Name: Meliza Leitch

Module Name: Intellectual Property Rights Law

(Amity Global Institute Pte Ltd, Singapore) Cohort 1 (LAWM018-AUTAS)

Module Leader: Dr Ebenezer Laryea

Word Count: 1116 words

Date: 23/01/2018

Scenario: Uncle Obama has written a book published by Riky-Tafa Press. The book, 'Moments from my Presidency', is a personal memoir in which Uncle Obama recounts how he dealt with the many crises he came to face during his term in office as the President and CEO of Riky-Tafa Group Inc., an extremely popular multi-national corporation headquartered in the UK.

Donald, a Birmingham based movie director and producer, is so fascinated by 'Moments of Presidency', that he asks one of his employees, Steve, to write a script based on the book which can be used to produce a movie. While writing the script for the movie, Steve also simultaneously pens a script for a theatre production also based on 'Moments from my presidency', which he names "No Collusion". Steve does this without telling Donald as he hopes to make some personal money on the side from the theatre production.

Steve phones George and asks him to write lyrics for a series of theatre songs using the exact wording in "No Collusion". The music for these songs was composed by Kelly with the original sets by the artist Sarah.

Donald has now produced his film which has become a huge hit at the box office. While watching entertainment news, he learns that the theatre production, "No Collusion" is set to be an even bigger hit, raking in thousands of pounds more than his movie.

The question deals with the unauthorized production of Uncle Obama's book 'Moments from my presidency' by Donald who is a producer and director of movies. The book is further scripted into a theatre production by Donald's employee Steve who employs three more individuals without informing his employer. The movie and theatre production are both successful, however it is questionable as to whether any of the parties; Donald and Steve had a right to use the content in 'Moments of my Presidency' without permission and authorization from Uncle Obama.

The book written by Uncle Obama is considered to be intellectual property as it not an idea alone, but a physical creation,[1] [2] and thereby comes under the protection provided for in the Copyright, Designs and Patents Act 1988 (hereinafter referred to as the Act) and the Berne Convention. As per UK law, copyright protection is automatically provided, without the application by the person who creates "original literary, dramatic, musical and artistic work", which would include Uncle Obama's book as it was written by him of his personal experiences.[3] [4] Section 9(1) of the Act recognizes Uncle Obama as the author of the book as he created it.[5] Under International law the Berne Convention establishes the definition for "literary and artistic works" as "…every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings… " which in this situation would include the book.[6]

As Uncle Obama is operating from within the UK, his book would have automatic copyright protection which would render the movie adaption of the book by Donald an infringement of copyrights.[7] [8] Copyrights protects the creator of the work from unauthorized distribution, whether be it for sale or free, renting or lending copies of the work, performing, playing and showing your work in public, making adaptions of your work (this includes the movie adaptation made by Donald), and uploading your work online.[9] [10] As Donald wanted the film to be the exact depiction of the book, it will amount to copying.[11] [12]It is important here to note that the first copyright owner of the work is Uncle Obama and Riky-tafa as the publishers would have an agreement with him regarding it's distribution.[13] [14]

---

[1] GOV.UK, 'Intellectual property and your work', (*GOV.UK*) <https://www.gov.uk/intellectual-property-an-overview> accessed 24th Jan 2018
[2] Copyright, Designs and Patents Act 1988, S 3(2)
[3] GOV.UK, 'How copyright protects your work', (*GOV.UK)* <https://www.gov.uk/copyright> accessed 24th Jan 2018
[4] Supra N 2 S 3(1)
[5] Supra N 2 S 9(1)
[6] The Berne Convention for the Protection of Literary and Artistic Works, art 2
[7] Supra N 2 S 19(2) (b)
[8] Supra N 2 S 21
[9] Supra N 2
[10] Supra N 2 S 16(1) (e)
[11] John Kaldor Fabricmaker UK Ltd v Lee Ann Fashions Ltd [2014] EWHC 3779 (IPEC)
[12] Baigent & Another v The Random House Group Ltd [2006] EWHC 719 (Ch)
[13] World Intellectual Property Organization, 'Managing Intellectual Property in the Book Publishing Industry', (*WIPO*) <http://www.wipo.int/edocs/pubdocs/en/copyright/868/wipo_pub_868.pdf> accessed 24th Jan 2018
[14] Supra N 2 S 11(1)

When making the movie adaptation of a book, the producer and director Donald had to acquire the chain of title documentation, agree on a license to the book, acquire or pay for the copyright, or confirm with Uncle Obama that the intended use of the book falls under the copyright exceptions. According to section 93A Donald should have ideally held rental rights to do a movie adaptation.[15] [16]According to the article published by the Intellectual property office and chapter 3, section 28-76 of the Act, the use of the copyrighted book, does not fall under any of the exceptions.[17] Donald did neither of these and as per section 107 (1)(c), Donald may be committing a criminal offence for using a copyrighted work during the course of his business.[18] [19]

Chapter 4 of the Act grants the moral rights to creators to be recognized as the creator of their work. Under section 77(2) (a) Uncle Obama had the moral right to be recognized as the author of the book that the movie was based on which evaded him due to Donald not following the necessary steps to acquire the IP rights attached to the book.[20] Section 103 of the Act provides for the remedy of the infringing of moral rights.

According to the Intellectual property office UK, there are three steps Uncle Obama could take to receive compensation for the infringement caused by Donald. As IP rights are the responsibility of the rights holder as it is a private right, Uncle Obama can get Donald to come to an agreement regarding the movie profits, use a mediator, or take legal action which are statutorily provided for under section 96 to 100 of the Act.[21] If Uncle Obama resolves to take legal action against Donald, then section 107(3) 3 of the Act would apply which covers copyrighted work being infringed through "the playing or showing in public[22] of a sound recording or film" that may have Donald pay a £5,000 fine or serve three months.[23] The foundation of copyright protection as defined in the case of LB (Plastics) v. Swish Products was that "one man must not be able to appropriate the result of another's labour" and Donald did just that.[24] The profits from the movie owed to Uncle Obama could be solely left at the discretion of the court as provided for in section 97(2) (b).

Steve without informing Donald wrote a script based on the book, which falls under copyright infringement whilst being employed by Donald. If Steve was self-employed, and the circumstances of the case are so that he had sufficient reason to believe that Donald procured IP rights to proceed with a film adaptation, and provided the contract between Donald and Steve explicitly mentions that IP rights for work created during employment does not belong to the employer Donald, Steve

---

[15] Supra N 2 Ch 3, S 28-76
[16] Supra N 2 S 93 A
[17] GOV.UK, 'Exceptions to copyright', (*GOV.UK*) <https://www.gov.uk/guidance/exceptions-to-copyright> accessed 24th Jan 2018
[18] GOV.UK, 'Intellectual property crime and infringement', (*GOV.UK*) <https://www.gov.uk/guidance/intellectual-property-crime-and-infringement> accessed 24th Jan 2018
[19] Supra N 2 S 107 (1)(c)
[20] Supra N 2 S 77(2) (a)
[21] Supra N 2 S 96(1)
[22] Jennings v Stephens [1936] Ch 469, [1936] 1 All ER 409, CA
[23] Supra N 2 S 107(3) 3
[24] LB (Plastics) Ltd. v. Swish Products Ltd. [1979] RPC 551

will not be liable for the infringement of copyrights.[25] [26] However according to the scenario, Steve is Donald's employee, and in most cases, employees don't have rights to the work that they create under the employment of someone else.[27] [28] As per section 107(3) 3 "any person who caused the work to be so performed, played or shown is guilty of an offence if he knew or had reason to believe that copyright would be infringed". It may be argued here that Steve was unaware of Donald not having rights to the book, but it would be to no avail as he went ahead with creating a theatre production of the book which only goes to show that he knowingly infringed the copyrights owned to his knowledge by his employer. Steve is guilty of secondary infringement and could be held liable under section 23(C). Steve intended to show the public the theatre production, and as per section 107(3) 3 of the act is an infringement of copyrights. The definition of what amounts to 'public' determined in a few cases, under which Steve's theatre production can be included.[29] [30] [31] [32] [33]

Steve hires George, Kelly and Sarah to write songs for the theatre production, who in turn could be held liable copyright infringement if they had sufficient reason to believe Steve did not carry IP rights to produce 'No Collusion'.[34] However it may be argued here, given the alteration of the title from 'Moments of my presidency' to 'No Collusion' that they were unaware of Steve's actions. As per the performers of the theatre and film, according to Section 19(4) would not be liable for the infringement.

[25] Supra N 14
[26] Supra N 1
[27] Supra N 18
[28] Supra N 2 S 11(2)
[29] Harms (Inc) Ltd and Chappell & Co Ltd v Martans Club Ltd [1927] 1 Ch 526
[30] Performing Right Society Ltd v Hawthorns Hotel (Bournemouth) Ltd [1933] Ch 855
[31] Performing Right Society Ltd v Camelo [1936] 3 All ER 557
[32] Supra N 20
[33] Ernest Turner Electrical Instruments Ltd v Performing Right Society Ltd [1943] Ch 167, [1943] 1 All ER 413, CA
[34] Supra N 18

Word Count: 1170 words

Scenario: Robert and Susan are employed by Bross Nightwear which makes pajamas and dresses. Robert works in the marketing department and Susan works in the quality control section.

One night at home, while examining some rejected samples Susan had saved from being discarded, they try experimenting with some hologram designs that Robert picked up at a marketing seminar.

They have the idea of applying holograms. Susan drawing on her knowledge of quality control, concludes that this can be done by heating the material and the holograms.

Over a period of months, they refine the idea. Through experimentation, they perfect the process of heat treating the holograms and the clothing so the hologram can be applied to textiles. They then resign from the company and seek a patent for the process. Their contracts of employment with Bross Nightwear do not mention inventions.

Advise Robert and Susan.

Robert and Susan are employees of Bross nightwear who discover a way in which holograms could be applied to textiles when heated. The experiments were first done on discarded samples from Bross nightwear, and both Robert and Susan were under the employment of Bross when conducting the experimentation. They have now refined the method of application, resigned from their post from Bross and wish to patent the process.

The Patents Act 1977 is the main law that governs patents in the UK and thereby would apply to Robert and Susan when they wish to attain a patent.[35] The application of holograms to textiles through heating must first be construed as a patentable invention under section 1(1) of The Patents Act 1977 (hereinafter referred to as The Act). The method and process in which a hologram is applied to a material through heating must satisfy the conditions set out in section 2 for novelty[36], section 4 for capability of industrial application[37] and section 3 which is to prove to a person in the same industry as non-obvious[38], their invention may be concluded as patentable. [39] [40] According to the section they must satisfy all three conditions set forward.[41] What cannot be patented is stated in section 2 of The Act and it must be determined whether Robert and Susan's invention does not come those inclusions.[42] It was held in *Fujitsu Application*[43] by Aldous LJ that patents will not be granted for "mere discoveries or ideas are not patentable, but those discoveries and ideas which have a technical aspect, or make a technical contribution." The word contribution was questioned in *Aerotel Ltd v Telco Holdings*[44] that set out a four-part test to determine whether an application amounts to an invention or not, where the second step was to identify the "contribution". As there was no clear definition to it, it was left for case law to provide for one.

Pumfrey J held in *Halliburton v Smith*[45] when seeking a definition for 'contribution' states that "the contribution that the inventor makes must lie in a technical effect and not merely in excluded subject matter." Mr. Peter Prescott QC held in *CFPH's Applications*[46] that once the technical aspect has been established, the next stage is to consider whether the invention is 'new and not obvious'. This can be determined whether the invention can be used industrially and if the invention does not yet exist. Therefore, Robert and Susan's invention cannot be considered one, merely because it doesn't fall under an exclusion and must satisfy the conditions set out by the courts in the above two cases.

As per section 7 (1) of the Act any person has the right to apply for a patent, individually or jointly. And subsection (2) of the same section specifies that the patent will be granted to the inventor, or

---

[35] GOV.UK, 'Statutory guidance, The Patents Act 1977', (*GOV.UK*) <https://www.gov.uk/government/publications/the-patents-act-1977> accessed 24th Jan 2018
[36] The Patents Act 1977 S 2
[37] Supra N 2 S 4
[38] Supra N 2 S 3
[39] Supra N 2 S 1(1)
[40] GOV.UK, 'Patenting your invention', (GOV.UK) <https://www.gov.uk/patent-your-invention> accessed 24th Jan 2018
[41] Supra N 5
[42] Supra N 2 S (2),(3)
[43] Fujitsu Limited's Application [1997] RPC 608
[44] Aerotel Ltd v Telco Holdings Ltd [2006] EWCA Civ 1371
[45] Halliburton Energy Services v Smith [2005] EWHC 1623 (Pat)
[46] CFPH's Applications [2005] EWHC 1589 (Pat)

joint inventors. In this case Susan and Robert wish to apply for a patent together and can do so as "joint inventors", which defines the word 'inventor' as "the actual deviser" of the invention.[47] It is may be presumed according to the scenario that the invention was both the work of Susan and Robert, and they're together considered to be the 'devisers'.

Section 14 to 16 of The Act governs the way in which Robert and Susan are required to make the application for a patent. The application must be made to the Patent Office[48], along with the filing fee[49], and must contain the information requested.[50] [51] The claimants, under section 8 of the Act can refer to the comptroller who is the General of patents regarding whether they are entitled for the grant or not.[52] The application must then go through a preliminary examination by an examiner assigned by the comptroller provided the application meets section 15A(1) requirements.[53] The examiner would analyze the application according to section 15A (2)-(9), and if the application meets the above mentioned statutory requirement, go forward with the publication.[54] Section 36 of the Act establishes the ability for a patent to be owned by two persons where each would receive an "equal, undivided share in the patent".[55] To sum up, if Robert and Susan are able to meet all the requirements set forth by The Act as discussed above, they would be able to go forward with applying for a patent, following the steps and standards prescribed by the law.

Another aspect that needs to be considered in the scenario is whether Bross Nightwear, the employer of Robert and Susan during the time of the invention has ownership of the patent.[56] [57] This is governed by section 39 to 43 of The Act, under Employee Inventions. Section 39 in short, states that all inventions made by an employee would belong to the employer if they were done so during the execution of the employees normal duties, where such an invention was expected during the execution of such duties, and when during the course of such execution was under special obligation to further the employers interest. [58] [59]

In Susan's case, her normal duties does not include the examining of discarded samples, out of office hours as the samples were already decided to be unfit for purpose by the quality and control department. It is mentioned that she drew on her experience at Bross Nightwear as a quality and control manager in order to apply the holograms to the material, however the invention was not and and could not have been made during the normal course of her duties as an employee. The holograms that were contributed to the invention by Robert were said to be acquired by him at a marketing seminar, that may have been organized by a third party with no affiliation to Bross

[47] Supra N 2 S 7(1-4)
[48] Supra N 2 S 14(1)(a)
[49] Supra N 2 S 14(1)(b)
[50] Supra N 2 S 14(2)
[51] Supra N 2 S 14(5)
[52] Supra N 2 S 8
[53] Supra N 2 S 15A (1)
[54] Supra N 2 S 16
[55] Supra N 2 S 36
[56] Shanks v Unilever Plc & Ors [2017] EWCA Civ 2
[57] Kelly and another v GE Healthcare Ltd [2009] EWHC 181 (Pat)
[58] Supra N 2 S 39 (1)(a)
[59] Supra N 2 S 39(1)(b)

nightwear. If Susan and Robert can show sufficient evidence that they're invention does not come under section 39(1)(a) and (b) Bross nightwear will have no ownership of the patent and invention as specified under section 39(2) which states that any "other" invention excluding those under the aforementioned sections, would belong to the employees, Susan and Robert.[60]

If the patent is granted to Susan and Robert, they will receive a patent certificate from the comptroller mentioning that the patent has been granted. This will be done in accordance with section 24(2) after the comptroller has published in the journal that the patent has been granted.[61] The term of the patent, it's restoration and surrendering is provided for in the following sections; namely from section 25 to 29. Once the patent is established for the invention, Robert and Susan can bring action against anyone who uses the process of applying holograms to materials through heat treatment[62], or uses the product made out of such process[63] without their permission. This would amount to infringement of their patent rights and are statutorily provided for under section 60 to 70F of The Act. In the case of *Improver v Remington (1990),* a purposive approach was adopted by the UK Intellectual property office in determining what amounts to direct infringement in a three-step test.

[60] Supra N 19,20
[61] Supra N 2 S 24 (1)
[62] Supra N 2 S 60(1) (b)
[63] Supra N 2 S 60(1) (c)

Bibliography

Cases

- Aerotel Ltd v Telco Holdings Ltd [2006] EWCA Civ 1371
- Baigent & Another v The Random House Group Ltd [2006] EWHC 719 (Ch)
- CFPH's Applications [2005] EWHC 1589 (Pat)
- Ernest Turner Electrical Instruments Ltd v Performing Right Society Ltd [1943] Ch 167, [1943] 1 All ER 413, CA
- Fujitsu Limited's Application [1997] RPC 608
- Halliburton Energy Services v Smith [2005] EWHC 1623 (Pat)
- Harms (Inc) Ltd and Chappell & Co Ltd v Martans Club Ltd [1927] 1 Ch 526
- Jennings v Stephens [1936] Ch 469, [1936] 1 All ER 409, CA
- John Kaldor Fabricmaker UK Ltd v Lee Ann Fashions Ltd [2014] EWHC 3779 (IPEC)
- Kelly and another v GE Healthcare Ltd [2009] EWHC 181 (Pat)
- LB (Plastics) Ltd. v. Swish Products Ltd. [1979] RPC 551
- Performing Right Society Ltd v Camelo [1936] 3 All ER 557
- Performing Right Society Ltd v Hawthorns Hotel (Bournemouth) Ltd [1933] Ch 855
- Shanks v Unilever Plc & Ors [2017] EWCA Civ 2

Statutes

- Copyright, Designs and Patents Act 1988
  Sections: S 3(2), S 3(1), S 9(1), S 19(2) (b), S 21, S 16(1) (e), S 11(1), Ch 3 S 28-76, S 93A, S 107 (1)(c), S 77(2) (a), S 96(1), 107(3) 3, S 11(2)
- The Patents Act 1977
  S 2, S 4, S 3, S 1(1), S (2),(3), S 7(1-4), S 14(1)(a), S 14(1)(b), S 14(2), S 14(5), S 8, S 15A (1), S 16, S 36, S 39 (1)(a), S 39(1)(b), S 24 (1), S 60(1) (b), S 60(1) (c)

International Statutes

- The Berne Convention for the Protection of Literary and Artistic Works
  Article 2

Online Resources

- GOV.UK, 'Exceptions to copyright', (*GOV.UK*) <https://www.gov.uk/guidance/exceptions-to-copyright> accessed 24th Jan 2018
- GOV.UK, 'How copyright protects your work', (*GOV.UK)* <https://www.gov.uk/copyright> accessed 24th Jan 2018
- GOV.UK, 'Intellectual property and your work', (*GOV.UK*) <https://www.gov.uk/intellectual-property-an-overview> accessed 24th Jan 2018

- GOV.UK, ‘Intellectual property crime and infringement’, (*GOV.UK*) <https://www.gov.uk/guidance/intellectual-property-crime-and-infringement> accessed 24th Jan 2018
- GOV.UK, ‘Patenting your invention’, (GOV.UK) <https://www.gov.uk/patent-your-invention> accessed 24th Jan 2018
- GOV.UK, ‘Statutory guidance, The Patents Act 1977’, (*GOV.UK*) <https://www.gov.uk/government/publications/the-patents-act-1977> accessed 24th Jan 2018
- World Intellectual Property Organization, ‘Managing Intellectual Property in the Book Publishing Industry’, (*WIPO*) <http://www.wipo.int/edocs/pubdocs/en/copyright/868/wipo_pub_868.pdf> accessed 24th Jan 2018