary Law rather than a common law jurisdiction.<sup>12</sup> It is not part of either the United Kingdom or the EU, but it is a member of the Common Customs Area and the Common External Tariff.

In November 2012 the States of Deliberation (the Parliament of Guernsey) passed the Image Rights (Bailiwick of Guernsey) Ordinance 2012<sup>13</sup> (hereafter 'the Ordinance'), which runs to some 117 sections. This came into force in December 2012 and introduced a stand-alone image right via the world's first Image Rights Register. The Ordinance was enacted not because there was a 'problem' of image rights violation that required redress, but as part of a concerted attempt to harness the economic benefits of the intellectual property industry more generally; for example, it has sought to attract 'IP-intensive companies' to the islands<sup>14</sup> and has introduced both a trade marks registry and a foreign patents re-registry.<sup>15</sup>

Image rights are protected by the simple expedient of registering a personality via an online scheme.<sup>16</sup> The proprietor of the registered rights 'can be any person or entity that has the right to exploit the personality's image and who cannot be prevented from doing so by someone with prior rights' such as a previously-registered right or who would be able to assert that prior right through trademark law or passing off.<sup>17</sup> The Ordinance provides that 'personality' can mean a natural person; a legal person; two or more natural persons; or legal persons who are or who are publicly perceived to be intrinsically linked and who together have a joint personality. The protection extends to two or more natural persons and to legal persons who are, or who are publicly perceived to be, linked in a common purpose and who together form a collective group or team. It also extends to fictional characters, whether human or non-human.<sup>18</sup> Section 3 defines 'image' very broadly to include names, voices, signatures, mannerisms and 'any other distinctive characteristic or personal attribute of a personage';<sup>19</sup> the image will be protected if it is 'distinctive' and has actual or potential value, and it

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<sup>12</sup> G Dawes 'A brief history of Guernsey law' (2006) *Jersey Law Review*, available at [https://www.jerseylaw.je/Publications/jerseylawreview/feb06/JLR0602\\_Dawes.aspx](https://www.jerseylaw.je/Publications/jerseylawreview/feb06/JLR0602_Dawes.aspx).

<sup>13</sup> <http://www.guernseylegalresources.gg/article/104749/Image-Rights-Bailiwick-of-Guernsey-Ordinance-2012>.

<sup>14</sup> E Gray 'Guernsey: innovation in investment: image rights' (2013) *Mondaq*, 20 May available at <http://www.mondaq.com/x/239784/Trademark/Innovation+In+Investment+Image+Rights>.

<sup>15</sup> J Nurton 'Island for IP' (2006) 161 *Managing Intellectual Property* 17.

<sup>16</sup> <http://ipo.guernseyregistry.com>.

<sup>17</sup> D Farnsworth and A Kelham 'Guernsey image rights' *Lewis Silkin Brief*, available at <http://www.lewissilkin.com/Knowledge/2013/September/~~/media/Knowledge%20PDFs/MBT/Guernsey%20Image%20Rights.ashx>.

<sup>18</sup> The Image Rights (Bailiwick of Guernsey) Ordinance 2012, s. 1(1).

<sup>19</sup> For unclear reasons, the Ordinance spells 'personage' in French.

will be ‘distinctive’ if ‘it is recognised as being associated with the registered personality by a wide or relevant sector of the public in any part of the world’.<sup>20</sup>

Applications can only be submitted by a registered image rights agent,<sup>21</sup> and of the 58 registrations completed by September 2015 forty had been registered by one of two registered agents who either worked alone or with one other person. Only five people had carried out any registrations at all. The fact that registrations have been carried out by so few individuals is not particularly surprising given that the Image Rights (Bailiwick of Guernsey) Regulations, 2012<sup>22</sup> provide (inter alia) that agents must possess a recognised legal qualification,<sup>23</sup> have a business address in the Bailiwick,<sup>24</sup> have paid both a registration fee and an annual fee (each to a maximum of £5000)<sup>25</sup> and have attended an image rights training course,<sup>26</sup> and while this initial barrier to making the register accessible to performers and agents outside the jurisdiction could be ameliorated by simply relaxing the rules, the cost of registering a personality varies from £1000 for an individual natural person to £2000 for a legal person, with additional sums being charged for the registration of more than one image.<sup>27</sup> Against this background the advantages of paying considerable sums to an agent or a legal adviser other than one’s own are rather difficult to discern, especially for those who are not Guernsey residents. The legislation’s architect has confirmed that it is enforceable only in the Bailiwick,<sup>28</sup> and while Guernsey injunctions can be enforced elsewhere<sup>29</sup> the miniscule number of people who have registered suggests that either the scheme is virtually unknown among performers and their representatives, and/or the perceived risks of infringement within the Bailiwick are outweighed by the costs of instructing a Guernsey agent to carry out what seems to be an unnecessarily expensive process. At the time of writing there have been no claims before the image rights registrar which would assist consideration of how the scheme operates in practice; but a recent quantitative survey into image rights protections can help that analysis by identifying the strengths and weaknesses of member states’ laws. The results of that survey suggest that a stand-alone image right may indeed have some advantages over those other protections.

### 3. IMAGE RIGHTS IN THE EU 28

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<sup>20</sup> Ibid, s. 3.

<sup>21</sup> On the powers and duties of the agent, see Ibid, ss 96-101.

<sup>22</sup> The Image Rights (Bailiwick of Guernsey) Regulations 2012, SI 2012/55 available at <http://www.guernseylegalresources.gg/CHttpHandler.ashx?id=79805&p=0>

<sup>23</sup> Ibid, Reg 5(4)(a), 5.

<sup>24</sup> Ibid, Reg 5(4)(b).

<sup>25</sup> Ibid, Reg 5(6).

<sup>26</sup> Ibid, Reg 5(4)(d).

<sup>27</sup> <http://ipo.guernseyregistry.com/article/104762/Image-Rights-Forms--Fees>.

<sup>28</sup> I Blackshaw ‘Face: off’ (2011) 108 *European Lawyer* 28.

<sup>29</sup> G Dawes ‘Reciprocal enforcement – High Court enforcement of County Court Judgment’ (2010) 14(1) *Jersey and Guernsey Law Review* 90 (discussing the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957).

The image rights case study was initially intended to form part of the European Commission report on the rights of sport event organisers.<sup>30</sup> While the phrase ‘case study’ is susceptible to wide and inaccurate interpretation, on this occasion it was used in the specific sense of ‘an in-depth study of a single unit...where the scholar’s aim is to elucidate features of a wider class of similar phenomena’.<sup>31</sup> The ‘unit’ was male professional footballers within the member states and the results facilitate wider reflections about the image rights protections afforded to performers within the EU. The research thus accords with Gerring’s definition of case studies as ‘an intensive study of a single unit for the purpose of understanding a larger class of similar units’<sup>32</sup> and its structure was that of a ‘representative’ case study, which connotes ‘the examination of a typical and standard example of a wider category’.<sup>33</sup>

The survey suggests that rather than relying on the vagaries of domestic intellectual property laws, alternative strategies which protect performer endorsement rights – including sector-specific legislation, collective agreements and standard contract terms – are widely used within professional football. While further research will indicate whether such strategies are being adopted for other sports or in other fields of performance, it is also apparent that Constitutional provisions, general civil laws and specific intellectual property legislation remain important sources of a remedy with regard to infringements by undertakings not currently in a contractual relationship with the aggrieved performer. While it is arguable that a Guernsey-type register would provide a more straightforward and easily-enforceable protection than these sources, particularly in countries that do not have industry-specific provisions such as Sports Acts, there was no evidence that the violation of performers’ image rights was a cause for concern or that existing remedies are manifestly inadequate.

Respondents in the member states were asked to consider the following scenario:

Football Club A entered into an employment contract (or similar working relationship)<sup>34</sup> with Player B. According to the contract Player B is not entitled, either on his own behalf or with or through any third party, to commercially exploit his/her image in a club context. Some years ago, A entered into an exclusive sponsorship agreement with sportswear company B-DIDAS. When performing their services under the contract with A, all players must wear a kit manufactured by B-DIDAS.

Some time prior to signing with Club A, Player B had entered into a personal sponsorship and endorsement agreement with sportswear company NIEK to exploit B’s

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<sup>30</sup> B Hugenholdz, B Van Rompuy, T Margoni, N van Eijk, D McArdle, T Becker, C Jasserand-Breeman and M van der Haast *Study on Sports Organisers’ Rights in the European Union* (Luxembourg: EU Publications Office, 2014). The data is discussed with the permission of the European Commission.

<sup>31</sup> J Gerring ‘What is a case study and what is it good for?’ (2004) 98(2) *American Political Science Review* 341.

<sup>32</sup> *Ibid*, p 342.

<sup>33</sup> H Xanthaki ‘Legal transplants in legislation: defusing the trap’ (2008) 57(3) *International and Comparative Law Quarterly* 659, p 671.

<sup>34</sup> This phrase was added because in Croatia, for example, professional footballers are not employees of the club they play for.

image in advertisements for NIEK shoes. The agreement also foresaw the obligation for B to wear NIEK shoes during football games and in the public eye. This agreement still exists. Club A was aware of the agreement between Player B and NIEK.

Club A and B-DIDAS sue B and NIEK to (i) prevent B from wearing NIEK shoes during football games and in the public eye, and (ii) to prevent NIEK exploiting B's image in any advertisement for NIEK shoes.

What would the national court in your country decide?

Preliminary research had indicated that, as in Guernsey, the presence of a broadly-defined 'recognisable identity' which was capable of being appropriated would be a feature of image right protection across the member states; and that 'the use of some identifying feature of the individual in order to promote or publicise a product, service or event'<sup>35</sup> could serve as a working definition of 'image exploitation' in any jurisdiction. Both these elements accord with the Ordinance,<sup>36</sup> where an 'identifying feature' can be any characteristic by which a person might be recognised - the category is not closed and given ('first') names, stage names, nicknames, pictures, voices, handwriting, eyes, physical characteristics, fingerprints and other personal traits can all suffice for this purpose in Guernsey and across the EU. Indeed, in most jurisdictions 'the key feature which emerges is that of 'recognisability'', but neither successful exploitation (authorised) nor infringement (unauthorised) can be achieved if 'the relevant publication, promotion or merchandising (is) private'.<sup>37</sup>

Although the potential scope of image right exploitation and infringement is very wide, the case study was concerned with rights and obligations in respect of merchandising rather than other forms of image-related advertising. Laddie, J noted in *Irvine* that the words 'sponsorship,' 'endorsement' and 'merchandising' had been used interchangeably by the parties, but the distinctions are important even if they are sometimes lost in the legal discussions. *Irvine* concerned endorsement, which arises in 'those situations where the performer effectively tells the public that he approves of the product or service or is happy to be associated with it. In effect he adds his name as an encouragement to members of the relevant public to buy or use the service or product'.<sup>38</sup> In contrast, *Fenty v Arcadia Group*<sup>39</sup> concerned merchandising, which involves the performer's image being used to publicise goods which carry the name, logo or other indicia of an event or undertaking with which she is

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<sup>35</sup> G Black 'Publicity and image rights in Scots law' (2010) 14(3) *Edinburgh Law Review* 364, p 366.

<sup>36</sup> Above, n 16 at s. 3(1): 'Image' means (a) the name of a *personage* or any other name by which a *personage* is known; (b) the voice, signature, likeness, appearance, silhouette, feature, face, expressions (verbal or facial), gestures, mannerisms, and any other distinctive characteristic or personal attribute of a *personage*, or (c) any photograph, illustration, image, picture, moving image or electronic or other representation ('picture') of a *personage* and of no other person, except to the extent that the other person is not identified or singled out in or in connection with the use of the picture.

<sup>37</sup> Black, above n 35 p 367.

<sup>38</sup> Per Laddie, J in *Irvine v Talksport* [2002] 1 WLR 2355 p 2359.

<sup>39</sup> [2015] 1 WLR 3291, CA

associated and that name or logo etc. enjoys – or should enjoy - trademark protection.<sup>40</sup> Sponsorship is targeted less directly at a specific audience than the other two, but they all try to secure ‘an association, albeit indirect, to an event or activity’<sup>41</sup> in the minds of an audience which is regarded as at least potentially receptive. Another shared feature (and perhaps the reason why the concepts were used interchangeably in *Irvine*) is that all three categories necessarily carry an element of self-promotion. A well-advised celebrity performer will only promote those products which fit the image she wants to portray and will dovetail with any existing agreements. Consequently, the desire to avoid unauthorised use is not solely motivated by a wish to prevent undertakings profiting from an implied relationship where none exists, but by a pragmatic need to avoid situations where the unauthorised use of their image dilutes that performer’s attractiveness to companies with whom she is associated or might wish to be so. Eddie Irvine’s claim against Talksport Radio was concerned with protecting his opportunities to endorse globally-recognised and decidedly expensive accoutrements<sup>42</sup> as much as with preventing Talksport from increasing its market share by suggesting that Irvine was a keen listener. Rihanna Fenty’s very extensive interests included endorsement agreements with Nike, Gillette and Clinique, and merchandising deals with H & M, Gucci and Armani as well as with Topshop itself. That extensive, longstanding commercial relationship between her and the Arcadia Group was a key feature in the Court of Appeal upholding her passing off claim on the ground that it contributed to consumers potentially believing that clothes carrying an unauthorised photograph had been approved by her. The case study results suggest that a blurring of the boundaries between (authorised) exploitation under an existing commercial relationship and (unauthorised) infringement by the same undertaking is far more likely to come to pass than an *Irvine*-type infringement by a third party with whom the performer had no commercial relationship at the material time. If that is the case, a statutory image right along the Guernsey model would not necessarily provide a clearer solution. Contract terms defining the scope of that existing relationship will always be far preferable to pursuing after-the-event remedies for genuine confusion or sharp commercial practice.

In any event, the number of cases relating to disputes between athletes and those with whom they did have an existing relationship seems very low – other than a Spanish dispute involving two clothing manufacturers, a player and his club<sup>43</sup> (where the claim foundered because one of the putative agreements was deemed to be merely a work-in-progress), the only ones cited by national respondents involved a governing body for badminton which concluded an exclusive sponsorship contract with an equipment manufacturer while members of the national squad members already had individual

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<sup>40</sup> J Liu ‘Sports merchandising, publicity rights and the missing role of the sports fan (2011) 52(2) *Boston College Law Review* 493.

<sup>41</sup> B Walliser ‘An international review of sponsorship research (2003) 22(1) *International Journal of Advertising* 5 p 9.

<sup>42</sup> *Irvine*: p 2371.

<sup>43</sup> Decision of the Audacia Provincial de Barcelona, AC/2006/1955, May 2006.

sponsorship contracts with other brands<sup>44</sup> and, in Finland, a similar conflict between personal sponsorship agreements held by ski-jumpers and those held by the national federation.<sup>45</sup> In the former the court held that pressure placed on the athletes by the governing body was an unlawful inducement to breach their contracts and the governing body was held liable in damages, while in Finland the Competition Court found in favour of the Federation because its arrangement was a longstanding practice which benefited the sport domestically; but none of those three cases was decided on the basis of intellectual property laws, and in all of them there was an existing relationship between the parties to the dispute.

In appropriate situations, clearly-drafted individual contract terms can be replaced by collective agreements or the use of industry-wide standard contract terms that similarly lay down the limits of image rights exploitation. Some member states also make provision for the transfer of image rights by other means: in Lithuania, for example, the Civil Code granted image rights to every person<sup>46</sup> and the courts have established that the Code allows a person to transfer that right for remuneration in accordance with general contract principles;<sup>47</sup> but if there is no explicit transfer of the right, there cannot be a lawful exploitation by another party. The respondent for Greece reached very similar conclusions, as did the respondent for Germany who stated that, taken together, employment contracts, the Basic Law, the Civil Code and the Art Copyright Act 1907 ordinarily assign to an employer the exclusive right to commercially exploit the performer's personality rights in the course of employment. Such approaches would not usually extend to endorsement or merchandising deals outside the employment context because under the applicable national laws full assignment to the club of the right to commercially exploit the player's image outside that sphere is not an automatic consequence of entering into an employment contract. In most member states, the performer would have to specifically assign those rights before the employer could be confident that it was exploiting his image lawfully, so in all contexts careful attention should be paid to what the performer and the employer agree with regard to the performer's right to exploit his own image during the off-season (for example) or when he is not obviously 'representing' the club in an employment capacity. Several respondents pointed out that under any outcome one undertaking would have a potential remedy in damages against the player for breach of a contract, thus reinforcing the importance of ensuring that contract terms are properly drafted. Carefully-constructed contract terms which avoid disputes arising will always be preferable to either a new statutory image right or recourse to existing legal remedies, and while none of them are guaranteed to dissuade a company which tries to push the boundaries Topshop (for example) might have decided not to use a 'papped', unauthorised picture of a singer

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<sup>44</sup> Rechtbank Utrecht, 30-11-2011, 289895/HA ZA 10-1563.

<sup>45</sup> *Hautamski*, 756/61/04, 11<sup>th</sup> November 2004.

<sup>46</sup> Lietuvos Respublikos Seimas, Art 2.22.

<sup>47</sup> The Supreme Court of Lithuania, 24 February 2003, Case No 3K-3-294/2003.

with whom it had enjoyed a longstanding relationship if its rights and obligations under that relationship had been better articulated.

If the potential problem of a commercial partner acting as Topshop did is best dealt with by clear contract terms, there is merit in exploring whether key terms can be used more consistently in any particular sport or other cultural field, regardless of the jurisdiction where the dispute arose. A stand-alone image right in the Guernsey model does not lend itself to that degree of detail, but in sports and some other sectors it could be achieved via sectoral-level social dialogue.<sup>48</sup> This has more to offer than Sports Acts (discussed below) or collective agreements which are just as territorially limited as image rights laws; in some jurisdictions the bargaining power of athletes and other performers is very weak while in others the parties' collective agreement cannot be properly regarded as a decision reached voluntarily at all. Respondents in nine countries<sup>49</sup> said that collective agreements would lay down the parameters of each side's obligations in respect of image rights, but in Spain Royal Decree 1006/1985<sup>50</sup> governs image rights exploitation in respect of all professional athletes, and this obliges the parties to an employment relationship to reach a collective agreement which is then incorporated into the employment contract. This rather smacks of a command in the guise of an agreement, and the fact that the parties are legally obliged to reach a settlement means it might not accord with the Commission's demands after *Union Royale Belge des Societes de Football Association v Bosman*<sup>51</sup> that any provisions which impact on athletes' economic interests have their explicit consent.<sup>52</sup> Social dialogue may have the potential to overcome these difficulties, and although it has metamorphosed into a means of influencing policy at the European level rather than a way of securing binding commitments,<sup>53</sup> the social partners are free to conclude agreements in the form of jointly-agreed texts (pursuant to Article 155(1) TFEU) which can be transposed into Directives or, much more likely, operate as agreements exclusively between them. For social dialogue purposes, the exploitation of image rights would fall under 'working conditions' as laid down in Article 153(1) TFEU.<sup>54</sup>

No less importantly, the survey revealed that several member states use Sports Acts as a means of securing image rights protection for athletes.<sup>55</sup> Further research will be necessary to establish whether there are any circumstances under which a dispute in those countries would be resolved differently because it involves a sports performer who is covered by the Act, or whether the dispute would be

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<sup>48</sup> D McArdle *Dispute resolution in sport: athletes, law and arbitration* (London: Routledge, 2015)

<sup>49</sup> Belgium, Denmark, France, Germany, Hungary, Italy, Poland and Portugal (in addition to Spain).

<sup>50</sup> Royal Decree 1006/1985 26<sup>th</sup> June, *regulating the special employment relations of professional sportspeople*.

<sup>51</sup> [1996] 1 CMLR 45.

<sup>52</sup> European Commission *White Paper on Sport, Com (2007) 391 Final* (Brussels: European Commission, 2007).

<sup>53</sup> A Koukiadaki 'The evolution of employee involvement in European labour law' (2011) 11(4) *ERA Forum* 601.

<sup>54</sup> TFEU Article 153(1) provides that: 'with a view to achieving the objectives of Article 151, the Union shall support and complement the activities of the Member States in ... (b) working conditions.'

<sup>55</sup> France, Greece, Hungary, Portugal, Romania, Spain and Poland.

resolved more efficiently before the law provides for mandatory arbitration. In Hungary, for example, jurisdiction over image rights disputes would ordinarily reside with the national court of first instance, but the case study dispute would lie with the Permanent Court of Arbitration for Sport because Art 47 of the Hungarian Sports Act,<sup>56</sup> provides for compulsory ADR in sports-related cases. To date, the use of Sports Acts have attracted little attention outside the US, where Federal or state legislation that applies exclusively to professional or elite amateur athletes has long been a feature of the legal landscape, but it is evident that within the EU their use is not limited to countries of the former Soviet bloc and they cannot be simply regarded as examples of interventionist and centralised sports policies in post-socialist countries where sports governance is characterised by high levels of state intervention.<sup>57</sup> Under most Sports Acts there is usually a requirement that when marketing agreements are concluded between a sporting organisation and a commercial undertaking, the organisation must have obtained the athlete's written consent to her being covered by that agreement. If it has not, its marketing contract is invalid insofar as it applies to that player and the organisation will have no remedy if she abides by a personal contract with another undertaking (indeed, the Hungarian Act provides<sup>58</sup> that the player would have an action for violation of his personal rights in accordance with the Hungarian Civil Code should the club try to prevent him doing so.)<sup>59</sup> In that respect Sports Acts simply replicate most countries' provisions on individuals' power to assign or exploit their own image rather than offering a novel right for sports performers; it is the Acts' potential for faster dispute resolution and the parties' compulsory submission to alternatives to the courts that makes them interesting. The range of disputes that fall to be resolved under them will vary between jurisdictions but, as with collective agreements, disputes with third parties are not likely to fall under them and in that respect they do not provide an alternative remedy for third-party disputes.

Instead, allegations of third-party infringement are resolved by recourse to Constitutional provisions, wide-ranging civil laws or intellectual property legislation of more general application. The applicable legal frameworks are not necessarily less complex in other member states than they are in the UK, however. Ten respondents cited specific intellectual property laws<sup>60</sup> that carried a potential for relatively straightforward resolution of image rights disputes, but over twenty identified Constitutional provisions or wide-ranging civil codes<sup>61</sup> which either provided the source of the remedy themselves or had to be considered when applying those intellectual property laws. Several respondents discussed occasions when resort to those provisions demanded considerable judicial creativity, and while a statutory right might bring a greater degree of clarity, it would still need to be

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<sup>56</sup> Act I of 2004 on Sport.

<sup>57</sup> S Kustec Lipicer and D McArdle 'National law, domestic governance and global policy' (2014) 6(1) *International Journal of Sports Policy and Politics* 71, p 74.

<sup>58</sup> At Article 35.

<sup>59</sup> Act IV of the Hungarian Civil Code, 1959. An unofficial English version is available at <http://www.lawandtranslation.com/szolgaltatasaink/jogszabalyok/1959evi4>.

<sup>60</sup> Austria, Czech Republic, Estonia, Finland, Germany, Italy, Latvia, Poland, Spain, Sweden.

<sup>61</sup> The exceptions were Austria, Denmark, France, Malta, Netherlands, Sweden, and the United Kingdom.

interpreted in accordance with those domestic provisions and with Article 8 and other ECHR provisions. By way of example, the Austrian Civil Code<sup>62</sup> of 1811 protects rights which are ‘inherent to every person’,<sup>63</sup> and as recently as 2003 it fell to the court to interpret that provision as meaning the exclusive right to use one’s own name included the right to assign it to others.<sup>64</sup> Today the case study scenario would fall under the Copyright Act,<sup>65</sup> but that likewise has to be interpreted in accordance with the Civil Code just as a statutory image right would.

Regardless of whether the dispute arises from existing partner or third-party misuse, member states’ remedies include provision for injunctive relief and damages. The Guernsey Ordinance makes similar provision, and while it is certainly arguable that a stand-alone image right would provide a more straightforward regime than the UK’s in particular, the protections offered by other member states and the remedies available in the event of their violation are not so inadequate as to make the arguments for their replacement overwhelming.

#### 4. IMAGE INCOME, TAXATION AND THE GUERNSEY REGISTER

While the case study helps shed light on some of the issues that might be relevant to discussions of whether a database approach to image rights is ‘better’ than the alternatives, the Guernsey register has more immediate attractions relating to issues of taxation. If advocates of the scheme wanted to highlight its immediate benefits to potential users, much more could be done to bring these attractions to their attention. The potential for a statutory right to make taxation planning more straightforward should form part of wider discussions about the benefits and disadvantages of such schemes generally.

The immediate benefits of the register revolve around the role of service companies for UK taxpayers, and as it is quite possible that the applicable tax regime will change in the future there is no better time the scheme’s proponents to extol its tax-related virtues. Although the tax regimes applicable to sports performers can be a source of considerable confusion in many jurisdictions<sup>66</sup>, in the UK they are liable to income tax on earnings and investment income<sup>67</sup> and there is also a potential exposure to capital gains tax on profits made on the disposal of a chargeable asset.<sup>68</sup> However, UK-based performers with an exploitable image can currently reduce their tax liabilities through the use of personal service companies,<sup>69</sup> which for taxation purposes are governed by the Income Tax (Earnings and Pensions Act) 2003 and the Social Security Contributions (Intermediaries) Regulations 2000, as

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<sup>62</sup> Allgemeines Bürgerliches Gesetzbuch.

<sup>63</sup> Op cit, §16.

<sup>64</sup> *MA 2412*, Austrian Supreme Court, March 2003.

<sup>65</sup> Urheberrechtsgesetz (UrhG), as amended.

<sup>66</sup> P Shackleton, ‘Taxation of sports people in the UK’ (2010) 1017 *Tax Journal* 14; R Cloete ‘The taxation of image rights: A Comparative Analysis’ (2012) 45(3) *De Jure* 556-567; A Craggs and N Mellors ‘Getting physical – how the taxman is tackling image rights’ (2011) 2(6) *Entertainment Law Review* 175.

<sup>67</sup> Pursuant to the Income tax (Earnings and Pensions) Act 2003.

<sup>68</sup> <https://www.gov.uk/capital-gains-tax/overview>.

<sup>69</sup> <http://www.hmrc.gov.uk/manuals/esmmanual/esm2051.htm>.

amended<sup>70</sup> (these are often collectively referred to as the intermediaries legislation or by the non-statutory title of IR35). This regime applies if the performer is working for a client and that work is conducted via an intermediary – i.e., the personal service company.<sup>71</sup> If the intermediary company is controlled and operated by a third party<sup>72</sup> rather than by the performer, the Managed Service Company legislation<sup>73</sup> is applicable instead of IR35, but in either case payments from the club to the intermediary are treated as employment income and the intermediary pays roughly the same in tax and national insurance on the performer's remuneration for employment-related services. After that remuneration, corporation tax is paid on any profits made and the performer can also draw an income from the company in the form of dividends. These are taxed as investment income at the marginal dividend rate of 32.5% and are currently subject to a tax credit for the 20% paid by the company.<sup>74</sup> When the service company is wound up, the accumulated earnings are subject to capital gains tax rather than income tax.

The challenge for performers who use service companies to avail themselves of these lower rates is in convincing HMRC that the payments to the company are genuine image rights payments rather than a means of evading income tax. These arrangements have been used to circumvent the salary caps that are used in some professional sports – for example, salary limits might be imposed either by the club itself or by the governing body in order to prevent clubs spending money they do not have (the 'Financial Fair Play' rules in football<sup>75</sup>) or in an attempt to maintain a competitive balance by preventing the wealthiest sides from luring all the best players.<sup>76</sup> While attempts to circumvent these rules will attract the attention of the sports regulators, the tax authorities are properly concerned with their use as a potential tax dodge rather than a 'field of play' issue.

The use of service companies became far more frequent after the decision in *Sports Club, Evelyn and Jocelyn v Inspector of Taxes*,<sup>77</sup> which involved 'Sports Club' Arsenal FC and footballers Denis Bergkamp and David Platt. The club made payments to service companies in respect of the two players' image rights - the players having assigned their image rights to, and the club having signed separate agreements with, the two companies. The Inland Revenue regarded the fee paid by the club to the companies as income and thus subject to income tax, but the Special Commissioners held that

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<sup>70</sup> Social Security Contributions (Intermediaries) Regulations 2000, SI 2000/727; 2003/2079.

<sup>71</sup> HMRC *IR35: Find out if it applies* (London: HMRC, 2014).

<sup>72</sup> A 'Managed Service Company Provider' as defined in ESM3515: [www.hmrc.gov.uk/manuals/esmanual/ESM3515.htm](http://www.hmrc.gov.uk/manuals/esmanual/ESM3515.htm).

<sup>73</sup> Introduced by the Social Security Contributions (Managed Service Companies) Regulations 2007, SI 2007/2070.

<sup>74</sup> C Vokes and P Hirsch 'Income tax for professional athletes and artists – a cross-border story' Tax Law Commission Conference (2015) September, available at <http://london.aija.org/wp-content/uploads/2015/07/National-report-UK.pdf>.

<sup>75</sup> J Lindholm 'The problems with salary caps under EU law' (2011) 12(2) *Texas Review of Entertainment and Sports Law* 189.

<sup>76</sup> Wayne Rooney allegedly earns £200,000 a week (<http://www.whatfootballerearn.com/player/wayne-rooney/>) but in team sports other than football even the best players earn less than half that figure a year. For example, in 2013 the base salary cap for entire squads in the highest tier of rugby league – the English Super League – was £1.65 million: *Mason v Huddersfield Giants* 2014 WL 3925309; L O'Leary 'Regulating against player movement in professional rugby league' (2009) 3/4 *International Sports Law Journal* 3.

<sup>77</sup> [2000] STC (SCD) 443. The authors Evelyn Waugh and Jocelyn Brooke were contemporaries. One was touched by greatness, the other was better than many people gave him credit for. This may or may not be relevant.

image rights exploitation was separate from playing services, and the sums were capital assets to be taxed accordingly. The decision resulted in millions of pounds in lost tax revenue as increasing numbers of sports clubs paid greater proportions of players' wages to personal or managed service companies in return for the right to use their image to promote it or its sponsors. Indeed, the intricacies of the schemes mean that 'for each £100,000 paid as image rights rather than salary, HMRC loses £36,000 in tax and national insurance'.<sup>78</sup>

The Revenue has also found it difficult to attach a commercial value to image rights for the purpose of assessing the employer clubs' tax liabilities, and this is further evidence of confusion in this broad area of tax law that might be amenable to exploitation. HMRC made some progress in attempting to bring order to chaos in 2012, when a settlement mediated by the FA Premier League resulted in 15 English Premier League Clubs being 'banded' according to their turnover and each paying up to £6.4 million in back-tax over disputed image rights payments.<sup>79</sup> Club turnover is no indicator of the value of the individual player's rights and is, at best, a limited means of establishing how much a club makes through their exploitation, but this was the first time since the Arsenal decision that a meaningful attempt was made to ascribe a value to image rights and its approach stood in marked contrast to that in *HMRC v Portsmouth City Football Club*,<sup>80</sup> where the Revenue lost a dispute as to how much it could vote in a creditors' meeting in part because it failed to provide figures to substantiate its argument that the club's valuation of its player's image rights was 'uncommercially high' and a sham.<sup>81</sup>

Although the situation remains unclear, the 2012 settlement indicates that for the time being the Revenue is willing to accept the existence of image rights companies even though (to quote the Court of Appeal in *Fenty*) 'the absence of an image right is a matter of law and not a matter of fact'.<sup>82</sup> When performers create service companies to exploit their image they are exploiting a right which does not exist in law, and there is a strong argument that the law should be changed to ensure that monies generated by image right exploitation are treated as emanating from the performer's profession - it should be regarded as income which is subject to PAYE and national insurance 'rather than the lower rate of corporation tax of the image rights company'.<sup>83</sup> That said, HMRC's investigation of image rights in *Arsenal* and *Portsmouth* does not indicate an immediate concern with image rights *per se* but rather a focus on professional football's tax practices specifically. Free holidays on boats and other properties owned by club chairmen, subsidised travel by players' partners or family members,

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<sup>78</sup> J Norman 'Bergkamp's legacy has opened the image rights floodgates' (London: Sportspro Media, 2011) available at [http://www.sportspromedia.com/guest\\_blog/bergkamps\\_legacy\\_has\\_opened\\_the\\_image\\_rights\\_floodgates](http://www.sportspromedia.com/guest_blog/bergkamps_legacy_has_opened_the_image_rights_floodgates).

<sup>79</sup> P Kelso 'Premier league sides forced to pay back millions' (2012) *The Telegraph* 15 February.

<sup>80</sup> [2011] BCC 149 (Ch), para H5.

<sup>81</sup> *Ibid*, Para 87

<sup>82</sup> *Fenty* p 3299.

<sup>83</sup> M Chandler 'Taxation of image rights: recent developments' (2015) Mills & Reeve, 1<sup>st</sup> May, available at [www.mills-reeve.com/taxation-of-image-rights-recent-developments](http://www.mills-reeve.com/taxation-of-image-rights-recent-developments).

complimentary tickets for employees have all excited attention,<sup>84</sup> the use of Employee Benefits Trusts and other schemes operating at Glasgow Rangers FC and elsewhere have resulted in litigation<sup>85</sup> while the ‘football preferential creditor’ scheme that was explored in *Portsmouth* (the court ruling that it was ‘not necessarily unfair’ for football creditors to be paid in full while others got far less) remains a source of irritation even though the government’s working group on club ownership has recently expressed broad support for it.<sup>86</sup> The value of the image rights of those who appeared on Geordie Shore, and even those of Heather Watson, are small beer in comparison, and while the sums paid to those performers’ service companies might still attract attention if they are ‘uncommercially high’, to quote the Revenue in *Portsmouth*, the impossibility of ascertaining the true value of image rights would make it very difficult to establish that a reasonably plausible figure is so wide of the mark as to merit further investigation. So long as the Revenue is investigating the football industry’s peculiar tax arrangements, it might be willing to look kindly on other performers’ image rights exploitation and the service companies that facilitate it.

This is where the Guernsey scheme’s immediate, if limited, attractions lie. In summer 2015, HMRC amended its internal capital gains tax manual to provide that ‘where a celebrity claims that he has assigned image rights that are protected by a non-UK jurisdiction (such as Guernsey) to an image rights company, it might be appropriate to identify the asset in that jurisdiction as image rights’.<sup>87</sup> This advice suggests the mere act of registration in Guernsey can help the performer persuade HMRC that her image right company is a legitimate enterprise and might persuade it to enquire no further. And if there are taxation attractions in the Guernsey scheme to UK-based performers, they might be applicable to those in other jurisdictions too. If a statutory scheme has the potential to facilitate more straightforward tax planning – for good or ill – it should be considered by those who would argue for similar schemes in other countries.

## 5. IMAGE RIGHTS THEORY AND PRACTICE

The foregoing analyses suggest that, notwithstanding the limitations of the Guernsey scheme, the arguments in favour of a similar image right in other jurisdictions are worth exploring. But these discussions fail to explain exactly how the advertising industry ‘works’ in the sense of clarifying how some performers’ imprimatur is so highly valued that companies will pay multi-million dollar sums to

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<sup>84</sup> A Miller ‘HMRC aims to give football clubs a good kicking’ (2012) *Sporting Intelligence* 13 January, available at <http://www.sportingintelligence.com/2012/01/13/hmrc-aim-to-give-elite-football-“a-good-kicking”-on-tax-after-evasion-tip-off-130101>.

<sup>85</sup> *Murray Group Holdings Ltd v Revenue and Tax Commissioners* [2015] SLT 765.

<sup>86</sup> Department for Culture, Media and Sport *Expert working group on football supporter ownership and engagement* (London: DCMS, 2015) available at [www.gov.uk/dcms](http://www.gov.uk/dcms).

<sup>87</sup> HMRC *CG68435- Intellectual property rights: image rights in foreign jurisdictions*, available at <http://www.hmrc.gov.uk/manuals/CGmanual/cg68435.htm>; F Huxtable ‘Image is everything’ (2015) *Taxation* 15 February available at <http://www.taxation.co.uk/taxation/Articles/2015/02/17/332699/image-everything>.

secure their services.<sup>88</sup> In the case of athletes especially, these sums can far outstrip what they earn in prize money or salary – but *why* this should be so is far from evident. Understanding the game that is played when Dennis Rodman tells us to offer a side of pistachios<sup>89</sup> with whatever one cooks on a George Foreman grill<sup>90</sup> is important to properly understanding the wider issues of image rights protections. It also highlights the negative aspects of the industry, and these should not be ignored in any discussions over how performers' rights should be protected.

In *Irvine v Talksport* Laddie J commented that:

The reason large sums are paid for endorsement is because, no matter how irrational it may seem to a lawyer, those in business have reason to believe that the lustre of a famous personality, if attached to their goods and services, will enhance the attractiveness of those goods and services to their target market.<sup>91</sup>

It is probable that even if one works in the industry the sums some performers command will defy logic; but ultimately the industry's success depends on the notion of 'goodwill' – and understanding that is fundamental to understanding how the industry operates. To return to *Fenty v Arcadia Group* copyright in an image of Rihanna was used without her consent on Topshop clothing (copyright being owned by a photographer who had taken it surreptitiously and licensed it to the defendants). She successfully argued that members of the public were likely to be deceived into believing the clothing on which the picture appeared was approved, connected with or authorised by her because it was very similar to the images on her recently-released album. Upholding the decision, the Court of Appeal said that while the sale by Topshop of clothing bearing her image was not, of itself, an act of passing off, the circumstances of the case meant a substantial number of consumers were likely to be deceived into buying the shirt because of a false belief that Rihanna had authorised it. The goodwill she had generated through her album sales, videos and tours had led to extensive commercial opportunities which included extensive merchandising and endorsement businesses with Nike, Gucci and Armani, amongst others.<sup>92</sup>; The unapproved use of her photograph on Topshop fashion garments led to her successful passing off claim on the ground that her goodwill had been undermined by Topshop's activities. There had been a likelihood of confusion, concomitant loss of control over her reputation and, in turn, a fall in the sales of authorised Rihanna merchandise.

In *Fenty* the evidence of likely confusion was decidedly limited and 'goodwill' and 'reputation' were used rather loosely - the judge referred to the claimant's 'loss of control over her reputation in the

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<sup>88</sup> Basketball star LeBron James signed a \$30 million endorsement deal with Nike before he signed his first professional contract: <http://uk.businessinsider.com/nike-gave-lebron-james-a-lifetime-shoe-deal-2015-12?r=US&IR=T>.

<sup>89</sup> <http://www.athletepromotions.com/blog/tag/dennis-rodman-endorsements/>

<sup>90</sup> <http://www.georgeforeman.co.uk>

<sup>91</sup> *Irvine v Talksport* [2002] 1 WLR 2355, at 2368 per Laddie, J.

<sup>92</sup> *Fenty* at p 3294.

fashion sphere'<sup>93</sup> as a head of damage, and while injury to reputation connotes a broader non-proprietary right which can exist independently of business goodwill, it is goodwill that lies at the heart of image exploitation. This is because understanding how one generates and exploits 'goodwill' in the way that Rihanna did is fundamental to understanding how the image rights industry operates, why companies wish to be associated with celebrity performers - and why others might want to create an association in the minds of the consumer when no association exists. 'Fame itself is an attractive force which draws in the consumer. It is for this reason that traders often ask well-known personalities to promote their products, hoping that the popularity of the celebrity will rub off on (them)'<sup>94</sup>.

The most lucrative endorsement opportunities are only available to a very small handful of well-known performers. In sports, the principal beneficiaries are widely-recognised – and overwhelmingly male - 'celebrities' in globalised pursuits like football, and while in other contexts those opportunities might fall to globally-recognised female performers like Rihanna Fenty or Nicole Kidman, it is clear that there are stark gender differences in both opportunities and income. The most successful endorsers combine performance with ubiquity, charisma and physical attributes which gives them a commercial value that transcends their undoubted performance abilities, and their value is dependent upon them being globally-recognised stars who endorse globally-recognised brands. Only performers in particular sports, musical genres or other cultural fields that attract an international audience can fall into this category. Performers who fall outside this elite group still possess 'goodwill' and can benefit from image exploitation agreements which target a specialist audience or involve nationally- or regionally-known products. Heather Watson's endorsement of Benefit Cosmetics<sup>95</sup> is thus worth markedly less than Maria Sharapova's relationship with Avon,<sup>96</sup> the existence of which helps explain why Sharapova has made three times as much from endorsements as she ever did from tennis tournaments. Watson's goodwill is still very extensive, however, and it has given rise to an image that is clearly worthy of protection via the Guernsey register.

But this still begs the question of why somebody who kicks a ball, sings or acts for a living can become attractive to producers of goods or services, and why that association ostensibly leads people to purchase or use them. Put another way, how does the performer establish a 'goodwill' that subsequently creates a link between goods/services and the public mind? Perhaps the industry 'works' because manufactures have to overcome the ineluctable truth that much of what they sell is 'an insane irrelevance'<sup>97</sup> and that in global marketplaces there are myriad equally-irrelevant brands to choose

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<sup>93</sup> *Fenty* at p 3299.

<sup>94</sup> S Fletcher and J Mitchell 'Court of Appeal found no love for Topshop tank' (2015) 37(6) *European Intellectual Property Review* 394, p 397.

<sup>95</sup> [http://www.sportspromedia.com/news/up\\_and\\_coming\\_watson\\_benefits\\_from\\_cosmetic\\_deal](http://www.sportspromedia.com/news/up_and_coming_watson_benefits_from_cosmetic_deal).

<sup>96</sup> <http://www.forbes.com/profile/maria-sharapova/>. Sharapova has been the highest-grossing female athlete each year since 2005, but her value of \$24 million places her only 34<sup>th</sup> in the list, far behind the \$105 million earned by the wife-beater and boxer Floyd Mayweather: <http://www.forbes.com/sites/kurtbadenhausen/2014/08/12/the-worlds-highest-paid-female-athletes-2014/>

<sup>97</sup> R Williams *Problems in Materialism and Culture* (London: Verso Books, 1980) 185.

from. Manufacturers need consumers to identify with their products, and performers who can speak convincingly to people's self-image or aspirations are, perhaps literally, worth their weight in gold. The literature on hegemonic masculinity's relationship with the advertising industry helps explain why this is particularly germane to male athletes and other performers who can peddle a lifestyle to other men and explains why performers in globally-popular sports like basketball and all codes of football are first among equals. It is inevitable that (as with Michael Jordan) these performers' images are likely to attract abusers in jurisdictions where their image is hard to protect. Further, research in African-American studies shows how sports reflects capitalist, patriarchal constructions of black masculinity in particular, so that 'black men's bodies are admired but controlled by coaches,'<sup>98</sup> and if imitation is the sincerest form of flattery there is something to celebrate in boxers, football and basketball players from the wrong side of the tracks being particularly adept at selling stuff to white men - but it also explains why they are the most likely targets for unauthorised exploitation.

## 6. CONCLUSION

It is no coincidence that the development of globalised entertainments, the explosions in the sums that celebrity performers can attract and the commodification of the celebrity image have coincided with 'men...increasingly falling into the same appearance-oriented cultural trap that women have experienced for years, striving for unachievable physical attractiveness via fashion, aesthetics or body modifications as part of the shift towards consumer-oriented societies'.<sup>99</sup> The increasing extent of men's reported body dissatisfaction, disordered eating and resort to dietary products that are likely to do more harm than good are all a consequence, at least in part, of our self-comparisons with celebrity physiques,<sup>100</sup> and it is equally depressing to read of young women emailing Topshop in the hope that 'Rihanna can spice me up a little and bring my sparkle back'.<sup>101</sup> Maybe this is 'goodwill' personified, but perhaps in return for extensive protections the quid pro quo could include prohibitions on male athletes promoting gambling or alcohol or female singers endorsing clothes that sexualise little girls. Product images – like the celebrities used to portray them – differ with their target audience, so (for example) because the appeal of muscularity varies between different sporting and leisure interests<sup>102</sup> adverts or articles aimed at weightlifters or bodybuilders will portray men's bodies far differently to those which appear in style magazines. It remains the case, however, that 'film, television and print advertisements have increasingly been foregrounding and sexualising the male body...men's bodies are on display as never before'.<sup>103</sup> Globally-recognised male athletes are uniquely placed to take

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<sup>98</sup> D Pompper 'Masculinities, the metrosexual and media images' (2010) 63(9) *Sex Roles: A Journal of Research* 682, 684.

<sup>99</sup> R Connell and J Messerschmidt 'Hegemonic masculinity: rethinking the concept' (2005) 19(6) *Gender and Society* 829, 830.

<sup>100</sup> M Labre 'The male body ideal: perspectives of readers and non-readers of fitness magazines' (2013) 2(2) *Journal of Men's Health and Gender* 223.

<sup>101</sup> Fenty, p 3308.

<sup>102</sup> B Pronger *Body Fascism* (Toronto: University of Toronto, 2002).

<sup>103</sup> R Gill, K Henwood and C McLean 'Body projects and the regulation of normative masculinity' (2005) 11(1) *Body and Society* 37, 40.

advantage of this trend, and while few of their female counterparts are used to ‘sell a lifestyle’ to girls or other women in the way that female singers or actors are, female athletes in advertising still embody a soft-porn imagery and language that apparently resonates with the predominantly heterosexual male audiences who consume sports media.<sup>104</sup> This panders in turn to an idealised masculinity, which then normalises ‘images associated with body dissatisfaction...an unrealistic branded masculinity as represented in male action toys and *Playgirl* centrefolds’.<sup>105</sup>

Image rights allow people to access something the ‘celebrity’ ostensibly approves of even if they cannot have the physical, musical or other prowess that made them a celebrity in the first place. It does not ‘sell’ sporting prowess any more than Nicole Kidman offers acting classes or Rihanna Fenty teaches the ability to knock out a tune, and while these theoretical insights do not facilitate an understanding of exactly how image rights fees are arrived at (a process which seems to involve ascertaining what other performers were able to command at similar stages in their careers for advertising similar products and then using that figure as a basis for negotiation), they might help explain why a consistent and extensive protection of those rights is an attractive proposition to global performers who travel the world and ‘expect the same legal protection for their valuable images’<sup>106</sup> to be available wherever their skills might take them. But any system which seeks to prevent unauthorised exploitation must, in turn, protect others from exploitation by the system. Laddie, J was absolutely right to say that the industry is irrational, but the irrationality ‘works’. If one understands why, one is better placed both to evaluate the alternatives.

The case study indicated that, in the sports industry at least, the provisions for resolving or avoiding image rights disputes between performers and those with whom they are in a working relationship (e.g. employers or event organisers) are usually found in contract terms, standard image rights provisions negotiated as part of a collective agreement. Faster dispute resolution may be available through statutes that apply only to those in a particular industry, but in the event of violation by third parties most member states provide remedies through a combination of constitutional protections, general civil laws and intellectual property legislation. The development of collective agreements and Sports Act provide examples of how actors in cultural fields like sports are able to secure protections and remedies which are unique to their particular sphere of activity, and when these are combined with the remedies available in most jurisdictions (which includes injunctions), they do protect image rights regardless of the relationship (if any) between the performer and those who are responsible for the violation. But the outcomes of litigation are inevitably uncertain, the applicable law may have to be distilled from myriad sources and pursuing remedies for violations – especially in jurisdictions

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<sup>104</sup> ‘Marissa, who is married to a pro bodybuilder, has a background in dance and competitive cheerleading...let’s uncover a bit more about this buff beauty.’ S Neveux ‘Hardbody Marissa Rivero McGrath’ (2015) August *Ironman Magazine*, available (if you really must) at <http://www.ironmanmagazine.com/hardbody-marissa-rivero-mcgrath/>

<sup>105</sup> Pompper, above n 98, p. 683.

<sup>106</sup> M Tugenhardt ‘Exploitation of image rights in the UK’ (2003) available at <http://fbis.eu/wp-content/uploads/2013/03/2002-exploitation-of-image-rights-in-the-uk-by-michael-tugenhardt-qc.pdf>.

other than one's own - is destined to be time-consuming, expensive and, ultimately, may be more trouble than it is worth. An image rights approach could help ameliorate these difficulties, and although they are no panacea they might also have taxation-related benefits that have not yet been made evident to those with an image worth protecting or to their advisers. Although the Guernsey register might initially have seemed little more than a solution in search of a problem, it is not without merit. A stand-alone image right that is unique in operation and scope is worthy of further exploration by those who would advocate image rights law reform. But the wider issues of what image rights 'do' and how they do it must also be considered in the course of those discussions.