

When can you host a party and NOT offend Warner Bros?

Hamish Fraser and Kate Morton, Truman Hoyle Lawyers

Last Halloween's news that lawyers for Warner Bros wrote a 'cease and desist' letter to Ms Marmite Lover, a single Mum in the UK, who was planning to host a Harry Potter themed dinner party (complete with butterbeer and pumpkin soup) received worldwide media coverage, perhaps focussing on the irony of the former single Mum, JK Rowling, seeking to restrain another single Mum from eking out an existence or just being the "fun police". However the story raises some interesting questions: Can you host a Harry Potter party without offending any of JK Rowling's IP rights (or those of the movie studios and other rights holders)?

This story highlights some of the fundamental weaknesses in the creation and enforcement of IP rights when measured against commercial exploitation. No one would deny that blatant "stealing" of IP should be discouraged (music and movie copying is widely accepted as socially unacceptable as well as of course illegal), but when is a passion for a fictional character, and the hosting of a party for like minded souls, exploitation or abuse of the underlying rights and when does it arguably enhance the profits of the rights holders. Looked at another way, when does the hosting of Harry Potter gatherings actually increase sales of legitimate paraphernalia and enhance the value of the IP and when does it harm it?

The story casts a somewhat wider net and introduces issues of brand damage under the banner of brand protection. That is, has taking this action sent the message: Warner Bros will vigorously enforce its IP rights and thereby increased the brand value; or has it damaged the Harry Potter brand by unreasonably cracking down on people's obsession with the character and thereby reducing demand for it and its associated merchandise.

IP laws themselves are of course agnostic to these questions and themed party throwers should at least be aware of their legal position.

Wizards and the Law

While the "offending" Harry Potter dinners were on a small scale and not designed to return a great profit, they were at heart a commercial venture. The danger is that parents of wizard-obsessed children may mistakenly believe that the rights of Warner Bros and J K Rowling were trying to assert in the case of a commercial venture would also apply if they want to throw a Harry Potter themed party for their child. In fact, under Australian law the legal protection given to a famous fictional character such as Harry Potter can vary depending on whether it is used in a commercial or private context.

In Australia there is no single law that protects fictional characters themselves. Creators and their licensees such as J K Rowling and Warner Bros must rely on patchy protection using a combination of legal regimes such as the *Copyright Act 1968* the *Trade Marks Act 1995*, the tort of passing off and the statutory protection of the *Trade Practices Act 1974*.

Copyright

Characters themselves are generally not protected by copyright in Australia once they have been taken out of the context of the original works where they were created. That is: there is no copyright in the name Harry Potter per se. The *Copyright Act 1968* protects "works" including literary works (such as the Harry Potter books written by J K Rowling), dramatic works (such as the screenplay of the Harry

Potter movies) and artistic works (such as drawings of the Harry Potter character on the cover of the books). It also provides protection for films and sound recordings.

However, copyright law protects the “form” of the work, not the idea embodied in that work. Themes and plots are not normally protected and fictional characters in themselves, being part of that theme or plot, remain unprotected “ideas”. The words “Harry Potter” on their own are too insubstantial and unoriginal to attract copyright protection as a literary work.¹

Some form of copyright in characters themselves has developed in the United States. US case law has established that a fictional character can be protected under copyright independently of the work as a whole if the character is sufficiently clearly delineated and has acquired such distinctiveness and notoriety as to be recognised by the public separately from the work in which he appears.² The Tarzan character in the works of E.R. Burroughs is an example. So far this has not been recognised in Australia.

This means that copyright laws would not be infringed by throwing a Harry Potter party as such. However, if an image from the book or the films was used on invitations or advertisement for the party without permission there would be an infringement of the copyright in the artistic work or photograph. This would also be the case if images of Harry Potter were downloaded from the internet without permission and put on to a 5 year olds party invitations as there does not need to be commercial use for there to be an infringement of copyright.

For the non-commercial party host simply buying licensed Harry Potter invitations and paraphernalia would probably keep them within the letter of the law and make the character merchandisers happy. For those hoping to cash in on other’s Harry Potter obsessions without the blessing of Warner Bros there are other legal hurdles.

Trade Marks

Although the words “Harry Potter” are not protected by copyright laws, they can be protected by trade mark laws. The *Trade Marks Act 1995* provides a system of registration and protection for trade marks in Australia. Warner Bros has registered the words “Harry Potter” in Australia (and presumably many other countries) in relation to a whole raft of goods and services including entertainment services. A person infringes that registered trade mark if they use it as a trade mark in relation to one of the goods or services for which it is registered or if it is used in relation to closely related goods or services in a way that likely to deceive or cause confusion.

Extended protection is also given to famous marks under section 120(3) of the *Trade Marks Act*. Liability for infringement occurs if a person uses a sign that is substantially identical or deceptively similar to a registered trade mark which is well known in Australia even in relation to unrelated good or services if the sign would be taken as indicating a connection between the registered owner and the unrelated goods or services.

However, to offend the trade mark legislation it is essential that the mark is used “*as a trade mark*”. This involves the use of the trade mark in the course of trade to distinguish your goods or services from those of another.³ This means that it seems unlikely that sending out invitations for a child’s birthday party would not infringe the trade mark. However Ms Marmite’s use in advertising her dinner party for a business purpose, however small the likely profit might be.⁴

¹ Eg. *Hollingwood v Truswell* [1894] 3 h 420 (CA).

² Eg. *Nichols v. Universal Pictures Corp* 45 F.2d 119.

³ *Trade Marks Act 1995* sections 120 and 17.

⁴ *Shell Co of Australia Ltd v Esso Standard Oil* (1963) 109 CLR 407.

Passing off and Misleading or Deceptive Conduct.

The tort of passing off protects against misrepresentations calculated to damage good will. Although the three main elements that have been identified as necessary to engage in passing off are: reputation, misrepresentation and damage⁵, Australian courts have taken a broad and arguably somewhat artificial approach to the requirement for misrepresentation in the context of character merchandising cases. Similarly the requirement for misleading or deceptive conduct for actions under sections 52 and 53 of the *Trade Practices Act 1974* have been widely construed.

For example in the case *Pacific Dunlop Ltd v Hogan*⁶ an advertisement for leather shoes that parodied a well-known knife scene from the movie *Crocodile Dundee* was found to constitute passing off and a contravention of s52 of the *Trade Practices Act 1974* even though the actor in the advertisement did not look like Paul Hogan and there was only the barest trace of evidence showing that anyone was misled or deceived into thinking that the commercial was endorsed by Paul Hogan or the makers of the movie.

The basis for finding passing off and misleading or deceptive conduct in that case was an inference that the public would be aware in a general way of the widespread practice of creators licensing fictional characters for others to use in association with their products.

Consequently the publicity surrounding the Harry Potter “cease and desist” letter can only help strengthen the public’s awareness of character merchandising and thus strengthen the grounds for maintaining an action in passing off or under the Trade Practices Act.

However the action of passing off and the Trade Practices Act only protects the use of characters in commercial contexts. Sections 52 and 53 of the *Trade Practices Act 1974* only apply to a corporations engaging in trade of commerce. Similarly two of the characteristics that are often quoted as needing to be present to create a valid cause of action for passing off are “(1) a misrepresentation (2) made by a trader in the course of trade”.⁷ A parent throwing a birthday party for their child is clearly not a corporation or a trader engaging in trade or commerce.

Conclusion

So when can you throw a Harry Potter themed party and not offend Warner Bros? You will probably be staying within the law if it is a non-commercial party as long as you only use properly authorised character merchandise.

However if you want to hold the party for profit, perhaps you should get legal advice or hold a “generic wizard” party instead, as Ms Marmite decided to do in the end.

Hamish Fraser
Partner
Truman Hoyle Lawyers
hfraser@trumanhoyle.com.au

Kate Morton
Lawyer
Truman Hoyle Lawyers
kmorton@trumanhoyle.com.au

⁵ *Reckitt and Colman Products Ltd v Borden Inc (1990) RPC 341.*

⁶ *Pacific Dunlop Ltd v Hogan (1989) 14 IPR 398.*

⁷ *Erven Warnink BV v J Townsend & Sons (Hull) Ltd [1979] AC 731 (House of Lords).*

Tel: (02) 9226 9888
Fax: (02) 9226 9899

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