

Conflict-of-Laws Rules Governing Copyrights in TV Format

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Abstract

The paper aims at finding and formulating conflict-of-laws principles governing TV format copyright relations. To achieve the goal, we used a vague range of methods standard for jurisprudence, e.g. formal-legal, comparative-legal, sociological, and legal modeling methods. As a main result, in comparison with the threads of copyrights conflict-of-laws regulation, we identified the groups of aspects of format issues that have been and have not been brought before courts yet, turned up and explained the approaches to the choice of law usually used by the courts, established in the documents of non-governmental organizations, and proposed our own approach. Moreover, we formulated a cascade of conflict-of-laws rules suitable for finding the proper jurisdictions in TV format contract relations in the absence of choice made by the parties. The paper is the first try to comprehend the issue of conflict-of-laws regulation of format copyright relations.

Key-words: Copyright Law, International Private Law, Intellectual Statute, Contract Statute, Audio Visual Work Format.

1. Introduction

Audiovisual work formats are widespread intellectual property (IP) in the modern world. They are usually defined as a set of distinctive characteristics of a TV program, making it recognizable and distinguishable by the audience, and therefore competitive among other equitable TV programs (LANE, 1992). The characteristics allow recreating a program that proved to be engaging in one country according to local cultural features of another country and minimizing the risks arising from developing a program from scratch.

It is possible to create formats for all kinds of audiovisual works, but most of them are television programs. For this reason, they are known as program formats, television formats, TV formats, or just formats.

Cross-border format “trade” has been going on for more than 70 years and is a fast-growing industry with multibillion-dollar annual turnover (CHALABY, 2011). The so-called super formats — “Who Wants to Be a Millionaire,” “X-Factor,” “Survive!” etc. — are widely known. Despite that, the legal nature of format remains controversial. Neither legislation nor treaties contain the term “format” in the mentioned meaning, and there are still no studies on approaches for conflict-of-laws regulation of cross-border format relations.

Often right-holders try to protect the format as a work of copyright (SINGH, 2010). Therefore, the present study focuses on the specifics of conflict-of-laws regulation of cross-border copyright relations connected with audiovisual work format.

2. Methods

To achieve the aims of the study, we used the formal legal method while interpreting international treaties, acts of the European Union, acts of harmonization, documents of international and national non-governmental organizations related to cross-border copyright relations.

Using the comparative legal method, we identified and compared national approaches to transnational format relations.

Through the sociological method, we examined acts of harmonization, of international and national non-governmental organizations, and materials of judicial practice and formulated some unwritten approaches to conflict-of-laws regulation of transnational format relations.

On the basis, we formulated several conflict-of-laws rules using the method of legal modeling.

3. Results

The law applicable to defining TV format copyrightability is determined by the law of the country for which protection is sought (*lex loci protectionis*). It is usually the country where the dispute was brought before a court.

In cross-border format disputes, courts choose their law. Since such disputes usually arise from copyright infringement, the choice may result from the application of one of the connecting factors: (1) the law of the country for which protection is sought (*lex loci protectionis*), (2) the law of the infringement occurrence (*lex loci delicti*), (3) the law of the country where the dispute is resolved (*lex fori*). The *lex loci protectionis* is the most appropriate as a specialized rule to determine the law applicable to IP matters.

The general connecting factor for transnational format contracts is the choice of law by the parties (*lex voluntatis*). However, if an author-individual (i.e., a weak party) participate, the *lex voluntatis* is limited by the mandatory norms of the country of the author's habitual residence.

The subsidiary connecting factor is the law of the closest connection. Depending on the type of the contract and the circumstances, it should be interpreted as: (1) the law of the author's country of residence (*lex auctoris*) — for author's commissioning contracts; (2) the law of the country where the author-worker usually performs their labor function to create the format (*lex loci laboris*) — for employment contracts; (3) the law of the country of the vendor location (*lex venditoris*) — for commissioning contracts to which no authors are the parties; (4) the law of the country of the TV format use (*lex causa*) — when the format is to be used in the single country; (5) the law of the country of location of the copyright holder, licensor (*lex causae*) — when the format is to be used in several countries; (6) the law of the country of location of the acquirer, licensee (*lex causae*) — when the acquirer/licensee is obliged for using the IPRs or report the right holder/licensor on use and the contract price is established as a sale fee.

If there is another jurisdiction to show a closer connection with the format contract, the law of that jurisdiction is applied.

The choice of law is limited by the peremptory norms of the law of the author's country.

4. Discussion

As conflict-of-laws matters in the field of copyright (ISKAKOVA; KASHKIN; FILATIOVA, 2020) have not been unified yet, we need to apply national rules. National approaches differ from one jurisdiction to another, but we can divide all relations to be regulated into the following semi-separate branches: (1) concerned with the circulation of exclusive rights indirectly; (2) regulated by the intellectual statute; and (3) contractual relations.

The relations concerned with the circulation of exclusive rights in TV formats indirectly falling under the courts' examination are usually represented by establishing copyrightability of a format in a foreign territory. The other matters peculiar to moral rights of authors (e.g., affiliation of foreign formats; free use of foreign formats; relations on non-exclusive (non-property) rights — types, methods of implementation, scope, restrictions, etc.) have not been arose during cross-border disputes yet.

For the same reason, mindful that two main connecting factors for determining law for the mentioned relations exist — the law of the country for which protection is sought (*lex loci*

protectionis) and the law of the work's origin (*lex originis*) — now, we only have examples of use of the first one.

Determining a format's copyrightability, the courts of New Zealand (*GREEN V BROADCASTING CORP OF NEW ZEALAND*, 1988), Great Britain (England), Spain, Netherlands, Russian Federation refer to *lex loci protectionis*. Since a country for which protection is sought is usually the place of the dispute, the court applies its own law.

At the same time, the result of recognition of the format as a work depends on the two factors: (1) the concept of copyright protection for the format in the jurisdiction, i.e. the value of the criterion of author's creativity and personal contribution, the requirement of novelty and/or originality, the requirement of fixation, the requirement to fulfill the formalities; (2) the specific requirements developed by judicial practice directly to determine the protectability of the format.

As the content of the first factor is widely presented in the doctrine, we find it more useful to highlight the second one.

For example, in the UK, such requirements are (1) sufficient degree of certainty of the format as a whole (*HUGH HUGHES GREEN*, 1989); (2) sufficient degree of certainty of individual elements of the format (*UKULELE ORCHESTRA OF GREAT BRITAIN*, 2014, 2015); (3) the connectivity of the elements in a consistent structure; and (4) repeatability of such a structure, which makes it possible to produce episodes in a recognizable form for two or more times (*BANNER UNIVERSAL MOTION PICTURES LTD*, 2017, 2018).

In Spain (*SAP C 2265/2010*, 2010) and the Netherlands, one needs to prove (1) originality of the format's structure or form; (2) a particular combination or sequence of elements filling the structure or form and making up the program's framework; (3) suitability of such elements for the setting of the program and identification it among similar programs.

The scope of intellectual statute (*SUSPITZINA*, 2013) encompasses the following relations concerned with the circulation of exclusive copyrights directly: (1) emergence of the rights, types of works, criteria for granting protection, fixation form, formalities; (2) transferability of the rights and forms of transfer; (3) effect of the rights, their types and content, restrictions, and termination; (4) torts, i.e. intellectual tort statute.

Depending on the jurisdiction, courts usually apply two main connecting factors — *lex loci protectionis* or *lex originis*.

An intriguing pattern demonstrates choice-of-law features for format tort relations.

The only cross-border case where the court applied choice-of-law rules expressly is the German matter of 2004 “Kinderquatsch mit Michael v. L'école des fan.” The court underlined: according to the German private international law, the copyrightability of the French format is to be identified under the law of the country for which protection is sought, i.e. German law (VAHRENWALD, 2004; PAR. B.I.1. BUNDESGERICHTSHOF, 2003).

In the “Castaway v. Endemol” (CASTAWAY E.A. VS. JOHN DE MOL, 2000, 2002, 2004) dispute of 2000-2004 between the British and Dutch companies on the British TV format “Survive!”, the Amsterdam Court of Appeal noted: as the complaint has not contained otherwise, it applies the Dutch law. However, due to Article 2 of the Civil Code of the Netherlands (GORKOVENKO, KONDRASHOVA, 2015), courts must apply private international law rules for their convenience and not at the parties’ request.

The law of the court was applied directly, bypassing the stage of determining the applicable law by the courts of the United States (California) (UNIVERSAL CITY STUDIOS, INC., 1982), New Zealand (H.H. GREEN V. BROADCASTING CORPORATION, 1988), Great Britain (England), Canada (PRESTON V. 20TH CENTURY FOX CANADA LTD, 1990), Denmark (CELADOR PRODUCTIONS LTD, 1999), India (CELADOR PRODUCTIONS LTD, 2002, 2003; ANIL GUPTA AND ANR, 2002), Australia (NINE FILMS & TELEVISION, 2005), Spain.

In the Russian dispute Endemol v. Channel One (DECISION OF THE MOSCOW ARBITRATION COURT, 2014; DECREE OF THE NINTH ARBITRATION COURT, 2015; DECREE OF THE INTELLECTUAL PROPERTY COURT, 2015)], the courts also did not explain the choice in favor of Russian law. However, it did not reject the claimant’s arguments about the protectability of Spanish works in Russia because both States participate in the Berne Convention of 1886. The approach corresponds to clauses 1, 4 of Article 1256 of the Civil Code of the Russian Federation (KAMINSKAYA, 2017).

We suppose that the approach results from use one of the three connecting factors: (1) *lex loci protectionis*, (2) *lex loci delicti*, or (3) *lex fori*. As the format disputes arose in the country of the courts and intellectual tort statute was to be applied, up to date, it is challenging to identify which of the three factors was actually chosen. In our opinion, as a specific connecting factor for the cross-border relations in question, *lex loci protectionis* is to be used.

In cross-border relations, parties use a variety of format contracts. Thus, the conflict-of-laws regulation of a particular contract depends on its characterization. Basically, copyrights in formats are transferred under 1) contracts on the creation of formats (author commissioning contract, contract on

commission, employment contract); 2) licensing contract; and 3) contract on the alienation of an exclusive right.

Thus, conflict-of-laws regulation of a particular format contract depends on the result of its characterization. Undoubtedly, the specter of the contracts depends on *lex fori* rules: e.g., by contrast with Russian law, law of Germany, England and US does not know author commissioning contracts as a specific type. There, such contracts can be qualified as a contract of work plus a copyright transfer contract (RAKHMATULINA, 2011). In several countries (e.g., France and Qazaqstan (LUTKOVA, 2018)), contracts on future works of authorship are illegal.

As compared to the first two branches — format relations concerned with the circulation of exclusive rights indirectly and regulated by the intellectual statute — parties can choose the law applicable to contractual format relations.

The examples of the *lex voluntatis* in TV format contracts can be found in the documents of Writers Guild of America (2020 WRITERS GUILD OF AMERICA, 2020) and Writers' Guild of Great Britain (2017) and standard forms to them. As a rule, the law of the place of the Guilds is chosen, which aligns with the place where the format is going to be used. This means the law of the country of origin (*lex originis*) or the law of the country of use (*lex loci protectionis*) guides the *lex contractus*.

When parties made no choice and exclusive right is to be transferred to only one country, basically, the law of the country of use (for licensing) or the law of the country where the right exists (for alienation) applies. If several countries of use or the exclusive right exist in two or more countries, the law of the licensor's/right holder's habitual residence / place of business applies. As the approach is fundamental for all contractual IP relations, it does not suit each and every particular case (KANASHEVSKY, 2013).

For more flexibility, it is useful to pay our attention to Principles on Conflict of Laws in Intellectual Property prepared by the European Max Planck Group on Conflict of Laws in Intellectual Property (CLIP Principles) (2011). According to Article 3:502 of CLIP Principles, the main connecting factor is the law of the closest connection interpreted with some rebuttable presumptions.

For example, a contract aimed mainly at the transfer of the exclusive right is presumed connected to the law of author, licensor, or right holder, if the right is going to be used in the territory of their habitual residence / place of business, the principal obligation of another party is to pay a fixed amount of money, a license is granted for the single use, or provides for the creation of the IP.

The contract is presumed connected closer to the law of licensee or acquirer if the exclusive right will be used in their jurisdiction, the contract obliges to use the right, to pay royalty, or to report.

The rules of the basic approach are to be applied to the rebuttable presumptions only subsidiary.

The approach of the CLIP Principles seems more suitable for the format contracts than the basic one. E.g., it provides higher standards for authors' protection, as the law of the author (*lex auctoris*) is to be applied in each case when he/she takes part in the contractual relation, and it matches *lex originis* as well. The same rule can be used *mutatis mutandis* for the situations when a TV format is created in the course of employment. When the law of the licensee is applied, the range of cases is wider: practically, the licensee gains the right to use a format in their own territory and have to report and pay royalty.

In contract on the commission of TV format, however, we put it into the same category with author commissioning and employment contract, different principles must be taken into account. The law of the contractor must be applied but, as it is a contract between two business entities, the reasons are as follows: (1) it is a contractor to make characteristic performance (*lex venditoris*); (2) a format is created in the contractor's territory; and (3) all exclusive (as well as moral in some jurisdictions, e.g. in the US (TITLE 17 OF UNITED STATES CODE, 2011)) rights in the format are collected by the contractor by operation of law or under the contracts with the authors of individual pieces of IP.

However, it seems helpful to provide for the exemption clause and entitle courts to transcend the mentioned presumptions when, despite them, the TV format contract shows more connections with the other jurisdiction.

5. Conclusion

Despite cross-border TV format relations are relatively common, the issue of conflict-of-laws regulation of the domain remains underrated.

Our paper is a try to identify and summarize the forming approaches and to offer our own ideas derived from researching judicial practice, rules established by non-governmental organizations in light of common principles of conflict-of-laws regulation of copyright.

It is the first step in the field of conflict-of-laws regulation of formats relations, and we are looking forward to a response from researchers to discuss our findings and add new ideas and proposals.

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