

Basic Intellectual Property Law for Film and TV Makers and Games Developers



Jane Lambert

Barrister of the Bar of England and Wales

10 June 2012

Intellectual property (“IP”) is important to any business but for businesses whose revenues come from creating, distributing and showing moving images and sounds IP is vital. So what is IP? How does it work? Why is it so important? How do businesses acquire IP? How do they enforce it? What are the risks? How can those risks be mitigated?

What is IP?

IP is a collective term for the bundle of rights that protect investment in brands, design, technology and works of art and literature. Examples of those rights (known as “intellectual property rights” or “IPR”) include patents, registered designs and trade marks, copyrights and rights in performances. The objects of such IP protection – that is to say, inventions, the appearance of manufactured products, the signs that distinguish one business’s goods or services from those of others, films, games software or TV programmes and the performances of actors in such films or TV programmes – are “intellectual assets” (“IA”).

How does IP work?

An IPR confers the exclusive right to enjoy an IA upon the owner of the right. For instance, a copyright in a film gives the owner of the copyright the right to forbid copying of the film, issuing copies of it to the public, renting or lending it, performing it, communicating it to the public or adapting it without the owner’s permission. If a third party does any of those things without the copyright owner’s permission the copyright is “infringed.” An IP owner

is entitled to compensation known as “damages” for infringement of its IPR and sometimes also to an order from a judge known as an “injunction” to prohibit a threatened infringement upon pain of imprisonment or other punishment for disobedience.

Why is IP so important?

IP provides opportunities for IP owners to make a return on their investment in developing and marketing their IA. Film makers, for example, earn money by showing their films in cinemas or selling copies recorded on DVD. Copyright enables the copyright owner to prevent competitors from showing the film or making and selling copies without its consent. Members of the public who wish to see the film must either visit cinemas that the copyright owner has licensed to show the film or buy DVDs that have been made under licence. The copyright owner will almost certainly have negotiated a fee for such licences. Without copyright anyone could show the film anywhere or make copies without paying anything to the copyright owner. Clearly that would diminish greatly, if not remove altogether, the film maker’s incentive to invest in an expensive and already risky project.

How to acquire IP?

Some IPR, such as copyrights and rights in performances, come into being automatically. Others, such as patents and trade marks, require registration with the British or other intellectual property office¹. For businesses in the film, games and TV industries the most important IPR are likely to be copyrights, rights in performances, trade marks and the right to bring an action for passing off.

Copyright is defined by s.1 (1) of the Copyright, Designs and Patents Act 1988² as a property right which subsists in the following descriptions of work:

¹ The intellectual property office for the UK is the Patent Office which is known to the public as the “Intellectual Property Office” (“IPO”). It is part of the Department for Business, Innovation and Skills. It receives and considers applications for patents and the registration of trade marks and designs for the United Kingdom. The US Patent and Trademark Office, State Intellectual Property Office, Japan Patent Office and other national intellectual property offices perform similar functions for their countries. The UK is party to the European Patent Convention (“EPC”) which established the European Patent Office (“EPO”). The EPO may grant European patents for all the parties to the EPC including the UK on behalf of their national governments. In the UK European patents designating the UK stand alongside and are in most respects similar to patents granted by the IPO. The European Union (“EU”) has established an agency known as the “Office of Harmonization for the Internal Market” (“OHIM”) which registers trade marks and designs for the whole EU known respectively as “Community trade marks” (“CTM”) and “registered Community designs” (“RCD”).

² Elizabeth II c.48. This is the principal copyright statute for the UK. It has been amended many times since it came

- (a) original literary, dramatic, musical or artistic works,
- (b) sound recordings, films or broadcasts, and
- (c) the typographical arrangement of published editions.

The right subsists from the moment the work is made provided that the person who makes the work (known as “the author”) is a British national or resident or a citizen or resident of a state that is party to an international agreement to protect the works of the parties’ nationals. The British government is party to several such agreements the most important being the Berne Convention³, the Universal Copyright Convention⁴ and “TRIPS”⁵. Most countries are party to one or more of those agreements. Accordingly, the creation of a copyright work by a British citizen in the UK creates not just a British copyright but also a copyright in the territories of each of the other parties to those agreements under their local law and, of course, *vice versa*. No registration or other formality is required for the subsistence of copyright in the UK⁶ but it is good practice to mark the work with the word “copyright” or the symbol “©” plus the year in which the work was created and the name of the copyright owner. For instance, “© 2012 Jane Elizabeth Lambert” asserts my copyright in this article.

Rights in performances are rights conferred upon

- actors, dancers, musicians, singers and other performers to object to the broadcasting, filming or taping of their performances known as “performers’ rights”, and
- the right of a performer’s broadcaster or film or recording studio to forbid others from broadcasting, filming or taping the performance without its consent or that of the performer known as “recording rights”.

Performers’ and recording rights come into being as soon as a performance takes place whether on stage or in a studio so long as the performer is a British national or resident, a national or resident of

a country that is party to the Rome Convention⁷ or the performance takes place in a country that is party to that convention. As with copyright, there is no need to register performers’ or recording rights.

Trade Marks are signs that can be represented graphically and which are capable of distinguishing goods or services of one undertaking from those of other undertakings⁸. They can consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging⁹. Such marks are registered for specified goods or services. If a trade mark is required for the UK alone an application to register the sign should be made to the IPO. If it is required for the whole EU an application should be made to OHIM. If it is required for some but not all of the member states of the EU or for countries or territories outside the EU applications should be made to the intellectual property offices of the countries concerned. The UK is party to the Paris Convention for the Protection of Industrial Property¹⁰ and the Madrid Protocol¹¹ which facilitate such applications.

Passing off is a judge made rule that no trader may misrepresent its goods, services or business as those of another trader by adopting a trade name, mark or get-up that is the same as, or similar to, that of such other trader. The right to bring an action for passing off arises spontaneously whenever the following conditions occur:

- the claimant has a reputation or goodwill in relation to particular goods or services by reference to a name, mark or get-up;
- the defendant has misrepresented a connection with the claimant, its goods or services by using the same or similar name, mark or get-up; and
- the claimant suffers a loss of sales, the tarnishing of its reputation or other loss or damage by reason of such misrepresentation.¹²

How are IPR enforced?

into force on 1 Aug 1989. An excellent unofficial consolidation of Parts I and II of the Act together with other relevant legislation appears on the IPO website at <http://www.ipo.gov.uk/cdpact1988.pdf>.

³ http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html.

⁴ http://portal.unesco.org/en/ev.php-URL_ID=15241&URL_DO=DO_TOPIC&URL_SECTION=201.html.

⁵ “TRIPS” stands for “Trade-Related Aspects of Intellectual Property Rights”. It is annexed to the World Trade Organization Agreement and can be found at http://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm

⁶ Though registration is required of US nationals and residents in the USA and some other countries before the right can be enforced.

⁷ International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations done at Rome 26 Oct 1961.

⁸ S. 1 (1) of the Trade Marks Act 1994 an unofficial consolidation of which can be found on the IPO’s website at <http://www.ipo.gov.uk/tmact94.pdf>

⁹ *Ibid*

¹⁰ http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html

¹¹ Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks http://www.wipo.int/madrid/en/legal_texts/trtdocs_wo016.html

¹² Reckitt and Colman Products Ltd v Borden Inc and others [1990] 1 WLR 491, [1990] 1 All ER 873, [1990] UKHL 12, [1990] RPC 341, <http://www.bailii.org/uk/cases/UKHL/1990/12.html>



Primary responsibility for the enforcement of an IPR rests with owner of the right. In most circumstances the IPR owner must claim an injunction, damages or other relief in the civil courts at its own expense. Despite the reforms to the Patents County Court mentioned below, civil litigation remains a daunting prospect. Nevertheless, there are occasions when some other means of enforcement is possible

Criminal Proceedings: Some infringements of copyright, trade marks and rights in performances are crimes as well as matters giving rise to civil liability. In the UK those offences are prosecuted by local authority trading standards officers. They are backed up by the IP Crime group at the Intellectual Property Office¹³. IP owners can sometimes bring private prosecutions in the Crown or magistrates' courts.

Collecting Societies: Some copyright proprietors and owners of related rights can join "collecting societies". These are organizations that license the use of their members' works, collect royalties from such licensees and distribute them among the members. They also sue those who fail to obtain or comply with their licences. Collecting societies in the film, games and TV industries include Directors UK¹⁴, the Motion Picture Licensing Company¹⁵ and the Copyright Licensing Agency¹⁶.

Domain Name Dispute Resolution: If a domain name is registered that is the same or confusingly similar to a registered or unregistered trade mark or corporate name, the owner of the name or mark can apply to the WIPO Arbitration and Mediation Centre in Geneva¹⁷ (if the name ends in .com, .org.net, .info or some other generic top level domain name) or to Nominet¹⁸ (if the name ends in ".co.uk", ".org.uk" or some other British country code top level domain) for the transfer or cancellation of the registration.

Civil Proceedings: In all other circumstances, a claim has to be brought in the civil courts. In Oct 2010 new rules were introduced which limit the recoverable costs in the Patents County Court to £50,000 on determining liability and £25,000 for inquiries as to damages or accounts of profits¹⁹. The government has also announced plans to introduce a new small IP claims track for the

Patents County Court²⁰. Claims over £500,000 have to be brought in the High Court where costs can easily exceed £1 million per side.

What are the risks?

Obviously the main risk is IP infringement. The Hargreaves report²¹ was unable to find any reliable or consistent statistics on its extent but concluded that "a great deal of copyright piracy²² is taking place". The same is true of bootlegging²³ and counterfeiting²⁴. At the same time businesses in the film, games and software industry risk claims by other IP owners either because they are unaware of their IPR or because they believe that the IPR had expired or did not apply. Enforcing or challenging IPR can be costly and uncertain since there are plenty of exceptions and defences to copyright infringement. There are traps for the unwary such as threats actions under s.21 of the Trade Marks Act 1994²⁵ if an IPR owner or his solicitor threatens to sue without justification. The costs of trade mark prosecution are substantial, especially if combined with the cost of monitoring the market for possible infringements.

How to mitigate those risks?

A specialist IP practitioner – particularly one with an interest in IP strategy - can anticipate those risks

²⁰ See Jane Lambert "Small IP Claims" Jane Lambert, NIPC, 8 May 2012 at <http://nipclaw.wordpress.com/2012/05/08/small-ip-claims/>

²¹ "Digital Opportunity A Review of Intellectual Property and Growth" Prof Ian Hargreaves, May 2011 <http://www.ipo.gov.uk/ipreview-finalreport.pdf>

²² Copyright infringement on an industrial scale

²³ Infringement of rights in performances on an industrial scale.

²⁴ Trade mark infringement on an industrial scale.

²⁵ "21. - (1) Where a person threatens another with proceedings for infringement of a registered trade mark other than-

(a) the application of the mark to goods or their packaging, (b) the importation of goods to which, or to the packaging of which, the mark has been applied, or (c) the supply of services under the mark, any person aggrieved may bring proceedings for relief under this section.

(2) The relief which may be applied for is any of the following-

(a) a declaration that the threats are unjustifiable, (b) an injunction against the continuance of the threats, (c) damages in respect of any loss he has sustained by the threats; and the plaintiff is entitled to such relief unless the defendant shows that the acts in respect of which proceedings were threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned.

(3) If that is shown by the defendant, the plaintiff is nevertheless entitled to relief if he shows that the registration of the trade mark is invalid or liable to be revoked in a relevant respect.

(4) The mere notification that a trade mark is registered, or that an application for registration has been made, does not constitute a threat of proceedings for the purposes of this section. "

¹³ <http://www.ipo.gov.uk/pro-policy/pro-crime.htm>

¹⁴ <http://www.directors.uk.com/>

¹⁵ <http://www.mplcuk.com/>

¹⁶ <http://www.cla.co.uk/>

¹⁷ <http://www.wipo.int/amc/en/> There are also several other generic top level domain name dispute resolution service providers.

¹⁸ <http://www.nominet.org.uk/>

¹⁹ See Jane Lambert "New Patents County Court Rules" 31 Oct 2010 IP/IT Update at <http://nipclaw.blogspot.co.uk/2010/10/new-patent-county-court-rules.html>



and suggest appropriate counter-measures. Such an adviser could be a member of the IP Bar, a patent or trade mark attorney or a solicitor specializing in IP law. Unless and until a business can fund litigation (including any adverse order for costs that may be made against it) comfortably from its revenues it would be prudent to seek before the event insurance²⁶.

Further Information

If you want to discuss any point in this article or any IP dispute in which you are involved, do not hesitate to call me on **0800 862 0055** or email me on jane.lambert@nipclaw.com. □

²⁶ See "IP Insurance Five Years On" Jane Lambert, NIPC Inventors Club, 23 Oct 2010). "
<http://nipcinvention.blogspot.co.uk/2010/10/ip-insurance-five-years-on.html>