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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provided dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

CHARACTER MERCHANDISE UNDER TRADEMARK LAW IN INDIA

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ABSTRACT

Character merchandising is the marketing and commercialization of products and services through the imaging, naming, or licensing of either fictional characters or real-life personalities. In contemporary culture, the worth of a character or a persona often overshadows the tangible product they represent, which is why character merchandising poses real problems in intellectual property law. In India, however, character merchandising laws are unfocused and outdated, particularly when reviewing the Trademarks Act of 1999. This paper seeks to critique character merchandising in Indian trademark law by studying judicial milestones such as *ICC Development v. Arvee Enterprises*, *DM Entertainment v. Baby Gift House*, and *Titan*

Industries v. Ramkumar Jewellers. Employing a doctrinal and case law approach, the research assesses the effectiveness of Indian courts regarding the intersection of trademark issues, personality issues, and character merchandising as unfair competition. The paper also analyzes different systems of law, intending to suggest changes that would make the Indian system complete and more coherent. In the end, a conclusion points out the need for laws that mitigate the creators' and celebrities' rights in a converging media world.

INTRODUCTION

The modern consumer economy has exported characters from movies and TV shows, animated series and comic books, and even real people, as powerful commercial products. The concept of character merchandising - the use of characters or celebrity characters to sell other unrelated products - has become a universal phenomenon. Mukesh Ambani, Mickey Mouse, Spider-Man, Cricketers, and Bollywood stars - as revenue producers for companies, character merchandising works as a tool for brand extension and generating income.

Character merchandising involves licensing to use a character, or a character's visual image, name, voice, or qualities in connection with goods or services which may have no relation to the context of the original character. What can appear to be simple commerce will often include unexpected and complex legal issues, including intellectual property legal issues, especially depending on the contours of the laws of trademark law, copyright law, or right to publicity.

The legal status of character merchandising is developing continuously in the Indian context. In the United States, personality rights, as well as character merchandising protected under the Lanham Act and state laws relating to the right to publicity, are well-established and understood. However, Indian law does not have an express statutory definition for character merchandising. The Trade Marks Act, 1999, protects any mark capable of distinguishing suppliers of goods and/or services. However, whether fictional characters and real-life characters are excluded or included under the Act is uncertain because of the lack of codification of publicity rights and limited judicial notice of character merchandising as a substantive doctrine.

The methodology involved is doctrinal, case-based research, with an emphasis on not only statutory interpretation and judicial reasoning. Part of the paper includes comparisons from

jurisdictions such as the US and UK, to illustrate possible avenues for Indian law. The primary questions answered include the following: regarding character merchandising, is Indian trademark law sufficient; how have Indian courts reacted to the unauthorised use of a fictional or real personality for a commercial purpose; and what reforms are needed in law?¹

THE CONCEPT OF CHARACTER MERCHANDISING

DEFINITION-

Character merchandising is described as the adaptation, or secondary commercialization, by the creator of a fictional character or by a real person or by one or several authorized third parties, of the character's key personality characteristics (including the character's name, image or likeness) with distinct goods and/or services to create in potential purchasers the desire to purchase the goods and/or use the services, because of the purchasers' association with that character.²

It should be reiterated that the person or legal entity that will conduct the merchandising activity (the merchandiser) will very seldom be the creator of the fictional character or the real person in question. The various property or personality rights pertaining to the character will be subject to contracting (by way of transferring agreements or licensing agreements generally or in the form of product or service endorsement agreements), so that one or more interested third parties can be described as authorized users of the character.

The following examples of character merchandising can be given:

- A toy is the three-dimensional reproduction of the fictional character Mickey Mouse
- A T-shirt bears the name or image of the fictional characters, Ninja Turtles

ORIGIN-

The concept of character merchandising is thought to have originated in Southeast Asian countries, more specifically in India. Ramayana has been an important element of Indian mythology, and it has been told in Indian civilization through puppet plays, dramas, and engravings on temples, among other things. Even if the goal of all of this was not to commercialise folklore, but rather to teach a belief and ideology. Character marketing began

² Reddy, Latha. "Character Merchandising and Intellectual Property in India." *Journal of Intellectual Property Rights*, Vol. 16, 2011, pp. 543–549.

with Walt Disney's invention of cartoon characters like Mickey Mouse and the following exploitation of the character by one of their employees by selling things such as shirts and other delights featuring the images of the cartoons.

These characters were further marketed during this period in the shape of posters, bags, badges, and so on. The merchandising programmes linked with films such as Star Wars, Rambo, and James Bond that emerged in the second part of the twentieth century elevated the phenomenon of character commercialization to a whole new level.

TYPES OF CHARACTER MERCHANDISING-

Character Merchandising can be broadly divided into three categories:

- (a) Fictional Character Merchandising
- (b) Personality Merchandising
- (c) Image Merchandising

The **fictional character merchandising** entails using key aspects of fictitious characters to promote or advertise products and services. For instance, Game of Thrones memorabilia, Mickey Mouse on a T-shirt, and other cartoon characters.

Personality merchandising is the use of the persona of a celebrity for the advertising and selling of goods and services. For example, celebrities from sports, movie stars, politicians, musicians, and the like, each of whom allows a distinctive characteristic of their persona to be represented concerning products and services, are all engaged in personality merchandising. It is also referred to as "reputation merchandising" since these people, whose personality characteristics are utilized, are usually known by great segments of society.

Image merchandising is a hybrid of the first two types. The fictional characters are characters generated out of a literary work and then acted by an actor in a movie has an association with the actual physical person and a combination of characteristics from the fictional character. The public can quickly connect the likeness of their favourite actor, dressed or in some way portraying a character. Some examples would be Captain Jack Sparrow (Johnny Depp), Hannah Montana (Miley Cyrus), Harry Potter (Daniel Radcliffe), and Barbie (Margot Robbie).

LEGAL JUSTIFICATIONS FOR PROTECTION-

From a legal perspective, character merchandising spans several areas of intellectual property:
Trademark Law: Characters are registered as trademarks to protect their commercial identity, to provide exclusivity, and prevent unauthorised usage.

Copyright Law: Fictional characters may be protected as an artistic or literary work under the Copyright Act, 1957.

Passing Off: A common law remedy where the reputation of a character or persona is exploited and the consumer is confused.

Right of Publicity: While there is not yet a Right of Publicity in v, the idea exists to protect people from using their image or identity for commercial use without consent.³

CHARACTER MERCHANDISING AND TRADE MARK LAW

Trademark law can be useful for merchandising interests. A "mark" is defined in Section 2(1)(zb) of the Trade Marks Act, 1999 to mean "a device, brand, heading, label, name, signature, or a combination of colours." Characters such as those from Disney or Marvel have successfully been registered as trademarks in various jurisdictions.⁴

Indian trademark law does not expressly define or protect the idea of character merchandising. Whether a character is registrable as a mark will depend on the character's distinctiveness and capacity to indicate source or origin. Furthermore, the application of trademark law to character merchandising raises significant questions:

- Can a character be classified as a source identifier?
- Does using a character on merchandise necessarily constitute infringement or passing off?
- How do we distinguish between homage, parody, or commercialisation?

These questions are all the more salient when Indian courts are called upon to resolve disputes of unauthorized use of well-known characters or personalities for commercial exploitation and

³ K.S. Puttaswamy v. Union of India (2017) 10 SCC 1

⁴ Trademarks Act, 1999

balancing the right to permissibly commercialise with the right to free expression and fair dealing.

A CRITICAL EVALUATION OF CASE STUDIES

Character merchandising is pervasive, from a commercial standpoint, but it is a legally unclear area of Indian trademark law. The case studies have identified that Indian courts have responded to the complex issues surrounding character merchandising and celebrity-based merchandising by using legal theories such as passing off, publicity rights, and unfair competition. However, because there is no clear statutory scheme about character merchandising, the decisions surrounding character merchandising are inconsistent and lack doctrinal clarity.

1. Lack of Adequate Statutory Protection

The Trade Marks Act, 1999, does not expressly identify character merchandising as a type of trademark use, and there are no distinctive provisions for fictional or celebrity characters in the statute. While the definitions of "mark" in Section 2(1)(m) and 2(1)(zb) are broad, use of characters or images as a "mark" is not included unless they are distinctive, identifiable as indicators of source, and registered.

As shown in *DM Entertainment v. Baby Gift House*, the courts were forced to rely on the common law tort of passing off and the constitutional right to privacy when addressing unauthorized commercial use of a celebrity character.⁵ While that approach was successful in that instance, it causes uncertainty for licensors and rights holders as protection would depend on judicial interpretation rather than statutory entitlement.

2. Disjointedness in Publicity Rights

In *Titan Industries v. Ramkumar Jewellers* (2004), the court recognised the right of publicity; however, also again, there is also nothing from law reform or codification, hence reliance upon Article 21 (right to life and personal liberty). This is in stark contrast to many jurisdictions, such as the United States, where many states specifically state that they can recognise their right to publicity as a distinct or separate commercial right, separate from trademark or copyright law.⁶

In *ICC Development v. Arvee Enterprises* (2011), the court held that only individuals own their

⁵ Narayanan, P. *Law of Trade Marks and Passing Off*. Eastern Law House, 2017.

⁶ *Titan Industries Ltd. v. Ramkumar Jewellers*, 2012 (50) PTC 486 (Del).

publicity rights, not an event organiser or a third party. The holding was defensible as it was internationally consistent; however, it also revealed the ICC's weak legal position in character merchandising of players and events, in the absence of an assignment of rights in writing. The lack of a legal definition in regulatory paradigms leads to ineffective enforcement, and that creates issues for the sports and entertainment sectors.⁷

3. Uncertainty in Protection for Fictional Characters

Fictional characters create special difficulties since they differ from celebrity personas. In different jurisdictions, fictional characters are sometimes protected either as trademarks (when a character is exploited commercially) or copyrights (when a character is original and expressive). In India, the law is unclear, and we do not have a clear answer to whether or not fictional characters that are used from place to place, or media to media, can protect these characters as trademarks with automatic or presumed protection, unless there is registration. This issue creates a disadvantage to Indian right holders when dealing with international brand franchise owners, animation studios, and licensing companies. There is also confusion as to how character rights, visual representation rights, and other forms of licensing rights are interrelated in India.⁸

4. Doctrinal Gaps and Judicial Creativity

Indian Courts have done a concerted job to fill these statutory gaps through judicial creativity, but reliance on registered marks and expansive doctrines of passing off, unfair trade practices, and right to privacy, has simply created incoherent jurisprudence that is desperately in need of some clear treatment of character merchandising, ideally in the form of a set of rules or an amendment to the Trade Marks Act as well as other legislation.⁹

5. Comparative Lessons

Other jurisdictions offer useful examples:

U.S.: Several states recognize the right of publicity; characters like Mickey Mouse and Superman typically have just strong trademark and copyright protections.

U.K.: No codified right of publicity exists, but strong common law-based doctrines of passing

⁷ ICC Development (International) Ltd. v. Arvee Enterprises & Anr., 2003 (26) PTC 245 (Del).

⁸ Cornish, William, et al. Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights. Sweet & Maxwell, 2019.

⁹ Bently, Lionel, and Brad Sherman. Intellectual Property Law. Oxford University Press, 2022.

off and extended torts of misrepresentation exist.

E.U.: More often rely on registered rights and personality protection found in privacy and consumer law.¹⁰

CONCLUSION

Character merchandising has emerged as a strong commercial weapon in leading sectors of the global economy, particularly in entertainment, sports, and media. In India, however, the direction of the legal regime remains ill-defined and fragmented. Courts have used judicial interpretation to try to accommodate disputes around merchandising within the existing structure of laws through passing off, privacy, and unfair competition. But, as shown in the leading cases of DM Entertainment, Titan Industries, and ICC Development the mere use of this existing legal framework leads to a total lack of certainty, coherence in doctrine, and a lack of legislative framework.

While some degree of protection exists in trademark and copyright laws, the lack of express statutory provisions addressing personality rights and merchandising or character rights for real and fictional characters leaves a gap and makes creators and rights holders vulnerable. This uncertainty is not only a problem for Indian stakeholders but also international licensors seeking to enforce their merchandising rights in India. In the absence of a defined legal regime, character merchandising in India relies heavily on judicial discretion and, therefore, is inconsistently protected and susceptible to misuse on a marked basis.

RECOMMENDATIONS

To address these gaps and develop a more comprehensive legal framework for character merchandising in India, we provide the following recommendations:

1. Codification of the right of publicity:

India needs to develop legislation or amend existing IP statutes to provide formal and distinct recognition of the right of publicity as a commercial right rather than as a privacy or copyright right. The right of publicity should be inheritable, assignable, or enforceable against commercial use of a person's identity or likeness without

¹⁰World Intellectual Property Organization (WIPO), "Merchandising of Characters under Intellectual Property Law," www.wipo.int.

permission.

2. Incorporation of character merchandising into trademark law:

Provisions in the Trade Marks Act, 1999 should be amended to include explicit recognition of character marks such as fictional characters, animated characters, and stylised persona. Criteria should be established in the amendment for determining the registrability of these characters and the extent of protection.

3. Recognition of fictional characters as protectable IP assets:

In the interest of consistency, Indian law should recognise that fictional characters have a hybrid pedigree; they are artistic/literary works under copyright and commercial identifiers under trademark. A dual-block protection like that in the US can be adopted, in which fictional characters receive protection in copyright as well as trademark.

4. Anti-Ambush Marketing Regulations:

Legislation must be enacted regarding ambush marketing, particularly to safeguard rights holders or official sponsors during sporting and cultural events of a world-class nature. Provisions under a sui generis regime or the Consumer Protection Act and Trade Marks Act should be established to protect event-based merchandising.

5. Judicial Guidelines and Doctrinal Certainty:

The Supreme Court or the appropriate legislative body could issue guidelines to assist in interpreting merchandising and publicity rights consistently through the courts. These guidelines should distinguish between legitimate commercial use, fair use (for example, parody or satire), and infringement.

6. Awareness and Licensing Infrastructure:

Practitioners and stakeholders need to be more aware that character merchandising is an emerging area of law. In addition, a central registry or licensing body (similar to copyright societies) could be established to help practitioners manage and enforce merchandising rights.

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