Alternative Dispute Resolution under WIPO Rules for TV Format Protection Right Issues *

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The protection of TV formats will continue to remain an issue even after the "format decision" of the German Federal Court of Justice (BGH) (judgment dated June 25, 1993 – I ZR 176/01, GRUR 2003, 876). For instance, the Regional Court of Munich ruled recently in the "Nivea for Men" case that the TV casting concept at issue was not protected by existing copyright legislation due to the lack of a recognizable 'core of a fable', i.e. the essence of a plot (judgment dated Jan. 14, 2010 – 7 O 13628/09, beck-aktuell report dated Feb. 1, 2010, becklink 1000823; plaintiff announced it would fight the case through all instances of appeal up to the Federal Court of Justice). The owner of the format of "The Farmer Wants a Wife" filed an action with the commercial court of the canton of Aargau, Switzerland, mainly on charges of unfair competition against the program "Farmer, single, wants …" ("Bauer, ledig sucht…") produced and broadcast in Switzerland.

Instead of turning to the state courts of justice, members of the Format Recognition and Protection Association (FRAPA) may opt to try to resolve disputes about the use of TV formats among themselves or involving third parties by using the services of the World Intellectual Property Organization (WIPO) in the future. This was announced by WIPO and FRAPA on April 7, 2010. In particular, mediation through the WIPO Arbitration and Mediation Center provides a procedural option that permits to take the particular features of the media industry into account without necessarily focusing first and foremost on the issue of the legal protection of TV formats.

I. Format Protection in Practice

1. Definition of TV Format

The concept of TV format is not a concept of law; it originated in the media industry. In its "TV format" judgment, the German Federal Court of Justice defined a TV program format as "the totality of all its characteristic features which are capable of acting as a general mould shaping each single episode and thus enable the audience at the same time to recognize such episodes easily as parts of a series" (BGH, decision dated June 26, 1993 – I ZR 176/01, GRUR 2003, 876, 877). The format of a TV show – which includes design elements such as title, logo, a fundamental idea on which the total sequence of events is based, certain participants, the specific way of presentation, signature tunes, signal colors and set design – thus forms a designed entity. This consistent look and feel is the basis of numerous new, similar episodes of a specific program and - like a plan - designed to serve their development (BGH, GRUR 2003, 876, 877). Unlike the German Federal Court of Justice and some of the literature (*Eickmeier/Fischer-Zernin,* GRUR 2008, 755, 756), the industry does not draw a basic distinction between the TV formats of fictional programs and of TV shows. Certain motifs, characters or the underlying topic may also be elements of fictional programs (which are based on a continuing plot and characterized by the acting persons).

2. Need of Protection

According to a FRAPA study conducted in 14 countries, the production output of formatted TV programs exported to other territories, including the exporting countries, was approximately EUR 9.3 billion from 2005 until 2008 (p. 17, FRAPA Report 2009). This does not include income from the exploitation of ancillary rights broadcasters and producers are particularly keen on in times of declining advertising revenue (aiming at a so-called 360-degree exploitation, i.e. in addition to TV exploitation marketing by merchandising and licensing through online, mobile, print and event channels). TV formats and TV format trading, or the underlying expertise, are gaining in economic significance. However, the success of some formats has frequently led to copycat formats, depriving the format developers of the fruits of their labor. In view of such rip-offs the question arises of how to protect TV formats under the law.

3. Legal Situation in Germany and Abroad

The German Federal Court of Justice denied as early as 1980 that a TV series had the required degree of creative originality to be protected as a work for lack of form-giving unity ("formgebende Einheit") (BGH, NJW 1981, 2055, 2056 – "Quizmaster"). In its "TV format" judgment, the German Federal Court of Justice then declared that TV formats were not generally copyrighted (BGH, judgment dated June 26, 1993 – I ZR 176/01, GRUR 2003, 876). The court stated that a format was not the creative conception of a particular subject or material, but only mere direction for the shaping of similar different subjects or materials, which are independent

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** The original article was published in German with the title "Fernsehformatstreitigkeiten und alternative Streitbeilegung" in GRUR-Prax 2010, 213. The publication of the English translation of the article on this website has been kindly authorized by the author and the publisher GRUR-Prax.*

of its content. This much criticized decision (*Eickmeier/Fischer-Zernin,* GRUR 2008, 755, 758 and *Schricker,* LMK 2003, 195; in agreement with the German Federal Court of Justice: *Flechsig,* ZUM 2003, 767, 770 and *Manegold*, in: Wandtke/Bullinger, UrhG, 3rd. ed. 2009, § 88, recital 22) is taken to be a clear-cut rejection of a TV format being able to enjoy copyright protection. Most recently, the Regional Court of Munich I decided in an action that became known by the name of "Nivea for Men" case filed by a format developer that the casting concept at issue was not protected by existing copyright legislation because there was no recognizable 'core of a fable', i.e. the essence of a plot (BeckRS 2010, 11462). Based on these facts, the plaintiff may make this a test case and fight it through all instances of appeal in order to reopen the issue of format protection under copyright legislation in Germany.

In practice, however, the "format decision" is still valid and the relevant provisions setting forth supplementary protection are §§ 3, 4 No. 9 German Act Against Unfair Competition (UWG). The special competitive features (reference to commercial origin and particular characteristics) will generally result from a combination of multiple specific features of the respective format that do not necessarily have to be new. In addition, there has to be a an element of unfairness involved, in particular an avoidable misrepresentation concerning the origin, an instance of taking undue advantage or affecting the appreciation or dishonestly obtaining knowledge (breach of trust) (*Eickmeier/Fischer-Zernin,* GRUR 2008, 755, 761). Whether a cease-and-desist claim or a claim for damages exists depends on the respective circumstances of the case; however, the courts have always been reluctant to recognize the special competitive features (OLG Munich , NJW-RR 1993, 619 – "Dall-As"; OLG Munich, ZUM 1999, 244, 247 – "Spot-on"; affirmative the OLG Hamburg, ZUM 1996, 245, 246 – "Goldmillion") and do not appear to have found in a single case that circumstances indicative of unfair practices existed. Usually, it is the provider of the business service who has a claim based on competition law, i.e. the broadcaster or the production company (*Litten,* MMR 1998, 528, 531 f.), which is important when determining plaintiff's standing to sue.

Outside Germany, the copyright situation is frequently different; especially in the Netherlands, France, the United Kingdom and Spain, a format may be deemed a protected work under certain conditions. However, alleged offenders are hardly ever found guilty of format copyright infringement and claims in this respect are considered rather under competition law aspects in some of these territories.

At the same time, it is not only private television broadcasters which show a tentative trend to treating TV formats as legal interests that are protected at least de facto when they agree on contractual stipulations governing formats. This includes not only license agreements, but also distribution agreements, e.g., where TV broadcasters and producers agree on rules for exporting successful formats. This allows also German broadcasters to benefit from international format trading.

II. Alternative Dispute Resolution

1. Significance of Alternative Dispute Resolution in the Media Industry

There are alternatives to solving conflicts in state courts (Alternative Dispute Resolution, ADR) (c.f. *Forster/Schwarz,* ZUM 2004, 800 et seq. on dispute resolution and mediation in the media industry). A distinction is to be drawn between *arbitration*, where a neutral third party (arbitrator) has the power to render a decision similar to that of a state court, *conciliation* that results in a non-binding settlement recommendation and *mediation*, where the third party involved acts merely as a mediator or moderator between the parties who are seeking a consensus by themselves.

Alternative dispute resolution is of special significance to the media industry - advantages over state court jurisdiction being speedy process, reduced cost and confidentiality, apart from more flexibility and individuality. In a sector that its participants generally perceive as being small, these benefits allow the players to save face and preserve existing business relationships or establish new ones in the future. Therefore, also alleged offenders in format infringement proceedings agree to get involved in alternative dispute resolution proceedings although their chances are pretty high in state courts, at least in Germany.

2. FRAPA

FRAPA is a registered international association headquartered in Cologne, Germany, whose members consist of approximately 100 companies from within the television and broadcasting industries. It is dedicated to improving the global protection of TV formats against piracy by conducting scientific studies, establishing industry standards and lobbying, e.g. Services provided by FRAPA include mediation proceedings to resolve format disputes and a format registry where its members may register their format proposals for TV programs as well as other materials, such as pilots or moodtapes (i.e. takes to visualize a format proposal or certain individuals) with proof of the date of receipt.

In 2004, FRAPA conducted 24 mediations (more recent figures are not publicly available). To date, approximately 80% of all mediations could be finalized by reaching a consensus.

3. WIPO Film and Media Rules

As a specialized agency of the United Nations, WIPO is responsible for the protection of intellectual property. The WIPO Arbitration and Mediation Center developed the WIPO Mediation and Expedited Arbitration Rules for Film and Media (WIPO Film and Media Rules). In force since November 11, 2009, these rules have been specifically tailored to resolve disputes in the film and media sectors efficiently in terms of time and cost. Services offered include mediation proceedings and expedited arbitration proceedings that can either be combined or used independently.

The WIPO Film and Media Rules are based on the standard WIPO Mediation Rules and the WIPO Expedited Arbitration Rules but have been modified as follows: Time limits have been shortened in order to further expedite the proceedings and administration fees for the WIPO Arbitration and Mediation Center as well as the mediators' or arbitrators' fees, as the case may be, have been reduced. In addition, a list of mediators and arbitrators specialized in the media industry is maintained.

4. Cooperation between FRAPA and WIPO

In April 2010, the WIPO Arbitration and Mediation Center and FRAPA have joined forces in providing alternative dispute resolution services in the TV format sector. With this step, the WIPO Arbitration and Mediation Center has taken on FRAPA's mediation activities described above with immediate effect and will handle TV format-related disputes filed under the WIPO Film and Media Rules. As a new feature in this context, these mediation services may also be used to resolve disputes between FRAPA members and third parties, hence not all parties need to be FRAPA members. While FRAPA did not offer arbitration proceedings in the past, the WIPO Film and Media Rules provide that the parties may switch from mediation to arbitration proceedings, provided they reach a consensus on this step.

Solutions provided by way of mediation may range from subsequent agreements on payments of license fees to a deliberate delineation of the formats in dispute. Insofar, mediation is aimed at practice-oriented solutions and as a result, licenses may sometimes be agreed upon for works that may not be copyrighted (under the heading of "blank transfer of intellectual property rights"). However, it could be argued that apart from the concept, confidential production know-how is also licensed this way.

III. Outlook

A large number of facts indicate that there will be a growing demand for alternative dispute resolution relating to format disputes: In light of an increasing production output of formatted TV programs, conflicts will occur in growing numbers; chances of reaching a consensus by way of mediation proceedings tailored to the needs of the industry are good, as is demonstrated by the few available numbers, and the media industry believes in format protection, notwithstanding the current legal uncertainty. Frequently, these conflicts have international implications. Given the expertise and international reputation of the WIPO Arbitration and Mediation Center, there is now a viable opportunity to resolve format-related conflicts without necessarily having to focus on the old issue of the legal protection of TV formats.

Related Links

In the "Nivea for Men" case, the Regional Court of Munich denied format protection; beck-aktuell report dated Feb. 1, 2010, becklink 1000823.

For information on the action filed against the program "Farmer, single, wants…" ("Bauer, ledig, sucht…"), see the websites of Frankfurter Allgemeine Zeitung.

Information on FRAPA and in particular on mediation proceedings is available on FRAPA's website, where you can also find a press release on the agreement with WIPO (in English, each).

The WIPO Film and Media Rules are available on WIPO's website. A press release (in English) on the new mediation service is also available there.