

**IN THE HIGH COURT OF ZAMBIA
AT THE COMMERCIAL REGISTRY
HOLDEN AT LUSAKA**
(Commercial Jurisdiction)

2009/HPC/0524

BETWEEN:

MULENGA BEATRICE MUBANGA

PLAINTIFF

AND

CHASEMAH AND ADVERTISING MEDIA LIMITED

DEFENDANT

**BEFORE THE HON. MR. JUSTICE C. KAJIMANGA THIS 24TH DAY OF
FEBRUARY, 2011.**

FOR THE PLAINTIFF: Ms L. Kasonde, Messrs Mulenga Mundashi & Co. and
Mr. Kasonde, Messrs Chibesakunda & Co.
FOR THE DEFENDANT: Mrs M. Zaloumis, Messrs Dove Chambers

J U D G M E N T

Cases referred to:

- (1) Irvine v Talksport Limited [2002] EWHC 367
- (2) Inland Revenue Commissioners v Muller & Co.'s Magarine Limited [1901] A C 217

Legislation referred to:

Copyright Act, Cap 406 of the Laws of Zambia; Sections 10, 11 and 12.

Other Work referred to:

George M. Kanja, Intellectual Property Law, Lusaka: UNZA Press (2006)

The Plaintiff issued a writ of summons endorsed with a claim for:-

- (i) Damages for breach of contract;
 - (a) special damages in the sum of US\$2,500.00 for breach of the verbal agreement between the parties in respect of modelling services provided towards the 2008 calendar;
 - (b) general damages for breach of contract;
 - (c) interest on the damages in (a) and (b) above.
- (ii) an injunction restraining the Defendant from using the Plaintiff's name and/or image, whether together or separately, to pass off any of its goods and services, whether in the print or digital media or any other medium, as being endorsed and/or recommended and/or approved by the Plaintiff or otherwise involved in some commercial arrangement involving the Plaintiff and Defendant;
- (iii) an order for the delivery up or destruction upon oath of all articles in the actual or constructive possession, custody or control of the Defendant, the use of which would be a breach of the foregoing injunction;
- (iv) an inquiry as to damages;
- (v) an order for payment of all sums found due together with interest;
- (vi) costs; and
- (vii) any other relief which the court may deem fit.

The Plaintiff contends that after being a runner-up in the M-Net/Nokia Face of Africa modelling competition she was given a contract by O-Model Africa (Pty) Limited of South Africa pursuant to which she featured in a number of ladies fashion magazines which are available for sale both in Zambia and South Africa. In addition, the Plaintiff's image has also featured prominently in Zambia where it has been used to advertise, among others, Zambian Airways, Zambia Dairy Producers Association. As a result of the foregoing she has built up and owns a substantial goodwill in the endorsement, licencing, merchandising and sponsoring the products of others.

The Plaintiff also contends that in 2006 she entered into an agreement with the Defendant in terms of which the latter would approach various corporate clients with proposals for advertisement campaigns featuring the former's images. The parties also agreed to produce the 2008 calendar featuring the Plaintiff's image for which the Plaintiff would be paid US\$2,500.00. The Plaintiff contends that this amount has not been paid to her to date. The parties also agreed to create the Mulenga Mubanga website on which several photographic images of the Plaintiff were posted to allow would-be corporate clients to view the Plaintiff's client's work.

The Plaintiff further contends that on 13th May, 2008 the Defendant terminated the business relationship with her but this notwithstanding the latter continued to use the former's name and/or image on the website without her consent. After closing the Mulenga Mubanga site, the Defendant later launched www.zambiafashioncalendar.com where, without her consent, it posted a number of the Plaintiff's images and the fact that a 2010 Mulenga Mubanga calendar would go on sale.

The Plaintiff therefore contends that as a result of the foregoing, the Defendant has passed off its re-launched site, 2010 calendar and the Zambia Fashion calendar site as being endorsed, recommended or approved by her or that she is otherwise involved in some commercial arrangement with the Plaintiff. The Plaintiff claims that she has suffered loss and damage as a result.

The Defendant denies the Plaintiff's claim and counterclaims the following:

- (i) all the monies invested amounting to K50,000,000.00;
- (ii) interest;
- (iii) damages for breach of the verbal contract;
- (iv) costs;
- (v) any other relief the court may deem fit and equitable.

The Defendant contends that the agreement between the parties is still subsisting as no duration was specified, save for the Plaintiff who wants to terminate it and that the Plaintiff's images and goodwill are within the exclusive rights of the Defendant. The Defendant also contends that it invested heavily in the project with the Plaintiff but it has realized nothing due to the Plaintiff's abrogation of the agreement and that it has suffered irreparable damage and loss.

The Plaintiff testified and called one witness. PW1 was Peter Robert Armstrong. His witness statement disclosed that he had been in the advertising industry for twenty years. Where an agreement exists in this industry between parties for the use of image, name and likeness of a person, such agreement will generally set out in clear terms the fee to be paid in respect of the use of such services, the duration, the manner of termination and how they may be used. It is customary that the person in whose favour the use of images, name and likeness is granted is entitled to use such services for the duration of the agreement or for other such period as the agreement may provide. In the ordinary course of events, therefore, the person in whose favour the use of the image is granted will no longer have the right to use the grantor's image upon termination of the agreement unless otherwise agreed by the parties.

The witness statement of PW1 also disclosed that it is customary that the party who undertakes to produce and promote the goods or services in respect of which the right to use the image, name and/or likeness had been granted, bears the costs unless there is specific agreement between the parties that the party whose name, image and likeness is being used will bear some or all of the costs associated with production and promotion. Having had the opportunity to read the Plaintiff's statement of claim and the Defendant's defence, his opinion was that the Plaintiff and the Defendant entered into an agreement, albeit a verbal one, in respect of which the former granted the latter, the right to use her name and likeness in respect of the Defendant's 2008 Mulenga Mubanga Calendar. His opinion of Mr. Chitambala Mwewa's e-mail of 13th May, 2008 to the Plaintiff was that it amounted to the termination of the parties'

contract and in the ordinary course of events in the advertising industry, all rights including the right to use the Plaintiff's image would terminate for any new uses. In respect of the Defendant's counterclaim, it would appear that the costs claimed by the Defendant in the production and promotion of the 2008 Mulenga Mubanga Calendar are costs properly incurred by the Defendant as the promoter of the project and as such it would not be entitled to claim such costs from the Plaintiff unless otherwise agreed.

In cross-examination, PW1 testified that copyright in images rests with the photographers while usage rights rest with who ever has purchased the rights. He told the Court that the agreement determines the usage period of the images and that if they are bought on an indefinite basis then you do not have to get back to the owner of the images. It was his evidence that while the relationship existed between the Plaintiff and the Defendant, the latter would use the former's images. PW1 also said that models are paid for the photographs, that is to say, the use of their image. He told the Court that it was not easy to say how much a model in Zambia is paid as this depends on many aspects such as whether she is a celebrity and the usage, such as billboards. The witness testified that a non-celebrity model on billboard in Zambia would fetch between K1,000,000.00 to K1,500,000.00.

In re-examination, PW1 told the Court that when the relationship between a model and a promoter ends, further usage of the model's images also ends. He testified that it was possible to agree for more than K1,500,000.00 fee for a non-celebrity model. When shown paragraph three of the e-mail on page 15 of the Plaintiff's bundle of documents, PW1 told the Court that he would not use any new images of the Plaintiff on that basis and would be nervous to use old ones.

The Plaintiff's witness statement disclosed that in August 2006 she competed in the Nokia/M-net Face of Africa competition, a programme televised across Africa on the DSTV satellite pay channel. Her success in the said competition generated a lot of

media interest and as such a number of articles were published in The Post newspaper on 2nd September 2006 in which she profiled. Following the Face of Africa competition and the media interest surrounding her success in that competition, Mr. Mwewa, an agent or employee of the Defendant company approached her to enter into a marketing management agreement with the Defendant company in terms of which the Defendant would approach would-be clients with promotions using her name and/or image to promote, endorse or otherwise associate with the goods of such clients. It was agreed that the agreement would run for a period of one year which has since elapsed. From September 2006 to February 2007, she did not undertake any commercial work for the Defendant in pursuance of the agreement or any other agreement with the Defendant company, save for a number of photographs taken of her which were not exploited commercially.

The Plaintiff's witness statement also disclosed that as part of her reward for being a runner-up in the Nokia/M-net Face of Africa competition she was awarded a contract with O-model Agency (Pty) Limited of South Africa for whom she modelled in various magazines including Cosmopolitan, Elle, True Love and True Love Bride, thereby building and owning substantial goodwill in her image for the endorsement of the goods of others during the existence of the agreement with the Defendant. In a bid to further raise her profile, it was agreed between herself and the Defendant that a website under a domain name www.mulengamubanga.com ("the website") would be created and run at the Defendant's cost, to showcase her work and in addition, a calendar known as "The 2008 Mulenga Mubanga Calendar" ("the 2008 calendar") would be produced and sold in Zambia also at the Defendant's cost. It was a term of the agreement as between herself and the Defendant that she was to be paid a sum of US\$2,500.00 for her services rendered in respect of the 2008 calendar, which term has not been met to date. This fact was confirmed to her by the Defendant, acting through Mr. Mwewa in an e-mail dated 17th October, 2007. It was also understood between herself and the Defendant that the images taken of her and posted on the website or taken in

connection with the 2008 calendar would be used for the purpose of promoting her work and further that her consent would be required in the manner and extent of their use and that such images would only be used during the currency of the business association between herself and the Defendant.

The Plaintiff's witness statement also disclosed that in May 2008 it became apparent that the business association between herself and the Defendant was no longer workable and to this end Mr. Mwewa wrote to her on 13th May, 2008 confirming that the relationship had ceased and further, that the website would be closed. There is therefore at present no business relationship between herself and the Defendant. Notwithstanding the termination of the relationship and the Defendant's undertaking to close the site, the Defendant still maintained the website. By an e-mail dated 9th November, 2008 the Plaintiff wrote to Mr. Mwewa informing him that he should take no further action either through the website or elsewhere to create the impression that there existed a relationship between herself and the Defendant. In response Mr. Mwewa confirmed that no business association existed between the Defendant and the Plaintiff and he admitted that he was not free to use her images without first obtaining her consent. By a further e-mail dated 12th December, 2008 Mr. Mwewa wrote to her advising that the website would no longer be run. On a date unknown to her the Defendant launched a website with a domain name of www.zambiafashioncalendars.com ("the Zambia Fashion website") where the Defendant posted, without her consent, her images thereby creating the impression that she was associated with, approved and/or endorsed the use of her image in the promotion of the Defendant's calendars and/or website.

The Plaintiff's witness statement further disclosed that on 18th June, 2009, one Gareth Paul Bentley, a photographer who both the Defendant and herself were acquainted with informed her that the website was running and that from its contents, he got the incorrect impression that she would be launching a 2010 Mulenga Mubanga

calendar. On hearing Mr. Bentley's comments, she visited the said site and discovered that the Defendant intended without her consent, to use her name and image to sell a calendar under the name "2010 Mulenga Mubanga Calendar", a copy of which she printed. By an e-mail dated 14th July, 2009 Mr. Mwewa wrote to her to the effect that the Defendant would be printing a 2010 Mulenga Mubanga Calendar and Mulenga Mubanga T-shirts. In response, she informed Mr. Mwewa that she did not give her consent to the use of her image for the 2010 Mulenga Mubanga Calendar and his response was that with or without her consent the Defendant would proceed to publish the materials using her name and/or image on the calendar and T-shirts.

In cross-examination PW2 testified that the marketing management agreement was in writing and its terms were that the Defendant would approach clients and she would perform the role of a model. She told the Court that she did a promotion for ZDPA and a campaign for Zambia Airways. The Plaintiff testified that she was paid US\$5,000.00 less 12.5% agency fees in respect of the first and second phase of the ZDPA promotion respectively. She told the Court that the document on page 3 of the Defendant's bundle of documents indicates US\$2,500.00 as the model fee but she was paid US\$5,000.00. PW1 conceded that she was paid more than what ZDPA had paid.

The Plaintiff also told the Court that she built her own substantial goodwill. She said that apart from ZDPA and Zambian Airways, she also did Zambia Fashion Week in 2008 as an independent model without having been promoted by any one. It was also her evidence that internationally she modelled for companies listed in paragraph 8 of her witness statement in 2007 before being engaged by the Defendant.

The Plaintiff told the Court that the website was established with her consent and it had a life of its own. She said that she terminated the contract because the Defendant was giving an impression that the parties were still working together on the website. It was her evidence that she offered to pay the Defendant K4,000,000.00 through her

father for terminating the website as Mr. Mwewa had told her that he had spent K2,500,000.00 in running the website but the payment was not made because they failed to reach an agreement. She testified that she came to court because the Defendant had insisted on using her name and image in promoting its name and business.

In re-examination PW2 told the Court that she did not sign any document transferring her rights in the images to the Defendant. She said that the oral agreement was that she would give consent to the Defendant for using her images. PW2 told the Court that she objected to some images on the website because she did not agree with how they were being used.

The Defendant paraded three witnesses. DW1 was Tamaranji Nkhoma, a proprietor of Optimistic Modelling Agency and has been in the advertising industry for six years. Her job involves modelling, casting, job allocation for models encompassing photo shoots, television shoots, billboard advertising and any other related work. With respect to billboards involving a model's services, the highest pay for a model is K2,500,000.00 and agents get 40% of that amount, while the lowest pay is K800,000.00 and agents get 30% of that amount. When it comes to photo shoots payment to the model is after a client pays for the model's portfolio which is a collection of his/her photo shoots from an agency whose costs for the portfolio are born by the model. Going by the nature of their agency business, they pay their models after three weeks or three months, some times after a year when the client pays for their model's services. A model cannot demand for payment before then except if she can prove that the agency occasioned the client's delay to pay or was negligent.

The witness statement of DW1 also disclosed that they provide transportation for their models except when the site for photo shoots is along Great East Road to which they have to find their way but outside the perimeters of Lusaka, this is to be paid or

provided for by the clients who engage them as their agency. Professional photographers for photo shoots charge K400,000.00 per hour and the models pay on their own but what they normally do to lessen the costs for models is to arrange for many of them to have their photo shoots and then make them share the costs. For the whole session of each photo shoot the amount chargeable is K1,000,000.00 which is payable to a professional photographer and a subsequent fee of K400,000.00 after an expiration of a year. It is a customary standard that as an agency they control the photos of models under their portfolio to which they have exclusive rights to print, reproduce or use with any client interested since their job is to represent the model. The only remedy that a model has over the photos is when and where a client intends to use the photos in a distorted manner or in a negligent way.

The witness statement of DW1 also disclosed that besides written contracts with models there are some occasions when they enter into oral agreements with them for their services. These oral agreements are problematic to them as an agency due to the habitual nature of models who after conducting some international research on the services they are rendering start demanding for more money primarily because of their exposure in the industry. When this happens the agency would terminate the contract on account of frustration. Having comprehended the Defendant's counterclaim and the Plaintiff's admission in her e-mail dated 9th November, 2008 the Defendant invested much in the Plaintiff's career.

In cross-examination DW1 testified that it was possible for a modelling agency to agree on a higher fee than K2,500,000.00. She said that the client and not the model pays for the shoots. DW1 also told the Court that the agency must have the model's consent to reprint, reproduce or use the model's photos.

In re-examination, DW1 testified that the agency pays a fee of K2,500,000.00 for a billboard, K900,000.00 for a calendar and K1,300,000.00 for the press. She said

that these were the standard rates in the industry. The witness told the Court that she had heard of models who had been paid higher fees such as celebrities.

It was also her evidence that if consent has been given by the model, it is valid for a minimum of one year and a maximum of two years and that if a client has bought the copyright for the images it could be used for ten to twenty years. DW3 told the Court that if the photographer is paid for the photos they are handed over to the client and they become the client's images. She said that the copyright is bought from the photographer and an agreement is made with the model to use the photos for a fee.

DW2 was Kizito Chewe Kansembe, the Executive Administrator of Zambia Dairy Processor Association ("ZDPA"). His witness statement disclosed that sometime in 2007 ZDPA entered into a contract with the Plaintiff through her representative, the Defendant, to use her photo portfolio for their billboard milk campaign. Initially the Defendant had opted that ZDPA pays US\$5,000.00 as model fee for using the Plaintiff's image on their billboard but they counter offered and the parties agreed to settle for US\$2,500.00. The basis for the counter offer was that the highest fee that a model could get was US\$2,500.00 and Esther Phiri was paid US\$1,000.00 for a similar contract despite her being an international boxing icon.

The witness statement further disclosed that it was agreed that once ZDPA bought the Plaintiff's photo they could thereafter assume exclusive right to use her image/s in their future advertising business without obtaining consent from the Defendant who was the Plaintiff's representative as the Plaintiff had no locus standi. When all was done ZDPA paid the Defendant for this project to which some of the costs included the Mulengamubanga.com website and the model fee as shown in the supplementary bundle of documents through a quotation dated 27th July, 2007. The witness was reliably informed that the Defendant subsidized the US\$2,500.00 to US\$5,000.00 as model fees from its own sources due to the confidence that it had in the Plaintiff. He

would be of the opinion that the Defendant had a valid contract on the website creation with the Plaintiff and that she frustrated the contract as the Defendant seems capable of settling the alleged breach of contract fee of US\$2,500.00.

In cross-examination, DW2 testified that the milk campaigns of ZDPA had nothing to do with the Plaintiff's claim against the Defendant.

DW3 was Chiti Chitambala Mwewa, the Defendant company's managing director. His witness statement disclosed that some time in 2008 he entered into an oral agreement with the Plaintiff relating to the production of the calendar and creation of the website for the promotion of the Plaintiff as a model. The terms of the oral agreement did not specify the duration of its performance as he envisaged doing business with the Plaintiff for a long time save for the implied assumption that performance/publication would terminate the said agreement. The website and calendar were formed with the voluntary consent of the Plaintiff.

The witness statement also disclosed that the Defendant's relationship with the Plaintiff began to run sour mainly because of the involvement of the Plaintiff's father who became very demanding financially thereby influencing the Plaintiff to vitiate the verbal agreement on the ground that she was worth more. This persuaded the Plaintiff after his refusal to fall prey to her father's demands to terminate the contract prior to raising her concerns that DW3 should not feature some photo shoots for the calendar that she perceived were not morally good. The many demands by the Plaintiff's father were as a result of his generosity as he showered the Plaintiff with many expensive items going beyond the oral agreement since he wanted to build a brand on the market. The items included a phone, a laptop and paying for her first class air ticket to and from South Africa for a photo shoot in Zambia while she was in South Africa.

The witness statement of DW3 further disclosed that after his input in building the

Plaintiff's image he envisaged creating a perfume, shoe line and a clothing line which he made known to the Plaintiff. Through some e-mail correspondence he informed the Plaintiff of his intention and commitment to the oral agreement that he wanted to now publish the 2010 calendar as he had already created the advertisement website for the same with the Plaintiff's consent. In spite of the Defendant's investment in the photo shoots and its production; lodging for the cameraman from South Africa and his payments; and paying for photo shoots, transportation and advertising, the Defendant recouped nothing due to the Plaintiff's repudiation of the oral agreement. The Defendant performed its obligation of the oral agreement but it has unfortunately suffered irreparable damage and loss due to the Plaintiff's termination of the agreement.

In cross-examination, DW3 testified that the magazines in which the Plaintiff appeared are widely distributed in Zambia. He told the Court that the Plaintiff acquired the modelling contract and appeared in magazines without his participation. The witness testified that he agreed to pay the Plaintiff US\$2,500.00 for performing modelling services for the 2008 calendar and that she actually performed the services while conceding that he had not paid the Plaintiff this amount, he denied that it was owing. DW3 testified that by the time he had agreed with the Plaintiff to do the 2008 calendar, the management contract between the Plaintiff and the Defendant has already expired. He also told the Court that there was no agreement that the Plaintiff would bear the costs of producing the calendar.

It was also the evidence of DW3 that notwithstanding the expiry of the Defendant's professional relationship with the Plaintiff, he did not de-activate the website. He said that the website was re-launched in 2009 to promote the Mulenga Mubanga calendar for 2010. DW3 told the Court that he did not intend to pay the Plaintiff for using her image in the 2010 calendar.

The witness also testified that the copyright in all the photographs of the Plaintiff belongs to the Defendant which had paid for them. DW3 told the Court that the invoices and receipts in the Defendant's bundle of documents were not in respect of the Defendant's counterclaim for K50,000,000.00 and that the Defendant had no proof of the costs for the counterclaim.

In re-examination, DW3 testified that the costs being counterclaimed by the Defendant also include hire of the hall at Chrisma Hotel, printing of the calendar, shooting the photos and donation of K7,500,000.00 to invite the former first lady.

On behalf of the Plaintiff, Ms Kasonde submitted that from the evidence, the contract between the parties was an endorsement contract whose terms were that the Plaintiff would be paid US\$2,500.00 for her modelling services and use of her name and image in respect of the 2008 calendar; that the Plaintiff was to be paid upon performance of the modelling services; that the Defendant had the right to use the images as long as there existed a business relationship between the parties; that the website was established to promote the 2008 calendar and the Plaintiff's work in general; and that the Defendant would alone bear the cost of the production and promotion of the 2008 calendar. Counsel submitted that the US\$2,500.00 undertaken to be paid by the Defendant is due and payable to the Plaintiff who is entitled to such payment.

It was also Ms Kasonde's submission that the Defendant's e-mail of 13th May, 2008 on page 15 of the Plaintiff's bundle of documents effectively terminated the business agreement between the Plaintiff and the Defendant. According to counsel the nature of the contract between the parties being an endorsement agreement, its termination would also terminate the Plaintiff's obligation to render any further performance and similarly the Defendant would no longer have the right to use her images. Counsel referred the Court to the evidence of PW1 and DW1 to the effect that where the agreement through which consent to use someone's images was granted is later

terminated, the person to whom the use of the images was granted would cease to have the right to use such images.

Ms Kasonde also submitted that in this case the Plaintiff's action of false endorsement or passing off is sought to protect the Plaintiff's goodwill by bringing an action against the Defendant. She contended that in order to succeed, the Plaintiff must show substantial goodwill at the material time; that the Defendant had no consent to use the Plaintiff's goodwill to endorse the Defendant's products; misrepresentation; and damages.

It was counsel's submission that goodwill is protected by the action for passing off, the purpose of which is to protect a claimant's exclusive right to her goodwill and against damage and counsel relied on case of *Irvine v Talksport Limited(1)*. She submitted that in the fashion and advertising industry goodwill is generated by a model when she/he is selected by a particular client to perform modelling services on the basis that the model will draw customers to the particular goods being advertised. According to counsel, the Plaintiff has substantial goodwill in the endorsement of goods of others as per the documents on pages 6, 7 and 8 of the Plaintiffs bundle of documents showing the work previously done by the Plaintiff. The Court was also referred to the Plaintiff's evidence to the effect that she had performed modelling work in 2009 and 2010 and the fact that the Defendant sought to re-launch the website as well as produce a 2010 Mulenga Mubanga calendar. Ms Kasonde accordingly submitted that the Plaintiff was at all material times a famous personality who generated substantial goodwill in the endorsement of the goods of others.

Ms Kasonde contended that goodwill is a form of property which, in the context of marketing and endorsement of goods and services accrues to the person who causes or who is perceived to cause the customers to purchase the goods and services being endorsed or advertised. Counsel accordingly submitted that the Plaintiff solely owns

her goodwill and did so at all material times, which goodwill is worthy of protection and that the Defendant's allegation that it has exclusive rights to the Plaintiff's goodwill cannot be sustained.

On the lack of consent, counsel again relied on the *Irvine* case to the effect that notwithstanding that the Defendant had proper title to the photographs in question, it was still competent to take an action for false endorsement in the absence of the claimant's authority to use her image. She contended that the statutory regime set forth in section 10(1) and (3) as read with section 11 of the Copyright Act Cap 406 ("the Act") is clear that a mere payment to a photographer cannot legally give rise to a transfer of copyright; the rationale being that the person using the photograph for the purpose of commercial exploitation must do so with the consent of the person who is the subject of the photographs.

Regarding misrepresentation Ms Kasonde submitted that the Defendant, in using or threatening to use the Plaintiff's name and/or image whether conjunctively or disjunctively on its website and proposed calendar would likely cause the average consumer to be deceived into believing that the Plaintiff endorses, recommends and/or approves the Defendant's www.mulengamubanga.com website, the www.zambiafashionclandar.com website, t-shirts, perfumes and other products or that the Plaintiff and the Defendant are otherwise involved in some commercial arrangement. According to counsel, the ordinary Zambian consumer would, upon seeing the contents of the website, likely think that there was some relationship or connection between DW3 and the Plaintiff.

On damages in an action for false endorsement or passing off, the Court was further referred to the following passage at page 34 in the *Irvine* case:

"In such a case although the Defendant may not damage goodwill as

such what he does is damage the value of the goodwill to claimant because, instead of benefiting from exclusive rights to his property the latter now finds some one also is squatting on it."

Ms Kasonde submitted that the Defendant's use of the Plaintiff's name, image or likeness on the www.mulengamubanga.com website, www.zambiafashion.com website in the proposed Mulenga Mubanga 2010 calendar and elsewhere without the Plaintiff's permission would amount to an attempt by the Defendant to squat on the Plaintiff's exclusive rights.

Regarding the Defendant's counterclaim, Ms Kasonde submitted that it had no basis as there was no agreement between the parties that the Plaintiff had undertaken to reimburse the Defendant for costs which it incurred in the production and promotion of the 2008 Mulenga Mubanga calendar and www.mulengamubanga.com website. Counsel also referred the Court to the following passage in the e-mail from DW3 to the Plaintiff at page 15 of the Plaintiff's bundle of documents:

"... I feel it's time to tell you the TRUTH!! ZDPA ONLY AGREED TO PAY YOU US\$2,500, I SUBSIDIZED THE REST!! I wanted you to feel confident about yourself, that's why I paid you the difference from my resources. I did not consider it a loss, to me it was an investment."

Ms Kasonde submitted that it was clear from these words that the Defendant did not treat the money spent on the Plaintiff as losses which could be recovered from her but as an investment made in the ordinary course of its business. Counsel further submitted that the counterclaim of K50,000,000.00 has not even been proved by the Defendant as the receipts in its bundle of documents do not total K50,000,000.00. Ms Kasonde accordingly urged the Court to find in favour of the Plaintiff.

On behalf of the Defendant, Mrs. Zaloumis submitted that the Plaintiff's goodwill had been enhanced with the help of the Defendant through various businesses which they did together such as creation of the website.

Counsel also submitted that the Plaintiff and the Defendant entered into a verbal agreement to do business together and that as per custom, once an agency representing a model buys photographs of the model, it has exclusive right to use them in future even without the model's consent. According to counsel, the model's only remedy arises when the image is used in a distorted way and the Court was referred to the *Irvine* case. Mrs. Zaloumis submitted that prior consent had been orally obtained by the Defendant and this prompted it to embark on producing another calendar before its relationship with the Plaintiff soured. Counsel further contended that there was no copyright infringement if there is sufficient acknowledgement of the copyright usage and the Court was referred to Section 21(4) of the Act where sufficient acknowledgement is defined as:

"an acknowledgment identifying the work in question by its title or other description and unless the work in question is anonymous or the author has previously agreed or required that acknowledgment of his name should be made, also indentifying the author."

Regarding misrepresentation, Counsel submitted that this is a contractual term which seeks to protect goodwill from being used in a deceptive or false way with an implication that the claimant endorses it but that it can be compromised if the claimant has allowed it. She contended that the Defendant paid for the photos of the Plaintiff, created and maintained the website with the Plaintiff's consent. The Court was referred to the testimony DW1 to the effect that although consent is required for using the images, a client or promoter can buy the copyright and use the images for whatever period. The Court was also referred to the case of *Inland Revenue Commissioners*

v Muller & Co.'s Magarine Limited(2) where Lord Macnaughton indicated at page 223, how goodwill can be lost despite being built by someone as follows:

"It is very difficult as it seems to me to say that goodwill is not property. Goodwill is bought and sold everyday. It may be acquired. When a man has got it he may keep it as his own. He may vindicate his exclusive right to it if necessary by process of law. He may dispose of it if he will – of course under a condition attaching to property of that nature."

On damages for passing off, Mrs Zaloumis submitted that these must be proved to show what the claimant has suffered. Counsel argued that the Plaintiff's claim is unsustainable because the Defendant vindicated its exclusive right to use the images of the Plaintiff by operation of law. Mrs. Zaloumis finally submitted that the Plaintiff's entire claim must be dismissed.

Regarding the Defendant's counterclaim, counsel submitted that the Defendant invested a lot of money in campaign projects for the Plaintiff such as in the milk campaign, photo shoots, advertising, transportation, clothing outfits, subsidized remuneration, personal requirements to enhance her image such as a laptop, mobile phone, an air ticket to and from South Africa for a photo shoot, lodging for the professional photographer from South Africa and his work permit, the subsequent production of the 2008 calendar, the creation of the website and its maintenance and that it recouped nothing. She contended that the Plaintiff failed to honour her obligation to allow the Defendant engage more clients for her services to facilitate her payment of US\$2,500.00, by terminating the agreement through her e-mail dated 9th November, 2008 and offering the Defendant K4,000,000.00 to make up for the Defendant's loss.

I have considered the evidence on record, the authorities relied on and the written submissions filed on behalf of the parties. The Plaintiff's first claim is for damages for

breach of contract and it has two limbs. The first limb is for the sum of US\$2,500.00 for breach of the oral agreement between the parties in respect of the 2008 Mulenga Mubanga calendar. The fact that there was an agreement between the parties on the production of the 2008 calendar is not in dispute and the evidence of both the Plaintiff and DW3 clearly confirm this. According to this agreement the Plaintiff was to be paid US\$2,500.00 for her modelling services as well as the use of her name and image in respect of the 2008 calendar. This fact is also admitted by DW3 when he conceded during cross-examination that he had not paid the said amount to the Plaintiff but denied that it was owing, obviously because of the Defendant's counterclaim which I will come to later. From the foregoing, I am satisfied that the Plaintiff's claim for special damages amounting to US\$2,500.00 has been proved. I cannot therefore agree more with Ms. Kasonde that the sum of US\$2,500.00 which the Defendant undertook to pay the Plaintiff in consideration for her services is due and payable to her.

The second limb is for general damages. The Plaintiff's evidence is that the e-mail dated 13th May, 2008 from DW3 effectively terminated the agreement between herself and the Defendant and that notwithstanding such termination the Defendant still maintained the website and launched another website, the Zambia Fashion website, where it posted without her consent, the Plaintiff's images thereby creating an impression that she was still associated with or endorsed the use of her image in the promotion of the Defendant's 2010 calendar and/or website. The said e-mail states in relevant part as follows:

"Well, this is what I wanted to tell you Mulenga. You are an Amazing Model, Zambia's finest. I am sure your father will represent you very well.

Goodbye, it was great while it lasted.

Chiti Mwewa."

From these words it is very plain to me that as of 13th May, 2008 the business relationship between the Plaintiff and the Defendant had come to an end and was terminated by the Defendant.

Ms. Kasonde submitted that according to the evidence of PW1 and DW1, where the agreement through which consent to use some one's images was granted is later terminated, the grantee would cease to have the right to use such images and I cannot agree more with her. This is the basis upon which the Plaintiff also sought injunctive relief intended to protect her goodwill. Goodwill is protected by way of a passing off action. As George Kanja explains in Intellectual Property Law, (2006) at page 7:

"Passing off is a common law tort which can be used to enforce unregistered trademark rights. Passing off is concerned with the protection of business goodwill and reputation. Therefore, the law of passing off prevents one person from misrepresenting his goods or services as being the goods or services of the Plaintiff, and also prevents one from holding out his goods or services as having some association or connection with the Plaintiff when it is not true."

The ***Irvine*** case discusses circumstances when an action for false endorsement or passing off can succeed. The first is for the Plaintiff to show substantial goodwill as a model at the material time. It is not hard to discern that the Plaintiff had substantial goodwill in the endorsement of goods of others. This is obvious from documents at pages 6, 7 and 8 of the Plaintiff's bundle of documents. These documents show that the Plaintiff modelled for Shine Agencies (Pty) Limited, O-Models Africa Management and Elle shops respectively. The Plaintiff's undisputed evidence also shows that she modelled for various magazines such as Cosmopolitan, True Love, Elle and True Love Bride after emerging as a runner-up in the Nokia/M-net Face of Africa competition. In his evidence under cross-examination DW3

conceded that these magazines are widely distributed in Zambia. There can, therefore, be no doubt that the Plaintiff's substantial goodwill was the magnet that attracted the Defendant to enter into the agreement with the Plaintiff which is the subject of this action. Given the foregoing, I do not accept the argument by Mrs. Zaloumis that the Plaintiff's goodwill had been enhanced by the Defendant. I am of the firm view that the Plaintiff had already built her own goodwill by the time she was engaged by the Defendant.

The second is the absence of the Plaintiff's consent. Both PW1 and DW1, expert witnesses called by the respective parties, testified that the agreement between the parties having come to an end, the Defendant needed the Plaintiff's consent or endorsement, for the use of her photographs and images in the website and the proposed 2010 Mulenga Mubanga calendar. I cannot agree more with the two witnesses as this is plain common sense. I am therefore not swayed by Mrs. Zaloumis' submission that once an agency representing a model buys the model's photographs it has exclusive right to use them in future even without the model's consent. I agree with Mrs. Zaloumis to the extent that a model has a remedy where the image is used in a distorted way as per the *Irvine* case but I do not think that this is the only situation. The view I take is that a model also has a remedy as in the present case, where there is no subsisting contract for the Plaintiff to endorse the Defendant's goods. I also believe that on the facts of this case, section 21(4) of the Act is cited out of context and is irrelevant to the Defendant's defence.

The third is misrepresentation. I agree with Ms Kasonde that an ordinary Zambian consumer would likely believe that the Plaintiff and Defendant were engaged in some commercial arrangement or that the Plaintiff had endorsed the proposed 2010 Mulenga Mubanga calendar and the Defendant's Zambia Fashion website, upon seeing the contents of the website. This no doubt, would amount to

deception or misrepresentation as the Defendant would be squatting on the Plaintiff's exclusive rights as no consent had been obtained from the Plaintiff.

After discussing all this, the most important question that remains to be answered is whether the Plaintiff is entitled to damages for passing off. To succeed, the Plaintiff must establish a likelihood of substantial damage. I accept Mrs. Zaloumis' contention that the Plaintiff must prove the damage she has suffered. From the record I note that the Plaintiff has not adduced any evidence to substantiate the damage she has suffered.

Furthermore, it is quite apparent from the Plaintiff's evidence and submissions that the Defendant had merely proposed or intended to sell the 2010 Mulenga Mubanga calendar as indicated in the Zambia Fashion website which it had launched. The record shows that the Defendant's proposal or intention was thwarted by the injunction granted to the Plaintiff on 31st July, 2009 ***"to restrain the Defendant... from using the Plaintiff's name and/or image, whether together or separately, to pass off any of its goods and/or services, whether in the print or digital media or any other medium, as being endorsed and/or recommended and/or approved by the Plaintiff or otherwise involved in some commercial arrangement involving the Plaintiff and the Defendant."*** Since the Plaintiff was granted an injunction she cannot again be awarded damages as both reliefs cannot be given for one and the same claim. For the reasons stated above, I am of the firm view that the Plaintiff's claim for general damages for passing off cannot succeed.

In the final analysis, I enter judgment for the Plaintiff in the claimed sum of US\$2,500.00 with simple interest at 8% per annum from 30th July, 2009 to the date of full payment. In furtherance of the injunction granted to the Plaintiff, it is ordered that the Defendant delivers up to the Plaintiff or destroys upon oath, all the articles

bearing the Plaintiff's image and/or name in its actual or constructive possession, custody or control, the use of which would breach the said injunction.

I now turn to the Defendant's counterclaim of K50,000,000.00. Mrs. Zaloumis contended that the Defendant invested a lot of money in campaign projects for the Plaintiff but it recouped nothing. I agree with Ms. Kasonde that there was no agreement between the parties that the Plaintiff would bear any such costs. In my view the Defendant's investment was an ordinary risk which any company in business would take. Being a business risk the investment may either succeed or fail. By selling the calendars and putting up billboards with the Plaintiff's image the Defendant intended to make money for itself as the proceeds from the sale of the calendars, for example, were not for the Plaintiff but for the Defendant. There is no doubt that DW1 knew or believed and correctly so, that customers would be attracted to the calendars because of the Plaintiff's goodwill. It is therefore not surprising that in his e-mail to the Plaintiff appearing at page 15 of the Plaintiff's bundle of documents, DW3 stated as follows in reference to the money spent by the Defendant:

"... I did not consider it a loss, to me it was an investment."

I agree with Ms Kasonde that in their ordinary meaning, these words suggest that the Plaintiff considered the money he was spending as an investment made in the ordinary course of business. If I may add, the attempt by the Plaintiff to pay K4,000,000.00 to the Defendant should in no way be treated as justification for the counterclaim. I opine that the Plaintiff did this due to naivity and lack of business sophistication, regard being had to her tender age. In respect of the Defendant's counterclaim therefore, the net result is that it is unsuccessful.

In the final analysis, I conclude that the Plaintiff has substantially succeeded in her claim against the Defendant. Costs naturally follow this event and will be taxed in default of agreement.

DELIVERED THIS 24TH DAY OF FEBRUARY 2011

**C. KAJIMANGA
JUDGE**