

**The Empire Strikes Back: U.K. Decision Highlights Difficulties  
In Protecting IP Rights Abroad**

**Ryan P. Siney, Esquire  
Tucker Arensberg, P.C.**

In a battle suited for the likes of Darth Vader and Luke Skywalker, a U.K. appellate court ruled that a U.K. court may not apply U.S. copyright law. In *Lucasfilm, Ltd. v. Ainsworth* [2009] EWCA Civ 1328, decided December 16, 2009, the High Court of Justice Court of Appeal of England and Wales reversed a lower court's decision to enforce U.S. copyright law in the U.K. This decision highlights the difficulties in enforcing intellectual property rights internationally. Clients should be warned that enforcing a U.S. copyright internationally may be challenging and encouraged to register and protect their intellectual property rights internationally.

Ainsworth, the defendant, created the prototype helmet for stormtrooper characters in *Star Wars*. In 2004, Ainsworth sold replicas of the stormtrooper helmets through his website and generated \$14,500 in the U.S.. Lucasfilm, with light sabers blazing, sued Ainsworth in U.S. federal court, asserting that Ainsworth infringed Lucasfilm's U.S. copyright. Ainsworth, a U.K resident, refused to participate on the basis that the U.S. court lacked personal jurisdiction. The court disagreed and awarded Lucasfilm \$10 million in compensatory damages and \$10 million as treble damages.

Lucasfilm sought to enforce the compensatory damages judgment in the U.K., and added new claims against Ainsworth for infringing Lucasfilm's unregistered U.K. copyright. Lucasfilm also re-asserted U.S. copyright infringement claims, backstopping the U.S. judgment in the event the U.K. court declined to enforce it.

Ainsworth maintained the U.S. judgment was unenforceable in the U.K. Relying on *Adams v. Cape Industries, Plc* [1990] Ch 43, Ainsworth claimed foreign judgments are enforceable in the U.K. only when the defendant was physically present in the foreign jurisdiction when he acted wrongfully. Lucasfilm attempted to distinguish *Adams* where the internet is used to engage in wrongful activity, since modern technology obviates the need for an infringer to be physically present. The lower court sided with Ainsworth and applied *Adams*, holding that presence in a foreign jurisdiction cannot be premised solely on internet activities.

The lower court ruled against Lucasfilm on its U.K. copyright claims because the Copyright, Designs and Patents Act (1988) does not offer protection to "models" like Ainsworth's original stormtrooper moulds, but rather only to "artistic works." Further, any U.K. common law rights which attached to the moulds had expired. Despite the lack of protection afforded by U.K. law, the lower court found Lucasfilm to be the equitable owner of all rights originating in foreign law.

Finally, the lower court applied U.S. copyright law to find Ainsworth liable for infringement and enjoined advertisements or sales in the U.S..

Both parties appealed. The appellate court affirmed the lower court's finding that Ainsworth's moulds were "models" ineligible for U.K. copyright protection. Most notably, the appellate court reversed the lower court's application of U.S. copyright law, concluding that U.K. courts cannot hear claims for infringement of copyrights granted by the laws of foreign jurisdictions. In so holding, the appellate court relied on *British South Africa Co. v Companhia de Mocambique* [1893] AC 602, which held that a matter is non-justiciable if only foreign law is relevant to the outcome and the case involves a "local matter." The appellate court also cited the decision in *Voda v. Cordis*, 476 F.3d 887 (Fed. Cir. 2007), a patent infringement case in which the plaintiff sought to enforce foreign patent law in a U.S. court. The U.S. court refused, recognizing that there is no treaty granting jurisdiction in the U.S. over foreign patent law claims and no international duty to enforce foreign patent law. The *Voda* court, like the U.K. court in *British South Africa Co.*, found that enforcement of foreign law would violate the local action doctrine by encroaching on a sovereign jurisdiction's right to adjudicate claims local in nature. Patents, according to *Voda*, are local in nature because they carry rights and protections only within the jurisdiction granting the patent.

The appellate court in *Lucasfilm* applied the same rationale, noting there is no international system for copyright enforcement litigation and infringement of intellectual property rights are a "local matter involving local policies and local public interest. It is a matter for local judges."

*Lucasfilm* is illustrative of two points. First, U.S. courts are often an inappropriate forum for actions against infringers based abroad. Second, foreign courts are reluctant to enforce intellectual property rights flowing from U.S. law. One solution is to register intellectual property rights in foreign jurisdictions and seek to enforce those rights there. Registration of copyright in the U.K. is a relatively simple process and affords protection in other European Union countries. Had the stormtrooper helmet model been registered in the U.K., there is little question that this case would have been more easily resolved by the U.K. court. *Lucasfilm* serves as a reminder that the force will be strong with your clients if you advise them to register and protect their intellectual property rights in foreign jurisdictions.

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For questions related to this article, or to speak with an attorney about a trademark registration, enforcement or infringement, please contact Ryan P. Siney, Esquire at (717) 234-4121 or [rsiney@tuckerlaw.com](mailto:rsiney@tuckerlaw.com).