

# Off the air

Screenrights' Newsletter

**screenrights**

Screenrights is a non-profit company, which administers copyright licences in Australia and New Zealand and collects similar royalties from Europe and North America for its 3,000 members from 56 countries.

September 2009

## **Feature: Product Placement**

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## **Voting for Screenrights Board**

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## **World Congress of Science and Factual Producers**

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## Feature: Product Placement

It's commonplace for film characters to drink a specific type of drink, drive a particular type of car, and wear a certain watch brand – product placement is widespread in the film industry. **Trudie Broderick**, Indigenous Legal Services Officer, and **Rebecca Laubi**, Senior Solicitor, Arts Law Centre of Australia ([www.artslaw.com.au](http://www.artslaw.com.au)), outline the legal issues that may arise for producers considering using recognisable products or entering into a product placement deal.

### Product placement power

In the movie **Casino Royale**, we saw Bollinger, Aston Martin and Omega. Google searches and Chevrolets appeared in various scenes throughout **Twilight**. The power of product placement is not to be underestimated as a money making tool.

The objective for a brand owner entering into a product placement deal is to obtain a form of subconscious advertising by showing the product in an apparently non-commercial context. For filmmakers, product placement is an excellent avenue to cut expenses by getting props and costumes for free, and to raise their film's profile through its endorsement by a well-known brand. It can even be a way for filmmakers to get a little extra cash.

This article outlines four types of legal issues filmmakers should consider before using branded or recognisable products in their film, or entering into any product placement deal.



Rebecca Laubi and Trudie Broderick

### 1. Trade Marks

A trade mark is a sign used in business to indicate that goods or services come from a particular manufacturer or service provider. For example, the swoosh symbol indicates that the products come from the Nike company.

The Trade Marks Act prohibits the unauthorised use of a trade mark as a trade mark. Anyone who wants to use a given trade mark needs the permission (called a licence) of the trade mark owner. An unauthorised use of a trade mark constitutes an infringement of the owner's rights and bears legal consequences.

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Before using products bearing a particular logo or trademark in their film, filmmakers should consider whether that product placement amounts to the use of the trade mark as a trade mark. The answer to this is usually no, but they should seek legal advice if they have any doubt. For example, there is no trade mark infringement if a product just momentarily flashes across the screen (for example, a character is wearing a pair of Nike shoes) because the trade mark is not being used as a 'badge of origin' in that situation.

## 2. Copyright

If the label or trade mark bears an artistic work, filmmakers should also consider copyright before placing branded products in films. Under the Copyright Act, 'artistic works' include paintings, drawings, engravings or photographs. The owners of copyright in artistic works have exclusive rights of control over the reproduction, publication and communication to the public of their works. The unauthorised use of a 'substantial' part of an artistic work in any of the ways reserved to the copyright owner amounts to a copyright infringement. A part is substantial if it is a distinctive or essential part of the work.

Filmmakers therefore have to ask whether the reproduction and communication to the public of a label bearing an artistic work in their film amounts to the use of a substantial part of that work. If it does, they will need a licence from the copyright owner unless a legal defence or exception applies. Often, the copyright owner will see the commercial benefit of having his or her artistic work appearing in the film, and will be willing to strike a mutually beneficial arrangement.

An important exception to the permission requirement under the Copyright Act relates to incidental inclusions of artistic works in films: copyright in artistic works is not infringed if the inclusion of the work is only incidental to the principal matters represented in the film. What is 'incidental' depends on the circumstances. Relevant factors include the prominence of the artistic work, its importance to the script, and the length of time it appears. For example, Josh Lyman appears in episodes of **The West Wing** series carrying a Starbucks coffee cup. The reproduction and communication of the artistic work (i.e. the logo) on the Starbucks label could be considered an incidental inclusion as it appears only briefly and does not relate to the principal matters represented in the series.

Further, there are defences to certain unauthorised uses, for example if the unauthorised use is a fair dealing for the purpose of criticism and review, news and current affairs, reporting, parody and satire, and research and study.

## 3. Passing Off and Misleading and Deceptive Conduct

The law of passing off protects businesses against someone wrongfully appropriating their good reputation. In the context of product placement, a business must prove the following elements to succeed in a legal action for passing off:

- the branded product has goodwill or a reputation;
- the filmmaker has misrepresented a connection between the brand and the film; and
- the brand has experienced financial damage or a threat as a result of that misrepresentation.

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Further, the provision of the Trade Practices Act governing misleading and deceptive conduct prevents businesses from deceiving consumers, for example by implying that a company has endorsed a film showing its product.

To avoid liability for passing off or misleading and deceptive conduct, filmmakers should prevent any impression that the brand owner has endorsed or is associated to the film featuring its products. An effective manner of achieving this is to include a corresponding disclaimer at the film's beginning. Alternatively, the filmmaker can seek the written consent of the brand owner to use the products in the film.

#### 4. Tobacco in Advertising and Film

As explained above, product placement is generally permitted if rights are respected. There are, however, some essential prohibitions in product placement and advertising in Australia. The Tobacco Advertising Prohibition Act (TAP Act), which aims to limit the public's exposure to messages and images persuading people to smoke or use tobacco products, contains such a prohibition.

The TAP Act prohibits incorporating a tobacco advertisement into a film. A tobacco advertisement includes any moving picture that gives publicity to, promotes or intends to promote any of the following:

- smoking;
- the purchase or use of tobacco products;
- a particular brand of tobacco product;
- a specific tobacco manufacturer; or
- any words or images closely associated with a tobacco product.

Some exceptions apply, for example when:

- the purpose of the footage is to discourage smoking or the use of tobacco products;
- the publication of the tobacco advertisement is accidental or incidental and the filmmaker does not receive any benefit for publishing the advertisement.

This means that unless they can rely on an exception, filmmakers cannot include anything that promotes or is intended to promote smoking. Filmmakers should seek legal advice to ascertain whether the footage falls within the TAP Act definition of tobacco advertisement and if so, whether an exception applies to the intended use of that footage.

Further, the TPA Act also prohibits agreements for the publication of tobacco advertisements in return for some benefit. Therefore, filmmakers cannot receive funding or other benefits from a tobacco company in exchange for only using their particular brand of cigarettes in the film. Filmmakers should also be aware that the promotion of a film containing prohibited tobacco advertisements is prohibited. Therefore, TV stations, film distributors and cinemas are unlikely to want to purchase any content which offends the TAP Act.

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## Practical considerations

As a filmmaker, you may consider the following points when assessing whether to tap into the world of product placement:

- Do you need a licence?
- Does any prohibition apply?

Be as open and honest as possible about your film. Problems are looming if the brand owner believes it provided props and money for a family film, and you are producing a soft port thriller;

Be sure to clarify and understand the deal. What does the brand owner expect from you and what will it provide? Cash? Free products? In what quantity and by when? Will the brand owner have any creative control over the product placement in the film?

Don't commit to something that you cannot offer. For example, the producers of **Die Hard 2** agreed to use a Black & Decker power tool in a scene in exchange for promotion by Black & Decker. The scene ended up on the cutting room floor and the producers had to pay Black & Decker a substantial settlement fee for breach of their agreement.

Know what you are agreeing to. If you agree to credit the brand owner, specify the credit size, where it will appear and whether it will consist of the brand owner's logo, name or both.

More generally, it is advisable to contact the Arts Law Centre of Australia or a lawyer with film industry experience prior to production. This will help you properly identify legal issue you need to address, in particular any licence you may need, and prevent problems later.

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## EnhanceTV ATOM Awards finalists

Congratulations to all finalists in this year's prestigious EnhanceTV ATOM Awards.

The awards are open to students, production companies, independent filmmakers, educational bodies and producers, with the winners announced at a Gala presentation in Melbourne on 23 October.

A full list of the finalists in all categories can be viewed at <http://www.enhancetv.com.au/atom/2009/index.php>

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## Voting for Screenrights Board

All Screenrights members will soon receive information and voting forms for directors to fill the four vacancies on the Screenrights' Board.

Every three years, four of the 12-member Board must retire, creating four vacancies. Retiring directors can choose to stand for re-election.

All nominated candidates supply Screenrights with a biographical statement, which is sent to members.

Voting closes on 22 October, and the results of the election will be announced at the Screenrights' Annual General Meeting to be held in Sydney on October 29.

## World Congress of Science and Factual Producers

Calling all broadcasters and producers of science and history television – The World Congress of Science and Factual Producers (WCSFP) is coming to Melbourne.

The WCSFP is an annual four day conference bringing together the international community of broadcasters and producers of science and history television to network and take part in a series of professional development panels.

The 17th annual conference will be held in Melbourne from December 1 - 4, 2009 in partnership with the ABC, which will serve as the host broadcaster for this year's Congress, along with Film Victoria (Host State) and Screen Australia (Industry Partner).

Find out more at [www.wcsfp.com](http://www.wcsfp.com)