#### entertainment One

The Geopoliticization of Intellectual Property: Brand Protection in an Evolving Global Order

Niall Trainor, Managing Attorney, Hasbro Digital Brand Protection Forum, Berlin, 16 November 2023

# INTRODUCTION

Hasbro is a leading toy and game company whose mission is to entertain and connect generations of fans through storytelling and play.

- Delivers engaging brand experiences for global audiences through toys, consumer products, gaming and entertainment
- portfolio of iconic brands including DUNGEONS & DRAGONS, NERF, TRANSFORMERS, PLAY-DOH, PEPPA PIG and MY LITTLE PONY as well as premier partner brands.
- Partners include Disney, namely Star Wars and MARVEL.

Head of IP team for eOne Family Brands Division - team based in London & Shanghai

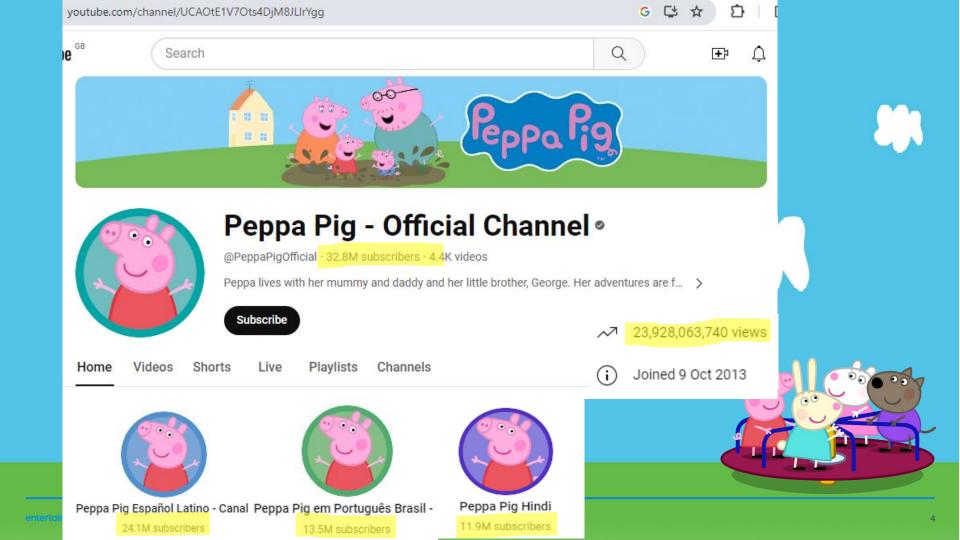
- Current focus is Peppa Pig & PJ Masks
- Future work likely to involve Hasbro owned IP along with future brands currently in development







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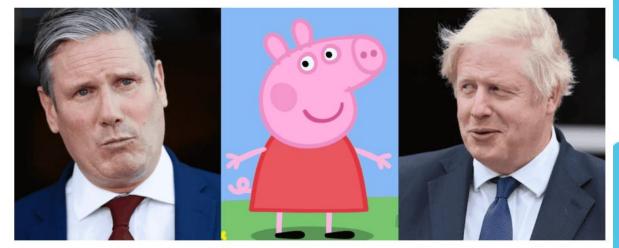
 Peppa Pig's popularity and fame have been reinforced and enhanced by numerous media references, including by high profile figures such as Boris Johnson, Adele, Stormzy and Kourtney Kardashian, as evidenced by the material at Claimants' ID no. 110.





#### Starmer and the Johnsons clash over Peppa Pig

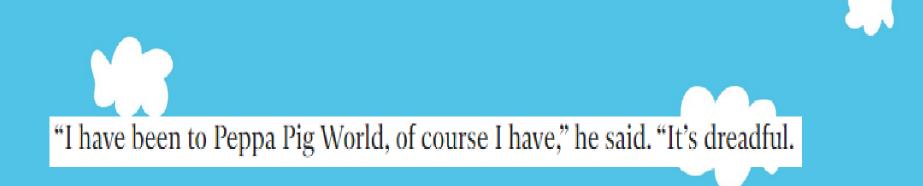
🛗 4 December 2021, 2:35pm



enough. It's fantastic. I loved it. Peppa Pig World is very much my kind of place.

"It has very safe streets, discipline in schools, heavy emphasis on mass transit systems, I notice, even if they are a bit stereotypical about Daddy Pig."

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#### The Sydney Morning Herald

March 12, 2019 – 5.28pm

### Peppa Pig safe as Chinese courts crack down on counterfeits

The president of the Supreme People's Court, Zhou Qiang, on Tuesday highlighted the success of a foreign company in defending the copyright of Peppa Pig through a new online court system.

Zhou said in the Supreme Court's work report to the National People's Congress on Tuesday that 15,000 foreign-related civil and commercial cases had been resolved through Chinese courts in 2018.

#### UK: Peppa Pig triumphs in landmark Chinese copyright

#### case

24 AUG 2018 | 🛞 Reading time: 1 minute

A toy manufacturer has been fined for producing **Peppa Pig** kitchen sets for kids, in a landmark ruling for intellectual property rights in China.



Ye Shengnan, the judge in the case, said: "This case is a landmark in the way that it serves as a warning to the chaotic market, and it's the first ruling on production copyright infringement."

**Entertainment One**, the British company behind Peppa Pig, said the ruling sent "the right message to the market about copyright protection".



#### Peppa Pig Declared Well-known Trademark by Chinese Court

#### Sat, 19 Jun 2021

Yes, Peppa Pig is a well-known trademark in China and enjoys cross-category protection, says a Shanghai court in the case of Entertainment One UK Limited (2019).

In January 2021, Shanghai Intellectual Property Court confirmed that the trademark related to Peppa Pig, a brand held by a British company, was a well-known trademark in a trademark infringement case.

From Entertainment One UK Limited v. Chen Jianguang, Shanghai Xunmeng Information Technology Co., Ltd. (2019) Hu 63 Min Chu No. 674 ((2019)沪73民初674号), we can learn that how a trademark registered by a foreign right holder in China can be recognized by courts as a well-known trademark.

### Rightholder of Peppa Pig claims more than US\$ 500.000 for infringement of its copyright by Russian toy producer

The claim of Entertainment One UK against one of the leading Russian toy producers, SIMBAT, on the infringement of copyright for Peppa Pig is under review by the Moscow Commercial Court.

The Russian company was selling building kits with a pig character on them that looked like Peppa, without a license agreement with Entertainment One UK. The Russian producer argued that they used another character, not famous Peppa. SIMBAT also

xinhuanet.com/english/2019-03/12/c\_137888273.htm



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Chief Justice Zhou Qiang delivers a work report of the Supreme People's Court (SPC) at the third plenary meeting of the second session of the 13th National People's Congress (NPC) at the Great Hall of the People in Beijing, capital of China, March 12, 2019. (Xinhua/Pang Xinglei)

BEIJING, March 12 (Xinhua) -- Chinese judicial and procuratorial organs have maintained high pressure on law violations, ranging from graft, local mafia to "Peppa Pig" copyright infringement, to safeguard justice, social stability and development.



The judiciary also endeavors to serve the country's all-round opening-up, the Belt and Road Initiative, and high-quality development, according to the work reports of the Supreme People's Court (SPC) and the Supreme People's Procuratorate (SPP) to the on-going annual national legislative session Tuesday.

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Strengthening intellectual property protection, Chinese courts concluded 288,000 cases related to intellectual property rights (IPR) of first instance in 2018, marking a year-on-year increase of 41.8 percent.

Meanwhile, 8,325 people were prosecuted for criminal acts such as infringement of patent rights and trademark rights, up by 16.3 percent.

A tribunal for IPR-related cases was set up at the SPC last year to further strengthen the judicial protection of IPR.

In addition, the judiciary improved legal service of China's all-round opening-up. The courts concluded 15,000 foreign-related civil and commercial cases of first instance in 2018.

Among the cases was one handled by the Hangzhou Internet Court, which adjudicated in last August a copyright infringement case and ordered two offending Chinese companies to compensate for the economic loss of British animation "Peppa Pig" character's copyright owners.

Now Russia sanctions PEPPA PIG: Court rules trademark for the beloved children's cartoon can be flouted amid 'restrictive' Western measures - paving the way for mass abuse of copyright

- Russian judge passes ruling allowing copyright infringement of Western firms
- Judge Andrei Slavinsky said iconic images can still be used without punishment
- Peppa Pig will continue to be shown in Moscow despite call from Entertainment One - the cartoon's creator - requesting it be dropped in Russia as per sanctions

By WILL STEWART FOR MAILONLINE PUBLISHED: 19:17, 12 March 2022 | UPDATED: 19:17, 12 March 2022

#### Russia takes revenge on Peppa Pig after British sanctions over Ukraine invasion

The shocking ruling came in a provincial court in the Russian city of Kirov and said that trademarks over the famous character could be abused in retaliation to British sanctions on the country



Business | Patent aggression

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Jun 2nd 2022

#### Has Russia legalised intellectualproperty theft?

A new law seems to strip away the IP rights of Western firms

Peppa Pig has become an unexpected player in Russia's response to Western sanctions





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Facing isolation from the West and friendly courts at home, Russians are feeling emboldened to grab foreign IP. More than 50 applications to register Western brands such as Coca-Cola and Christian Dior were made in the last two weeks of March alone. Patented software and devices whose foreign producers have stopped selling in Russia are likely to be next. On May 6th Russia published a 25page list of goods that could be imported without permission from the owner. It includes Apple phones, Nintendo game consoles and parts for Tesla cars, as well as weapons and ammunition. Western firms are already feeling the shift. In early March Entertainment One UK, the British arm of a Canadian company, lost its case against a Russian rival using a fake Peppa Pig, one of its trademarked cartoon characters. The case was dismissed, says Vladimir Biriulin from Gorodissky and Partners, Russia's biggest IP firm, because Britain falls into the "unfriendly" camp. When Entertainment One asked for compensation, an arbitration court in Russia ruled that granting such a demand was "an abuse of right" in light of British sanctions. In May a higher court rejected the firm's appeal.











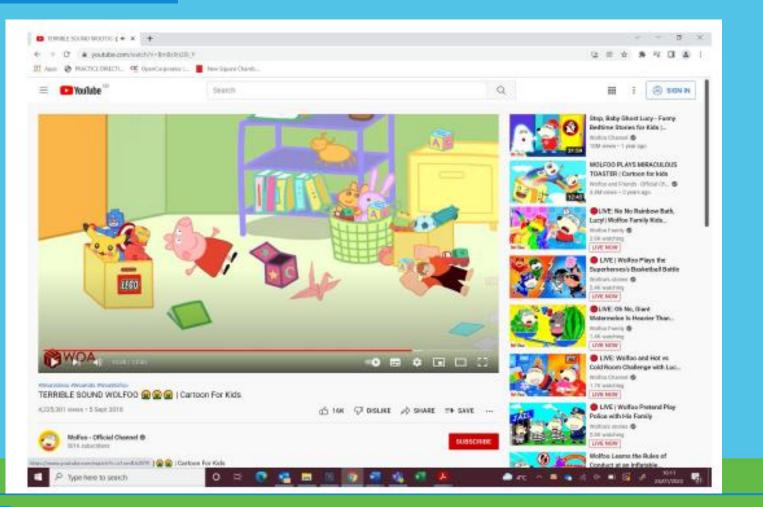








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*Briggs J* at para 118. "......The Scenery and Background Works are pleaded and depicted in Schedule 2 which shows the "Peppa Pig Scene" and the "Wolfoo Scene". The scenes look remarkably similar....."



# SCONNECT WELCOME GOOGLE PARTNERS

20-07-2022

On the morning of July 19, Sconnect's board of directors along with Wolfoo Game and Director of BU WOA had a face-to-face meeting with Google partners at Sconnect's 4th office (280 Nguyen Xien, Thanh Xuan, Hanoi).) G

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### WOLFOO GAME RECEIVES GIFTS FROM GOOGLE

12-08-2022

Wolfoo Game is honored to participate and accompany Google in the Vietnam Gaming Growth Lab 2022 program, promising to meet, listen, share, and experience a lot of knowledge with experts from Google and major Game Studios.

Gaming Growth Lab is an EXCLUSIVE online seminar program that Google dedicates to the most promising and growing mobile game studios in Vietnam, to promote businesses' business activities with Google.

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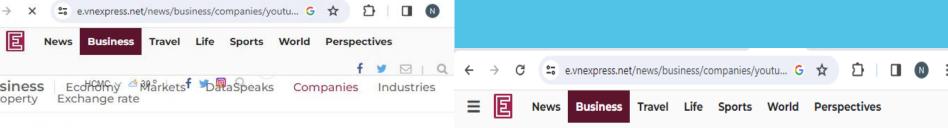


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#### SCONNECT VISITED GOOGLE PARTNER'S WORKOFFICE IN SINGAPORE

391



#### ouTube deletes 3,000 videos, ietnamese studio cries foul

I Quy August 1, 2023 | 06:55 pm PT



artist works on the animation of cartoon character Wolfoo at an office of Sconnect. to by VnExpress/Quyen Pham

LUCC DO

YouTube has deleted over 3,000 videos about a cartoon character name Wolfoo due to alleged copyright violations even as the Vietnam-based producer Sconnect continues to deny all accusations.

The videos, which had billions of views, were asked to be removed by U.K. company Entertainment One, which claimed that Wolfoo was based on its creation "Peppa Pig", Sconnect said in a report to Vietnamese authorities at the end of July.

Entertainment One reported the videos to YouTube in April, claiming that the scenes used in Wolfoo videos were copied from Peppa Pig.

The company in July again reported the videos, claiming that the Wolfoo videos were also copying some of the audio and sound effects from Peppa.

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But Sconnect said that in both cases, Entertainment One and YouTube were not able to provide any clear evidence to show that copyright regulations were infringed.

Sconnect said that the scenes and sounds mentioned are popular in everyday life.

There is no legal ground for the claims, the studio argued, adding that its requests to YouTube since June have received no response even though the number of removed videos is increasing.

Wolfoo Family, one of the YouTube channels that provides the videos, has lost around 2.4 billion views due the removed videos since May.

Sconnect is now asking Vietnamese authorities to convince Google and YouTube to stop accepting copyright claims from Entertainment One.



In September 2022, Sconnect submitted written petitions to four Ministries seeking their assistance.

- Specifically, Sconnect requested the Ministry of Information and Communications to compel EO to cease its 'unfair competition activities' and to prevent online platforms from accepting EO's copyright claims until the UK High Court had delivered the judgment.
- Also asked the same Ministry to work with other state agencies to expedite the company's complaint to Vietnam's National Competition Commission.
- Further appealed to the Ministry of Culture, Sports, and Tourism and suggested that it file petitions with the People's Court of Hanoi the National Competition Commission, and the Department of Competition and Consumer Protection to quickly resolve its trademark infringement counter-claims against eOne.

#### **Managing IP**



SConnect has contacted the Vietnamese government following eOne's letter about YouTube IP takedowns, in an increasingly bitter dispute

The maker of the Wolfoo cartoon has claimed that the trademark owner of Peppa Pig unfairly secured takedowns from YouTube – and has again encouraged Vietnam's government to protect local businesses.

In a letter sent to various government ministries yesterday, November 7, Vietnam-based SConnect said eOne had "absolutely no right to implement YouTube takedown measures".



# • Exclusive: Peppa Pig owner slams 'groundless' Vietnam lobbying

The claims come after the Vietnamese government was told that YouTube's policies have caused damage to the maker of the 'Wolfoo' <u>cartoon</u>

The Peppa Pig franchise owner has written to the Vietnamese government in response to ministers being asked to stop YouTube from taking down allegedly infringing material, it has been revealed this week.

In a letter sent to several departments, including the Ministry of Information and Communication and the Ministry of Science and Technology, UKbased eOne described requests by the Vietnam Digital Communications Association (VDCA) as "totally groundless and unreasonable".

The entertainment company said ministers had essentially been told to intervene in Google and YouTube's international copyright policies.

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Other examples of political interference:

2019 – eOne filed copyright registration in Vietnam for image of Peppa Pig – with no issues





• 2022 – tried to file additional copyright registrations in relation to Vietnamese litigation



- Huge obstacles and objections now from Vietnamese Copyright Office (a government ministry) refused to register any further copyrights relating to Peppa Pig.
- Only managed to get registration once British Government (IP Attache for SEA) intervened on our behalf. •

- Approached the Ministry of Industry and Trade to demand that EO cease its alleged unfair competition practices and that the National Competition Commission expedite Sconnect's enforcement efforts
- Finally, the company asked the Ministry of Science and Technology to demand that EO respect Vietnam's IP laws and Sconnect's IP rights.
- To summarise, Sconnect made relentless efforts and leveraged various state agencies to try and pressure a foreign company to withdraw from the dispute.
- Such behaviour underlines the potential for the overprotective role of the State in what should be purely a commercial matter between businesses.

A number of concerns and issues with this approach:

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- Clear interference with legitimate processes for dealing with online copyright disputes
- Inappropriately lobbying Government authorities using political pressure to force Google to ignore their own policies
- Worrying trend copyright disputes are commercial matters, not administrative ones puts courts in a difficult position
- Intermediaries such as Google can themselves become a political football depending on their links with local government
- Vietnamese Courts are not independent of the Vietnamese Government if pressure put on the various ministries to act, we can only assume the same pressure will be applied to the courts

# IP managed in Soviet style?

#### Why take this approach?

- One possible reason as a communist country, with a one party state, Vietnam retains close ties with the old Soviet Union, and it former policies on IP.
- Influence is still being felt transplantation of socialist IP law was done with little regard for local circumstances in Vietnam.
- Close link between the economies and political models of the Soviet Union and Vietnam facilitated the transfer of the former's IP system to the latter.
- Soviet IP laws were imbued with a socialist ethos and typical features of a command economy shaped by the political ideology of the Communist Party at odds with western capitalist viewpoint.
- Vietnam, in an IP sense, is where China was maybe 10-15 years ago a lot of catching up to do.

# **CURRENT STATUS**

#### Peppa Pig accused of bullying and fatshaming in IP defence

SConnect, which is locked in an IP war with eOne, also admitted that a thirdparty contractor did use audio files from Peppa Pig episodes on rival 'Wolfoo' <u>videos</u>

Vietnam-based media company <u>SConnect</u>, whose YouTube series about a cartoon wolf has been subject to a litigation war with Peppa Pig, has taken aim at the cartoon swine for allegedly promoting bullying, fat-shaming and "outdated gender stereotypes".

In a defence to an infringement claim it is facing at the England and Wales High Court, <u>SConnect</u> has made a string of criticisms against Peppa Pig episodes.

"The content of the claimants' Peppa Pig videos contain objectionable content, the promotion of outdated gender stereotypes and the promotion

of objectionable and unmitigated behaviour, such as bullying and rudeness," the defence said.

Media company Entertainment One (eOne), which owns the rights to Peppa Pig, has <u>alleged</u> copyright and trademark infringement and passing off against <u>SConnect</u>.

SConnect runs various YouTube channels including one called 'Wolfoo', which features a cartoon wolf and its friends.

SConnect's defence, filed on March 1, said the Peppa episodes called 'The Fire Engine', 'The Treehouse' and 'The Playground' include bullying, fat-shaming, and sexism.

In the document, seen by Managing IP, SConnect also admitted to unwittingly copying audio files from Peppa Pig episodes. However, it still denies the allegations against it.

SConnect said a third-party contractor it briefly employed admitted to using some audio files from Peppa Pig episodes.

### **GOOGLE/YOUTUBE**

- Potential liability? Google now aware the content is infringing
- Failure to remove content expeditiously takes them outside safe harbour provisions in the E-Commerce Directive
- Also potential liability as a content-sharing service provider under the Digital Single Market Copyright Directive (Art. 17(4)(c))
- YouTube only exempted if it can show it has:

"acted expeditiously, upon receiving a sufficiently substantiated notice from rightholders, to disable access to, or to remove from their websites, the notified works or other subject matter, and made best efforts to prevent their future uploads"

- Further, YouTube removed the cartoon SuperJoJo on the basis that it infringed the IPR of Moonbug Entertainment's Cocomelon, after proceedings were filed in California - no material difference between that case and ours
- Given that YouTube unquestionably holds a dominant position on the relevant market, this discriminatory practice could be considered a clear breach of Article 102 TFEU/Chapter II Competition Act 1998.

#### **Geopolitical tension in China**

China been an area of contention for IP matters, particularly regarding foreign patents

- Battle to control global semiconductor market leadings to increased protectionism
- US, China and particularly Taiwan increasingly using IP for their own geopolitical interests
- · Foreign claims and applications in Chinese courts not independent decisions can often be politically motivated

US has indicted several Chinese nationals for trade secret violations over past year, and taken further steps:

- On January 5, 2023, President Biden signed into law the Protecting American Intellectual Property Act of 2022 (PAIP).
- PAIP requires that the President identify to Congress individuals and entities associated with theft of US trade secrets, and requires that sanctions be imposed on such identified persons
- Though the scale of PAIP implementation remains to be seen, its enactment may impact IP dispute resolution and commercial due diligence worldwide.



## **COVID-19: IP Dispute**

Most significant recent example of IP becoming a Geopolitical issue - COVID-19

- All major countries seeking to develop their own vaccines and treatments to monopolise market
- Countries (China, Russia) only distributing locally made vaccines and refusing entry to foreigners who had not taken local vaccine
- China used it as an opportunity as an extension of the Belt and Road Initiative "Health Silk Road" – to provide vaccines to certain MENA countries to gain favour and influence

However, not all antagonistic - coalition of countries led by India and South Africa brought a temporary waiver proposal of certain provisions in the WTO Agreement TRIPS to facilitate fair, affordable and universal access of COVID vaccines and medicines, predominantly for developing countries.

• Notably, the EU opposed it – didn't like this free for all approach to IP licensing



### TRADEMARK



#### **POST-BREXIT TRADEMARK IMPLICATIONS:**

#### Retained EU Law (Revocation and Reform) Bill 2022-23

- UKIPO has <u>identified</u> 82 pieces of IP-related legislation that potentially fall within the scope of the provisions of the Bill, including the Copyright and Rights in Databases Regulations 1997 (SI 1997/3032) and the Trade Secrets (Enforcement etc) Regulations 2018 (SI 2018/597).
- UKIPO initially identified 63 pieces of legislation- increased to 70 and it has now crept up to 82.
- It is not yet clear what the government's precise plans are in the IP arena.
- The UKIPO stated in a <u>press release</u> that they must decide whether retained EU law, in the scope of the sunset provision, should be allowed to lapse, or whether to retain, replace or reform it,

#### TRADEMARK POST-BREXIT TRADEMARK IMPLICATIONS:

- Luckily, primary domestic IP legislation is unaffected by the sunset provisions of the Bill e.g. the CDPA 1988, the TMA1994 and RDA 1949 will all remain in place, unless amended or replaced by domestic legislation passed by Parliament in the normal way.
- However, no obligation to interpret them in line with EU law may see divergence sooner rather than later e.g. between the meaning UKTM Act and EUTM Directive.
- Secondary domestic legislation *is* subject to the sunset provisions however, so significant pieces of IP legislation may well be at risk of automatic revocation by 31 December 2023.
- Already seen the judges' reluctance to depart in the Court of Appeal case in <u>TuneIn v Warner</u> <u>Music</u>. [2021] EWCA Civ 441

# **IP in the UK Post-Brexit**

Impact of Brexit? IP has itself become a political football.

- Brexiteers want as little harmonisation or retention of existing laws, even if negative impact
- Remainers want to retain/maintain harmonisation as much as possible where makes sense
- IP Practitioners preference is for as little divergence as possible any move away from EU law is unwelcome as will cause uncertainty for brands and businesses owning trademarks

Impact already being felt in practice in the UK, for example:

- UK practitioners no longer allowed to be representatives for EUIPO proceedings
- UK no longer signatories to EU legislation they were heavily involved in such as the EU Copyright Directive and the Digital Services Act both relevant to digital brand protection

What does this all mean for Digital Brand Protection?

What is the practical impact for brands?

 <u>Disputes</u> – increased likelihood of litigation and disputes – US and China will continue to be the main battlegrounds

Global platforms:

- <u>YouTube</u> for example available in nearly every country. Therefore, increasing need to developing businesses to understand they must comply with IP rights everywhere, not just their home country
- <u>Responsibility / Liability</u> increasing reliance and onus on global platforms to properly police and quickly deal with IP infringement notifications
- <u>Legislation</u> likely need for further legislation to force platforms to proactively deal with infringement and accept liability for such infringement rather than hide behind the intermediary defence, with potential divergence between EU, US and China
- <u>New ADR procedures</u> already done in China specialised internet courts for speedy trials for online IP infringement cases all dealt with online and typically finish or settle on average within 6 weeks

# What does this all mean for Digital Brand Protection?

- Increased competition As global competition increases, particularly from emerging economies such as China and across SEA, we can expect to see growing pains as they threaten established economies with their own IP developments
- <u>Protectionism</u> Countries will either increasingly make efforts to protect their own IP, particularly where the State is closely intertwined and influential with businesses and court systems.
- <u>Rival blocs</u> can expect to see like-minded countries grouping together for extra support to their version of IP protection
- <u>Lobbying</u> all countries likely to put pressure on Governments to legislate and support local businesses, and also to increase pressure on the major stakeholders for content, e-commerce and social media platforms for more robust efforts
- Increasing Awareness hopefully, increasing awareness from emerging economies (Vietnam being a good example) to better understand IP rights, and how these are exploited and interpreted in the West, and reduce potential for future disputes

#### PARENTY

#### Peppa Pig brings home the bacon

The porcine celebrity has become a goldmine of literature, television and merchandising that keeps raking in the money.



Peppa Pig. Picture: Entertainment One



# Thank you !

Niall Trainor, Managing Attorney, Intellectual Property, Hasbro

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