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Copyright and commercial slogans

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Summary

Together with invented words and titles, commercial slogans are generally classed as insubstantial works that do not normally attract copyright protection as original literary works. This denial of copyright protection is problematic. First, the types of writings that comprise the category of insubstantial works may be substantially different. Second, while broadly speaking copyright protection is inappropriate for insubstantial works, certain writings, notably commercial slogans, should qualify as original literary works when basic principles are properly applied. In the *Sunlec* case, recently heard in the Auckland High Court, it was held that an unexceptional commercial slogan did, indeed, constitute an original literary work. This note considers the issue of commercial slogans and copyright, and critically discusses the *Sunlec* case.

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Background

The United Kingdom's Intellectual Property Office denies that copyright may subsist "in a name, title, slogan or phrase". The Australian Copyright Council is more circumspect, and does not discount the possibility of slogans attracting copyright protection, but rather observes how they normally lack sufficient substance to create a "work" worthy of protection. These are not, of course, legal opinions, but nevertheless indicate a broadly held view regarding copyright and so-called insubstantial works (invented words, titles and slogans). Such writings may, in principle, constitute original literary works, but, in practice, they generally do not. Despite this predominant view, in the recent case of *Sunlec International Pty Ltd v Electropar Ltd* CIV 2007-404-005044 24 September 2008, the Auckland High Court, upheld an Australian company's claim to copyright in a slogan. This note outlines the issue of slogans and copyright, and critically discusses the *Sunlec* case. (A record of the case is not currently available from AUSTLII, but may be accessed from Judicial Decisions Online by searching at <http://jdo.govt.nz/jdo/Search.jsp>.)

At the outset it should be made clear that neither New Zealand legislation nor precedent suggests a more liberal approach to copyright than other Commonwealth jurisdictions. All New Zealand copyright legislation has been derived from the United Kingdom, with the current Copyright Act 1994 (NZ) being based on relevant parts of the Copyright, Designs and Patents Act 1988 (see Sumpter 2006, p 5). (New Zealand legislation may be accessed at <http://www.legislation.govt.nz>.) The concept of a "literary work", defined in the Copyright Act 1994 (NZ) s 2, is derived from the definition provided in the Copyright, Designs and Patents Act 1988, s 3(1) ie:

"literary work" means any work, other than a dramatic or musical work, which is written, spoken or sung, and accordingly includes—
(a) a table or compilation, and
(b) a computer program".

New Zealand courts tend to follow an orthodox, "industriousness" standard in identifying original literary works (eg *Henkel KgaA v Holdfast New Zealand Limited* [2006] NZSC 102; [2007] 1 NZLR 577). This approach is commonly referred to as "sweat of the brow" (eg *CCH Canadian Ltd v Law Society of Upper Canada* 2004 SCC 13 [2004]; 1 S.C.R 339;) or "sweat of brow" (eg *Hyperion Record Ltd v Sawkins* [2005] EWCA Civ 565; [2005] 3 All ER 636). The test is consistent with John Locke's applied labour theory of property rights (see Locke 1990, p 129) and focuses on an assessment of the quality and quantity of skill and labour applied in producing the work (eg *Ultra Marketing (UK) Ltd v Universal Components Ltd* [2004] EWHC 468 (Ch) at [51]). New Zealand copyright decisions typically follow landmark United Kingdom cases, and leading British commentaries (*Modern Copyright Law* and *Copinger & Skone James*) are highly influential. (Given the persuasiveness of Australian precedent in New Zealand, it may also be noted that the Copyright Act

1911 applied directly in Australia, even after it was repealed in the United Kingdom, and the current Copyright Act 1968 (Cth) is based on the now repealed Copyright Act 1956.) In *Henkel*, the first copyright case heard by the New Zealand Supreme Court, which succeeded the Judicial Committee of the Privy Council as New Zealand's highest appellate forum in 2004, the orthodox Lockean approach was followed. The High Court in *Sunlec* explicitly followed the principles set down in *Henkel*.

Insubstantial works

When presented with a potential literary work, a court must assess whether the copyright claimant has applied more than minimal skill and labour in producing the item of writing (see *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 WLR at p 287). To attract copyright protection, the literary work must also be original. Originality in this sense means that the item has originated from the claimant, not that it is novel or has the inventive originality required before a patent is granted (*University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch 601). Whether the writing in question is a book or a commercial slogan, the same criteria for original literary work must be met. In a modern commercial context, considerable skill and labour may be employed in creating insubstantial works, and courts are likely to recognise this. For example, as Pumfrey J observed in *Navitaire v easyJet* [2004] EWHC 1725 (Ch) (at [80]), plenty of original skill and labour would have been expended in inventing the word, "Exxon". Nevertheless, to gain copyright protection, insubstantial works must overcome a body of cases in which that protection was denied. The issue of insubstantial works is made more problematic by invented words, titles, and slogans being treated as a distinct and homogenous class of writings when they are distinguishable and deserve separate analysis.

Invented words

Even when invented words result from the application of considerable skill and labour, and are original, they may not express an idea. This is fatal for a copyright claim. As Lord Hoffmann observed in *Designer Guild Ltd v Russell Williams (Textiles) Ltd* [2000] UKHL 58 [5]; [2001] 1 All ER 700 (at p 706) all copyright works are based on the expression of an idea by the author. A word invented for creative purposes, such as poetry, may attract copyright protection, provided it effectively conveys an idea (see Frankel and McLay 2002, p 171). However, quasi-trade marks, such as "Exxon" (see *Exxon Corporation v Exxon Insurance Consultants International Ltd* [1982] Ch 119), "LePacer" (see *Kinnor (Pty) Ltd v Finkel* 352 JOC WLD) or "SmartFax" (see *Brodell v Telstra Corporation* [2004] FCA 505), cannot. Out of context, these words are meaningless (see Garnett et al 2005, p 59). Consequently, without the expression of an idea, the degree of applied labour and origination are irrelevant considerations. In the traditional formulation, proposed in *Hollinrake v Truswell* (1894) 3 Ch D 420, and approved by Stephenson LJ in *Exxon Corporation* (at p 143), a literary work must afford "either information and instruction, or pleasure in the form of literary enjoyment".

Titles

Titles are the most problematic type of insubstantial work. Certainly, some titles may be clichés, and, therefore, like single words taken from the common stock of language, do not originate with a particular person. Thus "Splendid Misery" was

denied copyright protection (*Dicks v Yates* (1881) Ch 76), but, in a case also relating to the Copyright Act 1842, the title “Trial and Triumph”, which seems no less hackneyed, was granted copyright protection (*Weldon v Dicks* [1878] Ch 247). In *Francis Day & Hunter Ltd v Twentieth Century Fox Corp Ltd* [1940] AC 112, the Privy Council held that copyright did not subsist in the song title “The Man who Broke the Bank at Monte Carlo” on the grounds that the phrase “To break the bank” is a hackneyed expression, and Monte Carlo is the obvious place for a casino to be bettered. Despite these decisions, in certain cases, titles seem eminently capable of attracting copyright protection in accordance with basic principles. A title for a contemporary movie or novel, will most likely result from considerable, original application of skill and labour, and will express an idea. (See Stone 1996 for a discussion of the production and commercial value of movie titles.) In practice, titles may be denied copyright protection on occasionally unpersuasive grounds.

First, Laddie et al (2000, p 87) observe that “the courts appear to be denying protection [to titles] on the grounds that the resulting matter is too short” and conclude that “It is better to say that a very short phrase (eg “Splendid Misery”) is not a literary work at all regardless of any skill or labour”. There is some commonsense appeal to this approach, but it seems inconsistent with basic principles. If the originator expends sufficient effort and the resultant work expresses an idea, it ought to qualify for copyright protection. Brevity should not be decisive. When the industriousness test is properly applied, a brief work, such as a short poem, is seen to be no less worthy of copyright protection than a lengthy novel. The same consideration should apply to other brief items of writing, such as titles and slogans. (Of course, a title made up of a small number of words may not attract copyright protection because it does not adequately communicate an idea.)

Second, courts may require originality in a title in the sense of novelty. Thus Ricketson (1984, p 110) observes that *Dicks v Yates* (the “Splendid Misery” case), was decided on the grounds of a lack of inventive originality. However, it is well established that the originality requirement in respect of copyright is origination, rather than novelty (*University of London Press*). A single word taken from the common stock of language cannot originate with a copyright claimant. Likewise a proverb, saying or cliché used as a title cannot be said to originate with a particular person. (See *Green v Broadcasting Corporation of New Zealand* (1983) 2 IPR 191 for the rejection of a copyright claim to the proverb “Opportunity Knocks”.) However, the proper denial of copyright to a title because it is a cliché does not imply that a title must show creative inventiveness to attract copyright protection.

Third, before 1911, the critical issue for statutory interpretation in relation to titles was the inclusive definition of “book”, rather than the open-ended definition of “literary work” which was used in the Copyright Act 1911 and subsequent legislation. Under the Copyright Act 1842, a title was not included in the definition of “book” (“every volume, part of a volume, pamphlets, sheets of letterpress, sheet of music, map, chart or plan separately published”) and so could not attract copyright in its own right. Despite the change in definitions, it seems that titles are commonly denied copyright protection on the grounds that they are part of a larger work, rather than discrete writings that merit specific protection (see Graham J in *Exxon Corporation* at 132). The pertinent issue then becomes one of substantial copying, which “will almost invariably not be the case” (see Garnett et al 2005, p 61, fn 1).

Slogans

In contrast to invented words, slogans normally express an idea, and, unlike titles, they usually constitute a free-standing work. Furthermore, there can be little doubt that many slogans require the application of considerable skill, labour and judgment. However, historical cases have found against copyright in commercial slogans (see, for example, *Kirk v Fleming* (1929) MacG (1928-35) 44). Of particular note in this regard is *Sinanide v La Maison Kosmeo* (1928) 44 TLR 574, in which copyright was denied to the seemingly original slogan “Beauty is a social necessity, not a luxury”. Despite these older decisions, Laddie et al (2000, p 88, fn 10) observe: “As regards advertising copy, it may be said that the courts would be more ready to protect even short passages nowadays, since such material is now recognised generally to require creative talent of a high order for its composition.” Consequently, while invented words and titles are likely to remain excluded from copyright protection, slogans are ripe for inclusion.

Other protections

Before considering the *Sunlec* decision itself, the broader context of intellectual property rights may be noted. Stephenson LJ observed in *Exxon Corporation* (at p 132) that, when considering a copyright claim, “no great weight should be attributed to the fact that adequate protection...is already provided to the plaintiffs under the Trade Marks Act”. Nevertheless, the availability of other protections is relevant in practice to copyright claims over insubstantial works. In New Zealand, businesses may find the tort of passing-off (eg *Levi Strauss & Co v Kimbyr Investments Ltd* [1994] 1 NZLR 332) and its statutory corollary contained in the Fair Trading Act 1986 (NZ) (eg *Taylor Bros Ltd v Taylors Group Ltd* [1988] 1 NZLR 1) more effective in protecting general intellectual property rights. Furthermore, trade mark registration may be possible, and it seems likely that, in a commercial context, trade mark registration will be a more plausible protection option than copyright for insubstantial works. Trade mark law may allow short phrases, and even a phrase that is a component of a longer mark, to be registered. Thus, in *Société des Produits Nestlé v Mars UK Ltd* Case C-353/03 [2006] All ER (EC) 348, the European Court of Justice ruled that a mark can obtain a distinctive character even though the mark is used as part of a wider mark. “Have a break” was found to have its own distinctive character, as contemplated by Art 3(1)(b) Trade Marks Directive, 89/104/EEC and so could be separately registered from “Have a break – Have a Kit Kat”.

The *Sunlec* decision

Background

In 1989, Sunlec Pty Ltd obtained the exclusive Australasian distribution rights for the wire marking products of an Italian manufacturer, Grafoplast SpA. Sunlec also concluded a sub-distribution agreement with Electropar Ltd, which granted Electropar the exclusive right to sub-distribute Grafoplast products in New Zealand. Sunlec’s exclusive agreement with Grafoplast was terminated in 1996, and the Sunlec-Electropar agreement in 1998. At this point, Sunlec and Electropar became competitors, with both firms directly importing and distributing Grafoplast products in New Zealand.

Ellard, the managing director of Sunlec and president of Grafoplast Wire Markers Inc (GWM), Sunlec's American subsidiary, testified to spending more than 20 years developing marketing strategies and materials in relation to Grafoplast wire markers. In particular, in 1994/1995 Sunlec and GWM jointly created marketing material to promote Grafoplast products in Australasian and the United States markets, respectively. Three items of intellectual property were in dispute, but, for current purposes, the issue of the slogan, "Field Friendly – the best choice for field work" (the Field Friendly slogan) is most pertinent. Ellard claimed to have composed the Field Friendly slogan in early 1994 with Boyle, who was a full-time employee of GWM and a paid consultant to Sunlec. (GWM assigned its rights in the Field Friendly slogan to Sunlec in October 2007.) Ellard and Boyle invested considerable time devising a "snappy memorable phrase" to best describe how the product could be used by customers. Having reviewed and rejected different phrases, they adopted the Field Friendly slogan in relation to a travel kit to be used at on-site locations. (A marketing expert estimated that the slogan would have cost between A\$5,000 and A\$15,000 if created by an external agency.) The Field Force slogan was reproduced in Sunlec's marketing material, at distributors' conferences, and on the websites of both Sunlec and GWM.

At the suggestion of one of its sales managers, Electropar adopted the slogan "Field Friendly – the best choice for field work" in relation to a travel case called a "Grafoplast Handy Pack" in a November 2006 flyer. About 3,000 copies of the flyer were printed, with half being posted to customers. All but 70 of the remaining flyers were otherwise distributed. An electronic version of the flyer was available from Electropar's website. After Sunlec's solicitors complained in July 2007, Electropar replaced the Field Friendly slogan on the downloadable version of the flyer with the phrase, "Grafoplast Handy Pack – Handy because it is!", but nevertheless denied that Sunlec held copyright in the Field Friendly slogan. (See *Sunlec* at [7] to [41] for the full background facts.)

Decision

The High Court conducted an inquiry into the "circumstances in which the slogan was evolved and has been created", based on the premise that, provided "independent skill, labour and judgment have been involved in its creation such that it satisfies the requirement of originality" and "conveys information, instruction or pleasure", the artefact may attract copyright protection (*Sunlec* at [62]). It was concluded that independent skill, labour and judgement had, indeed, been exercised in the creation of the Field Force slogan. It was original in the sense of originating with the plaintiff; and it conveyed information about the product (*Sunlec* at [64]). This represents an orthodox application of the industriousness test, and incorporates the requirement of a literary work being one which "affords either information and instruction, or pleasure in the form of literary enjoyment" (the *Hollinrake v Truswell* formulation). Nominal damages in the sum of NZ\$500 were awarded in respect of breach of the copyright in the Field Force slogan, and the plaintiff's right to an injunction was recognised. Although a further dispute arose in relation to costs, there can be no realistic expectation of the decision being appealed.

Discussion

The *Sunlec* decision is consistent with orthodox principles. Nevertheless, certain points of critique may be raised.

Existence of a work

Wylie J appears to have assumed *a priori* that a work existed. Thus, the judgment refers to the Field Force *work* from the outset, before any test for original literary work was applied. In *Henkel*, Tipping J (at [29]) observed “A cause of action for breach of copyright necessarily involves clear and accurate identification of the copyright work in respect of which the defendant is said to have infringed”. In *Sullivan v FNH Investments Pty Ltd* [2003] FCA 323 (at [112]-[113]), Jacobsen J, for the Federal Court of Australia, held in relation to copyright claims for the slogans “Somewhere in the Whitsundays” and “The Resort that Offers Precious Little”, that the copyright claimant “did not point to anything which showed the required degree of judgement, effort and skill to make it an original literary work in which copyright may subsist”. (The claimant did, of course, indicate the two phrases cited, but the court did not consider them to constitute works.) While *Sullivan* was cited in *Sunlec*, no attempt was made to distinguish the two cases. Given the brevity and banality of the Field Force slogan, it would have been helpful if Wylie J had explained why he disagreed with the defence contention, presumably based on *Sullivan*, that the slogan did not constitute a work.

Precedent cited

In relation to copyright and insubstantial works, the judgment cites cases from Australia (*Brodel* and *Sullivan*), Canada (*Francis Day & Hunter*), New Zealand (*Green* and *No Fear Inc v Farmers Trading Co Ltd* HC AK M1616/95) and the United Kingdom (*Sinanide* and *Kirk v Fleming*). All of these decisions went against the copyright claimants. It seems to be incumbent on the Court, therefore, to distinguish *Sunlec* from the rather formidable body of precedent in which copyright was denied to phrases. Wylie J observed “There is relatively little New Zealand authority on the point insofar as I am aware” (*Sunlec* at [60]). In fact, *Cotton v Frost* [1936] NZLR 627, which was not considered, provides a useful New Zealand precedent for *Sunlec*. Here a dentist’s advert linked four phrases and pictures relating to desirable teeth with the slogan “You get all four in one dental plate”. This passed the industriousness test. An opportunity was therefore missed to link the decision to local precedent.

Hollinrake v Truswell formulation

Sunlec follows the *Hollinrake v Truswell* formulation, as approved in *Exxon Corporation*, a case relating to the repealed Copyright Act 1956. As noted, New Zealand’s Copyright Act 1994 is based on the Copyright, Designs and Patents Act 1988. When engaging with that Act in relation to insubstantial works, Pumfrey J identified the *Hollinrake v Truswell* formulation as one of the “old *dicta* from a different world” (*Navitaire* at [79]), and proposed an alternative approach, ie: “the question is merely whether a written artefact is to be accorded the status of a copyright work having regard to the kind of skill and labour expended, the nature of the copyright protection and its underlying policy” (*Navitaire* at [80]). It would have been instructive for the Court in *Sunlec* to have followed this proposition and

considered the policy considerations underpinning the 1994 Act. This may have led to a more persuasive decision in the light of the old precedent. Nevertheless, having adopted the *Hollinrake v Truswell* formulation, it seems the Court should have followed it to the letter. Instead, Wylie J only found that the Field Force slogan provided “information”, rather than “information *and* instruction”.

Literariness

Judicial engagement with slogans has been made more problematic by a tendency to assess the literary qualities of the output. However, if an industriousness test is followed, an assessment of the literary merits of the output is unnecessary and unhelpful. Because, the test takes account of both the quantity and quality of the inputs, the more inspiration is applied, the less perspiration is needed. Naturally, the quality (but much less so the quantity) of the output may provide some broad indication of the labour applied, but, at best, is an unreliable guide. Besides, the originality requirement for copyright is very low, and it is not the role of the courts to engage in assessments of creativity. It seems far less appropriate for the courts to assess the literary worth of the output.

In *Sunlec*, having applied the orthodox Lockean test, Wylie J observed (at [64]) “Although the language used is taken from the common stock of the English language, the slogan uses language in a succinct and relatively memorable way. I do not, on balance, think that it can be said that the slogan is hackneyed”. This additional comment was unnecessary and unfortunate. First, with respect, the fact that intelligible words come from the common stock of the English language does not require stating: if they did not (ie were invented), it is almost certain that, in a commercial setting, they could not attract copyright protection (see *Exxon Corporation*). The pertinent issue is whether the phrase used is a common saying, adage or cliché – in which case origination cannot be claimed by a particular person (see *Green*). If the configuration of words is not a phrase already in common usage, it is unnecessary to pass judgement on its literary merits. Second, the memorableness of language is precisely how WH Auden, the eminent poet, defined poetry (see Fitzpatrick 1986, p 365). In linking a means of identifying poetry to a slogan, the decision continues the undesirable practice of unnecessary judicial assessment of the literariness of items of commercial writing.

Conclusion

It is unlikely that the *Sunlec* decision will open the floodgates for copyright claims in respect of works traditionally considered to be too trivial or insubstantial to attract copyright protection. As noted, more effective means of protecting general intellectual property rights exist. *Sunlec* is significant then, because it demonstrates how clear sighted application of basic principles can overcome ill-founded exclusions. However, with the Court having unnecessarily commented on the literary qualities of the slogan, doubt remains whether the prosaic slogan in question really did constitute a work worthy of bringing practice into line with principle.

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