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PROTECTION OF IMAGE RIGHTS IN THE PERSPECTIVE OF THE GROWING CHINESE SUPER LEAGUE

In the last three years, the Chinese Football Association Super League has seen outstanding growth. For an overview of this phenomenon, one only needs to consider the fact that during last summer's transfer window, the Chinese Super League outspent the English Premier League, allegedly the best and richest football league in the world. A striking case was made when the Jiangsu Suning Football Club signed Alex Teixeira, a Brazilian football player, for the record sum of 56 million U.S. dollars (almost 367 million yuan).

It seems that China has suddenly woken up to the economic and entertainment potential of football, which is the most-watched sport in the country, even though it has only had a professional league since 1994.

The Importance of Image Rights

Football superstar Cristiano Ronaldo has also realized the economic potential of the Chinese market. The famous striker of Real Madrid sold his image rights to Mint Media, a Hong Kong-based firm owned by the Singaporean business tycoon Peter Lim. Mr. Lim himself has said that this partnership is aimed at the further growth and exposure of Ronaldo's brand in Asia.

Image rights are sources of significant commercial revenue, which often exceeds the salaries paid by football teams. For instance, Real Madrid merchandising profits increased by 137% after signing David Beckham from Manchester United. As a result, the team recovered the player's total purchase price in only six months.ⁱ

These figures explain why clubs and players sometimes fight to win control over the image rights of the players, making contract negotiations a difficult exercise. During the past few years, different trends have been alternating. Since 2000, Real Madrid have applied the so-called "*Figo Clause*," under which image rights are split between the club and the player in certain percentages. In 2001, other Spanish clubs tried to introduce "*naked contracts*," a model well established in Formula 1. By entering into this kind of agreements, football players completely sign off their image rights in exchange of a payment.

Image Rights in Chinese Sports

Proceeding on its current growing path, Chinese football will soon face the problems discussed above, and the protection of image rights will be in the limelight. In order to better understand this future scenario, there has to be a careful review of Chinese regulations on image rights.

Although an image right is usually not recognized *per se* (it comes in different forms: right of portrait, right of personal name, right of publicity, etc.),ⁱⁱ Chinese law provides a reasonable

protection through Articles 99 and 100 of the General Principles of the Civil Law of the People's Republic of China (the "Civil Law"). These articles prohibit any use of a citizen's (or foreigner's) name,ⁱⁱⁱ portrait or likeness^{iv} for profit without his or her consent. An individual has full control over the use of such attributes for commercial purposes, such as for merchandising and advertising.

However, these rights do not enjoy absolute protection, as they are subject to several limits and exceptions. For example, the unauthorized use of a newsworthy person's image to report a historical event may be considered a fair use and does not constitute infringement. Moreover, these rights are part of an individual's personality rights and, as a consequence, are protected as long as the owner is alive. After an individual dies, the person's name and images remain protected only from defamation and slander. Unlike trademarks, personality rights do not have to be registered to be protected, even though in some cases applying for further legal protection is recommended.^v For the same reason, image rights are not transferable unless a name has been registered as a trademark. In any case, however, any individual may license his or her image rights to another person as part of a commercial agreement.

With regards to the remedies against infringements, Article 120 of the Civil Law reads: *"If a citizen's right of personal name, portrait, reputation or honor is infringed upon, he shall have the right to demand that the infringement be stopped, his reputation be rehabilitated, the ill effects be eliminated and an apology be made. He may also demand compensation for losses."*^{vi}

An individual has two years to initiate an infringement proceeding in a people's court.^{vii} Should the individual become aware of the infringement after eighteen or more years but before twenty years since the fact occurred, *"the right to bring a lawsuit must be exercised within twenty years of the injury, and after twenty years no protection will be provided."*^{viii}

During recent years, this law has been put to test several times. An analysis of Chinese court rulings can help identify a common trend in the field of image rights. The following three cases provide examples of the degree of protection conferred.

- In 2011, Argentinian football legend Diego Armando Maradona sued two Chinese Internet firms over the unauthorized use of his image, demanding 20 million yuan (3.2 million of dollars) in compensation.^{ix} Sina Internet Information Service Co. Ltd. and No. 9 City Information Technology Co. Ltd. were accused of infringing Maradona's image rights by featuring his cartoon and signature on the online gaming site Hot Blooded Soccer without any consent.^x

As mentioned earlier, portrait rights are protected on the basis of Article 100 of the Civil Law, which prohibits the use of a citizen's portrait for profit without his or her consent. Accordingly, the judge at No. 1 Intermediate People's Court in Beijing sided with Maradona and ordered No. 9 City Information Technology Co. Ltd. to pay 3 million yuan in compensation. The judge reasoned that this amount of damages was based on the popularity of the game and on the length of the time that Maradona's image had been featured on the website.^{xi}

- The second case concerns Chinese Olympic champion Liu Xiang. In 2004, the *Guide of Elaborate Shopping* published a special periodical, the cover of which displayed an image of the Chinese athlete above an advertisement for a local department store. According

to Liu, this picture may have led people to believe that he had endorsed the department store. Therefore, he sued the publisher and some other parties for infringement of portrait rights in the Haidian Basic People's Court.^{xii} The court divided portraits into two categories: portraits without any relation to significant public events and portraits associated with special events.^{xiii} While portrait rights are absolute with respect to the former, the latter type is subject to fair use by other parties, so that the use of a celebrity's picture in order to narrate a historical event might not constitute infringement. The image at issue was a picture of Liu at the Olympic Games. As a result, the court ruled in favor of the newspaper, asserting that Liu's portrait was displayed solely for the purpose of reporting news.

Liu appealed this decision to the First Intermediate People's Court in Beijing, which eventually found in his favor. First of all, the court held that the publisher was not entitled to a defense based on fair use.^{xiv} In fact, the image on the cover of the magazine was a *modified* version of an original picture from the Olympic Games. Due to these alterations, the publisher could not be considered to be merely reporting news.

Furthermore, the publisher did not comply with Article 13 of the Advertising Law of the People's Republic of China as it did not clearly distinguish an advertising material from a non-advertising one.^{xv} In fact, the lack of reasonable care exercised by the publisher in making modifications of the original picture had led consumers to believe that a certain advertising relationship existed between Liu Xiang and the department store, resulting in the violation of his image rights.

- In 2012, the former NBA superstar Michael Jordan, widely recognized as "QIAO DAN" in China, sued Qiaodan Sports for name right and portrait right infringement, demanding damages and the cancellation of Qiaodan Sports' trademark. In fact, the defendant, a Chinese sportswear company, used "QIAO DAN" as its trademark and trade name, along with the number 23 and the logo of a dunking basketball player, which was strikingly similar to the Jordan "jumpman" logo used on Nike products. Since Michael Jordan never registered any trademark for his Chinese name, his claim was based on the infringements upon his English name right, his right of portrait, and the violation of the good faith principle.^{xvi} In his view, the use of the "QIAO DAN" trademark had misled consumers to believe that Qiaodan Sports was associated with Michael Jordan and that a commercial relationship existed between the two. This view was partially confirmed by a survey showing that 90% of a randomly selected group of 400 people in Shanghai believed that Qiaodan Sports was a Jordan's brand.^{xvii} In its defense, Qiaodan Sports argued that it simply translated the English name "Jordan" to Chinese without claiming any relationship with the celebrity. Convinced by the defendant's argument, both the Court of Hainan District of Beijing and the appellate-level Beijing First Intermediate People Court found in favor of Qiaodan Sports, reasoning that the surname "Jordan" is a common surname in the U.S. and there is no exclusively relationship between Michael

Jordan and “QIAO DAN.” With respect to the right of portrait, the court held that the logo only displayed a sketch without any accurate indication of facial appearances.^{xviii} In short, Jordan failed to show that his fame in China preceded Qiaodan Sports’ trademark and that it acted in bad faith causing confusion among customers.

The American Experience: A Comparative Analysis

A complete analysis of where the Chinese law on image rights is heading is incomplete without a look at the U.S. law on the same topic. In the U.S., intellectual property law and rights of publicity are highly developed owing to the Hollywood experience and the social importance that celebrities have obtained over the years. For this reason, when it comes to images and their protection, a look to the West is required. Let us consider two particularly meaningful cases to underline the difference between the current Chinese and American attitudes.

- Ryan Hart, a former quarterback on the Rutgers University football team, sued *Electronic Arts Inc.* (“EA”) for violating his right of publicity by misappropriating his likeness and identity, including biographical information and career statistics, for commercial purposes.^{xix} Hart’s avatar was featured in *NCAA Football 2006*, one of EA’s successful video games, which allows users to play simulated football games with virtual football teams and virtual players. The U.S. District Court for the District of New Jersey granted EA a summary judgement, considering that EA’s use of Hart’s likenesses was entitled to First Amendment protection. The athlete appealed to the U.S. Court of Appeals for the Third Circuit, which reversed the District Court’s decision. Though the court accepted that video games are protected by the First Amendment, it sought to balance the interests underlying the right to free expression against the interest in protecting the right of publicity. For this purpose, the court adopted the Transformative Use Test, finding that EA’s use was not sufficiently transformative. To satisfy the Transformative Use Test, EA had to transform Hart’s identity, while instead the video game matched his actual physical (height, weight, hair and skin color) and biographical characteristics.
- In another case dealing with image rights, Kareem Abdul-Jabbar, a former NBA superstar, sued General Motors Corporation (“GMC”) for the company’s unauthorized use of his former name, Lewis Alcindor, in a TV commercial.^{xx} The defendant contested Abdul-Jabbar’s claim, arguing that the plaintiff had abandoned his former name and, consequently, the right to protect that name. While the U.S. District Court for the Central District of California agreed with GMC’s defense, the U.S. Court of Appeals for the Ninth Circuit reversed the decision, finding that one’s birth name is an integral part of one’s identity and a person cannot abandon his own name despite his failure to use it.

As the U.S. is the most common venue for celebrities to bring claims, image and publicity rights are widely recognized on the basis of common law, state statute or both. The protection is extended to many aspects of a celebrity’s persona such as: name, including nickname, former name, pseudonyms widely known and easily identifiable with the celebrity; voice; signature; photograph; likeness, distinctive appearance and other indicia of identity. Even the use of “look-

alike” actors^{xxi} or “sound-alike” performers^{xxii} in advertisements can give rise to a claim. The Indiana right of publicity statute even goes so far as to expressly protect the “*gestures*” and “*mannerisms*” of a celebrity.

Unlike many other countries, U.S. law generally treats the right of publicity as a form of property that is freely alienable and fully divisible. The owner of such a right may assign the use of his or her name, voice or likeness to any other parties.

With respect to the burden of proof, a plaintiff only needs to prove that his identity has been exploited and that he has a pecuniary interest in it. No other proof, such as implied endorsement or misleading attitude of an advertisement, is required. Furthermore, courts usually award a wide range of damages, including actual damages, commercial losses resulting from the violation^{xxiii} and punitive damages.^{xxiv}

Conclusion

This comparative analysis makes it clear that the “Jordan gate” would not have happened in the U.S., whose judicial system widely recognizes and sufficiently protects celebrities’ rights. The cases of Hart and Abdul-Jabbar prove that American courts provide a more substantial and liberal safeguard to image and publicity rights by protecting everything linked to someone’s identity. In fact, the unauthorized use of any distinctive feature or characteristic identifiable with a celebrity may represent infringement and lead to the award of a large amount of damages. The Chinese system, on the other hand, is stuck in strict formalism, which protects only individuals’ names and pictures and does not allow deviation.

In prospect of the overwhelming growth of Chinese football, the State would be well advised to take the cue from the U.S. law in order to lure football superstars, such as Cristiano Ronaldo and Messi, and guarantee appropriate protection to their image rights. Thus, in addition to extending legal protection to a broad range of aspects (i.e. voice, nicknames, pseudonyms, etc.), certain methods such as the Transformative Use Test may be applied to balance the safeguard of image rights with the necessity to report news and public events.

In fact, cases like the ones involving Maradona, Liu and Jordan are likely to occur again in the near future. China should take advantage of the great opportunity presented by the upcoming enactment of the Chinese Civil Code to position itself as an attractive destination for international footballers.^{xxv}

ⁱ Aaron C.T. Smith, *Introduction to Sport Marketing*, Butterworth-Heinemann, 1st edition (2008).

ⁱⁱ Image rights are sometimes referred to in different terms in the legal field. Words like rights of publicity, portrait rights and name rights are all synonyms of image rights.

ⁱⁱⁱ Article 99 of the Civil Law reads: “Citizens shall enjoy the right of personal name and shall be entitled to determine, use or change their personal names in accordance with relevant provisions. Interference with, usurpation of and false representation of personal names shall be prohibited.”

^{iv} Article 100 of the Civil Law states as follows: “Citizens shall enjoy the right of portrait. The use of a citizen’s portrait for profits without his consent shall be prohibited.”

^v Chinese law does not recognize or protect a trademark unless it is registered with the Chinese Trademark Office (CTO). Applicants are strongly advised to register the trademark also in Chinese language. The episode of Michael Jordan explains it better.

^{vi} Article 120 of the General Principles of the Civil Law of the People’s Republic of China.

^{vii} Article 135 of the General Principles of the Civil Law of the People’s Republic of China reads: “Except as otherwise stipulated by law, the limitation of action regarding applications to a people’s court for protection of civil rights shall be two years.”

^{viii} Article 167 of the Opinion (For Trial Use) of the Supreme People’s Court on Questions Concerning the Implementation of the General Principles of Civil Law of the People’s Republic of China.

^{ix} Mark Dreyer, *Maradona wins China court battle – But will he get paid?*, China Sports Insider (Jun. 19, 2013), <http://chinasportsinsider.com/2013/06/19/maradona-wins-china-court-battle-but-will-he-get-paid/>.

^x *Maradona wins lawsuit against Chinese firms*, Business Standard (Jun. 18, 2013), http://www.business-standard.com/article/pti-stories/maradona-wins-lawsuit-against-chinese-firms-113061800086_1.html.

^{xi} *Id.*

^{xii} Zhou Zhao-yong & Wan Xiao-li, *Thinking on the Portrait Right of Chinese Athletes from Legal View – Discussion on the Case of Chinese Famous Athlete Liu Xiang*, Journal of Tianjin University of Sport (2005).

^{xiii} Rebecca Ordish, *Sports Marketing in China: an IP perspective*, Bond University Sports Law eJournal (2007), <http://epublications.bond.edu.au/slej/3/>.

^{xiv} Zhou Zhao-yong & Wan Xiao-li, *supra* note 12.

^{xv} Article 13 of the Advertisement Law of the People’s Republic of China reads: “An advertisement shall be distinguishable and shall enable consumers to identify it as such. The mass media shall not publish advertisements in the form of news report. Advertisements published through the mass media shall bear advertisement marks so as to differentiate them from other non-advertisement information, and may not mislead consumers.”

^{xvi} Dan Harris, *Michael Jordan Sues in Chinese Court to Protect His Name. Jeremy Lin, Are You Watching?*, China Law Blog (Feb. 22, 2012), http://www.chinalawblog.com/2012/02/breaking_news_the_michael_jordan_sues_in_chinese_court_to_protect_his_name_jeremy_lin_are_you_watchi.html.

^{xvii} *Id.*

^{xviii} George Chan, *Michael Jordan loses appeal against Chinese sportswear company*, World Trademark Review, <http://www.worldtrademarkreview.com/Magazine/Issue/57/News/Michael-Jordan-loses-appeal-against-Chinese-sportswear-company>.

^{xix} *Hart v. Electronic Arts*, 717 F.3d 141 (3rd Cir. 2013).

^{xx} *Abdul-Jabbar v. General Motors*, 85 F.3d 407 (9th Cir. 1996).

^{xxi} Kelli L. Sager; *Summary of Right of Publicity Issues*, The University of Kansas - School of Law (2012).

^{xxii} *Waits v. Frito-Lay*, 978 F.2d 1093, 1098-1100 (9th Cir. 1992).

^{xxiii} Matthew Savare, *The Price of Celebrity: Valuing the Right of Publicity in Calculating Compensatory Damages*, UCLA Entertainment Law Review, Volume 11, Issue 1 (2004).

^{xxiv} California Civil Code, CIV § 3294.

^{xxv} On 23rd October 2014, the Decision of the Communist Party and Central Government of China on Several Major Issues of Promoting the Rule of Law announced the aim of "... improving the legal institution for the market economy and making a civil code." *See also* Lei Chen & C.H. van Rhee, *Towards a Chinese Civil Code: Comparative and Historical Perspectives*, Leiden/Boston: Martinus Nijhoff Publishers (2012).

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