



# Game-to-Film Adaptations in New Zealand Guide

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of this guide.*



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## Introduction

Turning a successful video game into a movie can unlock new audiences and revenue, but it comes with legal and commercial challenges. We are here to give you an overview of these challenges, focusing on New Zealand's legal framework and practical tips for New Zealand game developers.

We cover intellectual property (IP) rights and chain of title, licensing and contracts, creative control, financing and distribution, New Zealand-specific laws and regulations, and real-world examples (including New Zealand-based case insights).

The table below summarises key legal risks and mitigation strategies for New Zealand developers for quick reference.



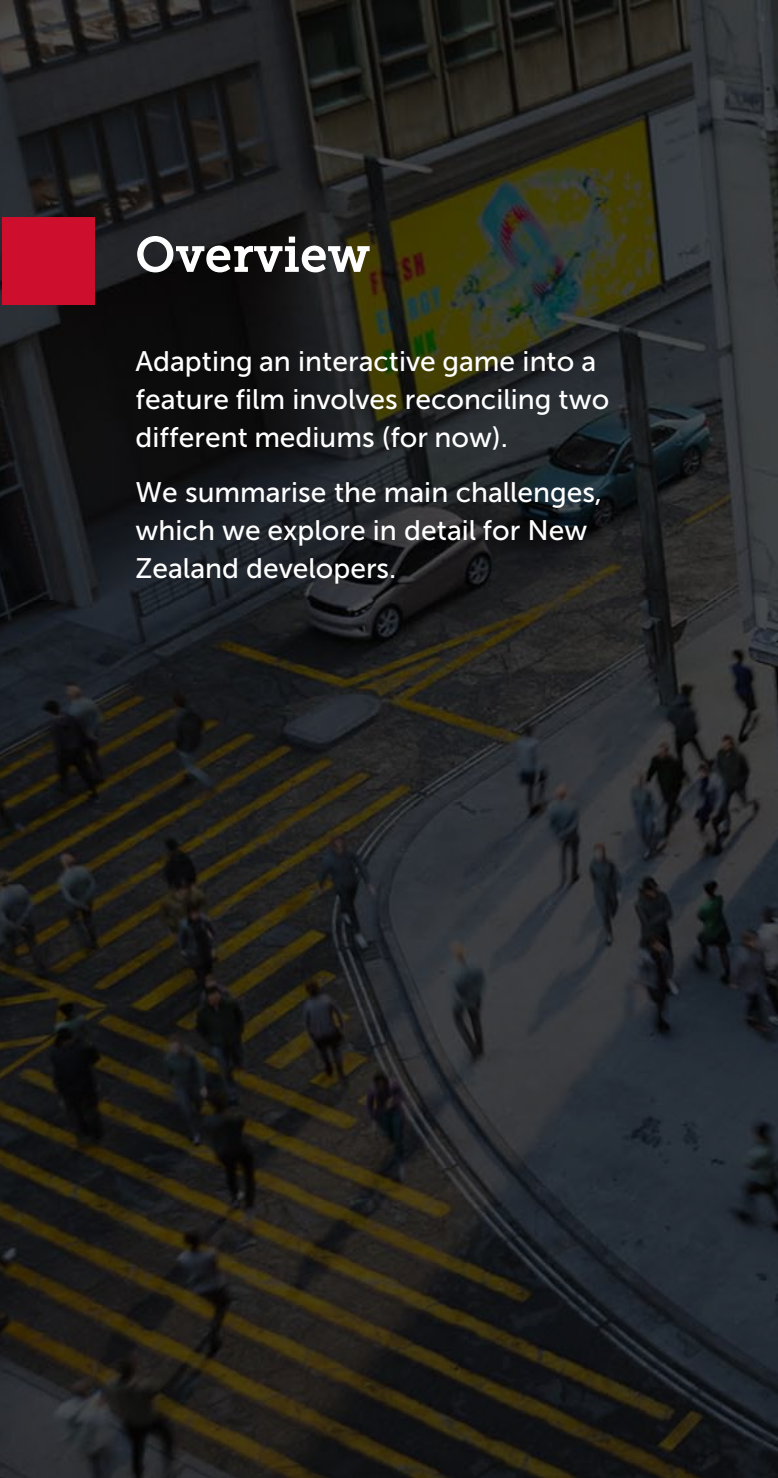
# Key legal risks and mitigation strategies for developers

Key legal risks	Potential impact	Mitigation strategies
Incomplete "Chain of Title" (Missing rights or third-party claims on game IP)	Could halt or cancel the film if someone else claims ownership; may lead to lawsuits or loss of credibility.	<b>Conduct thorough rights audit before negotiations.</b> Secure assignments or licences from all contributors (writers, artists, composers). Obtain written waivers of moral rights from New Zealand authors to prevent objections later. Provide chain-of-title docs to partners and Errors & Omissions (E&O) insurers.
Unfavourable contract terms (e.g. signing away too much control or revenue)	Developer loses say in creative decisions; little to no share in a hit film's profits; possibly can't make new games freely.	<b>Negotiate key points.</b> Retain consultation or approval rights on critical creative elements; define a fair compensation structure (option fee, purchase price, backend %). Reserve rights for film sequels, spin-off games, and merchandising not expressly granted. Include clear reversion clauses so rights return to you if film isn't made in X years.
Overreaching studio demands (e.g. studio insists on owning game sequel rights or indefinite rights lock-up)	Could impede the developer's core business (future games) or trap the IP in limbo if the studio delays production.	<b>Firmly carve out "interactive entertainment rights" and future game development in the contract.</b> Limit the rights being assigned to film/TV only, and set deadlines for exploitation (option expiration, etc.). Like above, if a production company/studio wants sequel game rights, consider a separate deal or hold off until you have confidence in the quality of work from the production company/studio.
Lack of creative consultation (being sidelined from the adaptation process)	The film may misrepresent the game's story or characters, risking fan backlash and brand damage.	<b>Build in contractual consultation rights at script stages, casting, and rough cuts.</b> Aim for at least an Executive Producer or "creative consultant" role for yourself or key team members. Provide the studio with lore/world building assets and be available to advise. Foster a collaborative relationship so they see value in your input instead of viewing it as an obligation.
Multi-party IP overlap (other IP owners involved, like underlying novels)	A complex rights situation can cause legal disputes (e.g. author vs. developer) or confusion over who controls what; deals can be undermined by a missing party (as with Witcher author vs game studio).	<b>Identify all IP stakeholders.</b> If your game is based on another work, coordinate with that rights holder for a joint approach or ensure your licence from them covers film rights if possible. If not, let the film studio negotiate with the primary IP owner and seek a creator/consultant role for yourself. For original IP, ensure you haven't given conflicting rights to anyone else (e.g. don't license comic book rights to one party and film rights to another without clarity, as that can create turf fights).
Production legal compliance in New Zealand (SIWA, H&S, immigration)	If you become a co-producer and ignore local legal requirements, it could result in fines (e.g. SIWA penalties up to NZD20,000 per breach) or work stoppages (e.g. crew disputes, visa issues).	<b>Work with experienced line producers or production partners.</b> Use legal templates that include all Screen Industry Workers Act 2022 clauses for crew contracts. Budget for compliance (e.g. safety officers, proper crew facilities). If bringing in foreign talent, start visa process early and check talent's Guild requirements. Essentially, treat the film like any New Zealand production from a compliance standpoint, even if US-funded.
Cross-border enforcement (difficulty enforcing contract against an overseas entity)	If the production studio breaches the deal (e.g. doesn't pay or misuses IP), the developer may face costly, foreign litigation or arbitration with uncertain outcomes.	<b>Choose a dispute resolution mechanism wisely: Arbitration might be faster, and an award is enforceable internationally.</b> Include an attorneys' fee clause so if they breach, they cover legal costs. Partnering with a NZ co-producer who holds some of the purse strings can also give local leverage. Ultimately, picking reputable partners and maintaining good relationships is the best mitigation.

## Overview

Adapting an interactive game into a feature film involves reconciling two different mediums (for now).

We summarise the main challenges, which we explore in detail for New Zealand developers.



# Overview:

## Challenges in adapting a game into a film

### Intellectual property and rights clearance

Before you adapt a game, you must ensure you have the legal right to do so. Games are made up of many IP components including storylines, characters, visuals, music, code and trademarks. You'll need a complete "chain of title": clear documentation that shows you control all necessary rights. If any contributor (such as a writer, artist, composer) retains rights, or if game content is owned by a third party (e.g. a publisher, or a novelist if the game was based on a book), those gaps can derail a film deal. IP due diligence is essential.

### Licensing and contracts

Film adaptations usually involve external partners – producers, production companies/studios, sales agents and distributors. You'll need contracts that clearly define how your game IP can be used. Contracts should also address what happens if the film isn't made; ideally the rights should revert to you.

### Creative control and vision

Games are interactive and can be sprawling in narrative, while films are (currently) linear and time-limited.<sup>1</sup> Adapting a beloved game's story and characters to a two-hour screenplay is a creative challenge.

- If the film diverges too far from the game, it may alienate fans; if it is too faithful, it may not attract new audiences.
- The key is to maintain the game's essence – its world and characters – while crafting a compelling, coherent script.

Game developers often want input to protect their "world", but producers and directors may seek creative freedom. Striking the right balance is crucial.

- Involving the original creators can improve adaptation outcomes (see the Mario Bros case study).
- Negotiate for credits (e.g. "Based on the game by \_\_" or a producer credit for the creator) and consultation rights for recognition and oversight.

1. Netflix's *Black Mirror: Bandersnatch* is an excellent example of an interactive film. We think that AI could mean that interactive films become more common, with code being developed as the viewer dictates the narrative.



## Overview: Challenges in adapting a game into a film

### Financing and budget considerations

Producing a film requires significant funding – often NZD5–10 million for modest New Zealand productions, and far more for international productions. Most game developers would look to partner with a production company, which will handle financing the film project through private investment, public investment, screen incentives, and market partner advances. This introduces complexities: a financier will insist on terms to secure their investment (e.g. first right to proceeds, creative decisions to ensure commercial viability, etc.), and a market partner may require approval over key cast. You need to understand film financing structures to protect your interests and your brand.

### Distribution and market differences

A finished film will compete in a different market to games. Distribution deals (with cinema chains, streaming platforms, airlines etc.) determine how the film reaches audiences and how revenue comes in. Partnering with an international sales agent is often necessary to secure release outside of Australasia, while typically there will be a “local” distributor for the Australasian market. These sales agency and distribution agreements will be handled by the production company, but you will need to understand them. For example, if the game is very region-specific, a developer might want assurances about localisation or promotion in their key markets. Also, classification ratings can affect distribution – a *Restricted 18* film adaptation of a game may limit audience size. New Zealand’s classification laws will apply for domestic release (read more about New Zealand’s regulatory requirements ).

### Fan expectations and reputation:

Game fanbases are passionate and a poor film adaptation can harm your brand. This is a softer consideration but very real – gamers will scrutinise casting choices, story changes, and visuals in the film. Negative buzz can hurt both the film’s box office and the original game’s reputation. So from the earliest stages, maintaining goodwill with fans (without giving them full veto power) is a challenge. Transparent communication and perhaps involving fan feedback in low-stakes ways (for example, when Paramount redesigned Sonic the Hedgehog in response to fan criticism of the first trailer, which likely saved the film’s reception)<sup>2</sup> can turn this challenge into an opportunity.



2. Cade Onder “Sonic the Hedgehog Producer Calls initial Design Backlash “Luckiest Horrible Thing That Could Happen” (8 October 2022) [ComicBook](#)

## New Zealand legal framework for adaptation rights

New Zealand's legal environment is generally supportive of creative industries, offering strong intellectual property rights protection and clear contract law. However, there are unique aspects (and recent changes) that New Zealand game developers should keep in mind when planning a game-to-film project.

We break down the key legal frameworks.



# Copyright in New Zealand

Copyright is the core IP regime governing creative content in New Zealand, as in most countries. Under the Copyright Act 1994, copyright subsists in original works including software code, literary works (like scripts or story text), artistic works (concept art, character designs), music, and films.

For games, multiple layers of copyright likely exist:

- The game's **software code** (literary work in code form) – usually owned by the developer or employer of the code developers.
- The **visual and audio assets** (art and sound) – possibly created by employees or contractors; default ownership depends on contract and employment status.
- The **story, dialogue, characters** – can be protected as literary or dramatic works, and distinct characters may even have standalone protection (if they're sufficiently original and recognisable and especially if they've appeared in other narrative formats, like comics or novels outside the game itself).
- The **film adaptation** itself, once created, will be a new "cinematographic work" with its own copyright, but making the film lawfully requires permission (a licence) or the adaptation rights from the game IP owner.

## Key points under New Zealand law for adaptations

<p><b>Adaptation rights</b></p>	<p>In New Zealand, the copyright owner has the exclusive right to make an adaptation of their work.<sup>3</sup> Turning a game's story or visuals into a movie is considered an adaptation, which falls under the original game's copyright (literary/dramatic/artistic). Therefore, without permission from the game's copyright rightsholder, a film (based on the game) would be an infringing "derivative work". This means the developer (or whoever holds the game's IP) effectively holds the keys – they can say yes or no, and set conditions, for any film adaptation.</p>
<p><b>Moral rights</b></p>	<p>New Zealand law grants authors "moral rights" in their works – even after they sell or transfer the copyright – including the right of attribution (i.e. right to be credited) and the right to object to derogatory treatment of their work. For example, a game's concept artist or narrative writer in New Zealand may have a right to be acknowledged in adaptations of their work, and – if their contribution qualifies as a literary or artistic work – could object if the film distorts or mutilates their creation in a way that harms their honour or reputation. These rights can be waived (but not transferred) in writing.</p> <p>In practice, when preparing for a film, developers should obtain waivers of moral rights from key contributors to the game, to prevent later claims if the film portrays characters differently or edits the story. Otherwise, a disgruntled original artist could attempt to stop distribution in New Zealand citing moral rights. From our industry experience, we understand this is a notable difference from US law (which has limited moral rights that do not apply to film or software). New Zealand developers negotiating with US studios might need to explain and address this in contracts (often by contractually assuring no moral rights will be enforced, via waivers from authors).</p>
<p><b>Consider trademarks and brands</b></p>	<p>If your game's title or character names are trademarked (many gaming studios register their game titles/logos), you'll need to license those marks for use in the film or for the film's marketing and merchandise. New Zealand's trademark law is similar to elsewhere; the main issue is contractual (make sure the film deal grants the production company/studio a licence to use the game's trademarks, otherwise they can't advertise the film with the game's name).</p>

3. Copyright Act 1994, s 16.

## Copyright in New Zealand

If you want to be able to sell or license the adaptation rights for the film, you will need a complete “chain of title” for your game IP. This means a complete, documented history of ownership and rights for every component of the game IP.

These are the most common breaks in the “chain of title” that we encounter:

- missing IP assignments and moral rights waivers from early contributors or founders;
- freelancers without written agreements;
- using stock assets without proper licences;
- open-source code with incompatible licences;
- music rights – forgetting to secure both sync and master rights; and
- user generated content without clear terms setting out who owns the content.

**International IP considerations:** New Zealand is party to the Berne Convention and other treaties, so copyrights are recognised globally.<sup>4</sup> However, when dealing with an international production studio, be mindful that **foreign IP laws** apply in their markets. For example, if a US studio is adapting the game, US fair use or other exceptions could potentially allow some unlicensed use (though not likely a full film adaptation). Generally, a good contract will override these concerns by explicitly transferring or licensing the

needed rights worldwide. As a New Zealand game developer, know that your New Zealand copyright gives you leverage. You can enforce it in New Zealand (and via treaty, elsewhere) if someone attempts an adaptation without permission, although obviously there is the cost factor to consider if enforcing outside New Zealand.

**Upcoming changes in New Zealand’s IP law:** The New Zealand Government has been reviewing the Copyright Act in recent years to ensure it is fit for the digital age.<sup>5</sup> As of now (November 2025), no major changes affecting adaptation rights have been enacted. The review is ongoing (the last public update was in 2021).

One expected change in the coming years is an extension of the copyright term (from life+50 years to life+70) due to international agreements<sup>6</sup> – this would lengthen how long game IP is protected, but that mainly affects works in the future and does not alter the fundamentals of adaptation rights today. We will keep an eye on any law change (for instance, if New Zealand introduces explicit rules around AI-generated content or other new media, which could indirectly affect game development and derivative works).

In short, New Zealand law provides a strong, conventional IP framework. And the bottom line is that you should get permission in writing from all relevant rights holders involved in the game IP. You won’t be able to sell or license the adaptation rights without doing so.

4. “International protection” [Intellectual Property Office of New Zealand](#)

5. “Review of the Copyright Act 1994” (26 February 2021) [Ministry of Business, Innovation and Employment](#)

6. NZ-EU FTA Article 18.13 of the Intellectual Property Chapter



## Contract law

New Zealand's contract law principles are broadly similar to other common law jurisdictions (like the UK or Australia). Contracts don't usually need to follow a specific form to be valid (except some statutory requirements in certain cases), but when dealing with something as complex as a game-to-film adaptation, detailed written agreements are essential. Outlined below is how New Zealand contract law and practice come into play for adaptation deals.

### Option agreements:

- A common approach is an option agreement. In an **Option Agreement**, the game developer (optionor) grants the producer (optionee) the exclusive right to purchase the film rights within a certain time frame. The producer pays an **option fee** (often non-refundable) for this holding right. If they proceed, they then pay a larger **purchase price** to actually acquire the adaptation rights (often called "exercise" of the option). If they don't proceed within the agreed timeframe, the option lapses and rights revert fully to the game developer.
- Developers should ensure the option agreement specifies **what rights are being optioned** ("live-action motion picture and television rights" to the game IP, for example), the **option period** (maybe 12-18 months, extendable with additional payment), and the **purchase price** or a formula for it (often a percentage of the film's production budget, with a floor and a ceiling). It should also spell out key terms that will appear in the long-form licence or assignment agreement if the option is exercised (can be an exhibit or term sheet attached covering royalties, approvals, sequel rights, etc., so there are no surprises later).

### Licence or assignment agreements:

- When an option is exercised (or if you skip the option and go straight to a licence or sell deal), you're then dealing with a **Licence Agreement** or an outright **Assignment**. This is where you, as the IP owner, grant or assign the film producer the rights to actually make and distribute the film. As the licensor, you want to clearly **limit the scope** to what you're comfortable with. For example, you might license "the right to create one theatrical feature film based on the Game and to exploit that film worldwide in all media." If you want to allow sequels or a TV spin-off, that can be included or negotiated separately.
- Under New Zealand law, in theory an exclusive licence can be nearly as good as an assignment for the producer's purposes – they can enforce the copyright against infringers.<sup>7</sup> In our experience, many production companies will actually prefer assignment of the film adaptation rights to avoid uncertainty. An assignment transfers ownership, but you as the developer can limit it (e.g. "assign the live-action motion picture rights to X, but reserve all other rights").

7. Copyright Act 1994, s 16(a).

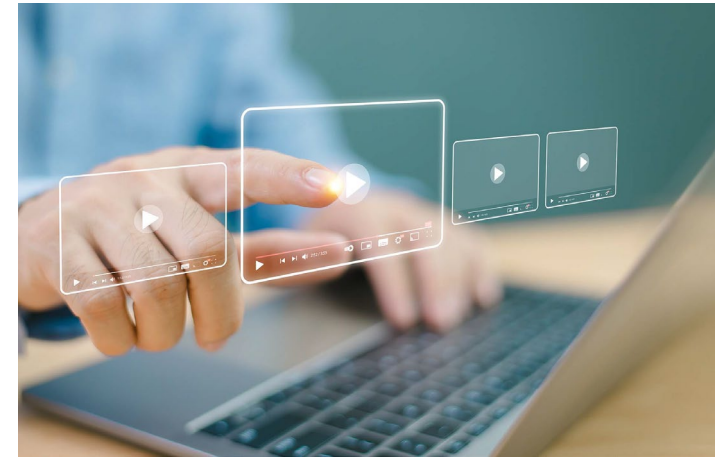
## Contract law

### Contributor agreements:

- If you (the developer) are not the sole author of everything in the game, you need contracts with your team that cover film adaptations. In New Zealand, an employee's work typically belongs to the employer (unless contracted otherwise), which helps – your in-house artists' contributions are yours to license or assign. However, contractors or freelancers might own what they created unless their contract assigned it to you/your studio.
- Before you license or assign to a production company for film adaptation, double-check that every character design, voice performance, or piece of music in your game is either owned by your company or you have written permission to make derivative works (like films) from it. If not, secure those rights now. Use Assignment Agreements with any external creator to transfer ownership (or at least an irrevocable, perpetual licence for film use).
- A "contributor's release" or "quit-claim" is often used in film chain-of-title: each person who had a hand in the original work signs off that they have no further claim. New Zealand law will generally enforce these agreements according to their terms, so make sure they are clear and signed. It's far cheaper to do this upfront than to defend a claim later from (for example) a former artist claiming the film infringed their artwork.

### New Zealand Film Commission | Te Tumu Whakaata Taonga (NZFC) Contracts:

- If your project seeks funding from the NZFC or is part of an official co-production, you (or the production company who intends to make the film) will sign contracts with NZFC. The [NZFC's Terms of Trade](#) and its production financing and interparty agreement includes requirements about chain of title, Māori content consultation (if applicable), and revenue recoupment. For example, if NZFC funds your film, it may have a right to a share of proceeds and approval over certain elements (to ensure the film has significant New Zealand content) and over certain sales and distribution matters. These are standard for funded New Zealand film productions. They don't directly change your licensing or assignment of the game IP (you'll still separately license or assign the IP into the production SPV), but you'll need to be aware that NZFC will require assurance on the chain of title so that the film can be exploited fully.
- Also, NZFC investment often means New Zealand is a primary filming location or has New Zealanders in key cast or crew roles – that could influence tax and employment law aspects (we discuss the Screen Industry Workers Act [here](#)).
- While NZFC can only financially support a production that has "significant New Zealand content" (a legally defined term), this is not just about story and location. It also refers to key creatives, so your game/film can qualify even if the game/film is not set in New Zealand, so this is worthwhile investigating.



In short, New Zealand's contract law gives you freedom to craft your game to film adaptation deals as needed – just do so properly. Put every material term in writing. New Zealand courts will generally hold parties to the written contract terms, with limited scope for implying terms or escaping bad bargains. So negotiate carefully up front.

# Industry-specific requirements

Aside from IP and contract law, several industry-specific laws and regulations in New Zealand can affect game-to-film projects. These include content regulation, the Screen Industry Workers law for productions, screen and other incentives, and cross-border considerations:

## Censorship and classification:

- In New Zealand, films are classified under the Films, Videos, and Publications Classification Act 1993, with the process overseen by the Classification Office (Te Mana Whakaatu). This means the film will get an age rating (G, PG, M, R13/15/16/18, etc.) depending on content. From a legal perspective, you must submit the film for classification and adhere to any conditions (e.g. if cuts are required for an R rating, or if it's banned in extreme cases). While this doesn't usually impact the production phase, it's wise to anticipate. For example, if your game is very violent, the film might get a restrictive rating (limiting audience and box office). Knowing this, you might choose to tone down certain scenes in the script to target a lower rating. The attached sales agent or distributor will also require that the final version of the film meets a certain rating, too.
- New Zealand's classification criteria are similar to other countries'. There is no special exemption for game adaptations; they're treated like any other film. If your film will also be released as digital streaming, note that New Zealand is looking at updating how online releases are classified<sup>8</sup>, but currently the same law can apply or self-rating systems under industry schemes can be used<sup>9</sup>. Always plan for classification costs and timelines. Also consider cultural content considerations: if your game or film involves Māori or Pasifika cultural elements, there aren't codified "censorship" rules around that, but respectful portrayal is extremely important (and NZFC will require consultation with relevant iwi or cultural advisors for NZFC-funded projects).

## Screen Industry Workers Act 2022 (SIWA):

- This is a relatively new law in New Zealand that came into force at the end of 2022, reforming how contractors in the screen industry are treated. Historically, most film production crew and actors in New Zealand are independent contractors (not employees), which gave producers flexibility and avoided some employment law obligations. SIWA changes that by introducing mandatory written terms, good-faith requirements, and collective bargaining rights for screen production workers – including those working on films, TV, and game development and animation (the Act covers "computer-generated games" as a type of screen production).<sup>10</sup>
- This means if you are producing a film in New Zealand (or even an animated series, etc.), everyone you hire (cast, crew, game designers if it's a hybrid project) must have a written contract with certain mandatory clauses, and you must follow processes like giving them an opportunity to get independent legal advice,<sup>11</sup> Contracts must also include clauses on health and safety obligations, dispute resolution processes for bullying/harassment, and termination notice provisions.<sup>12</sup>
- There's also now a requirement of good faith in dealings (similar to the employment context).<sup>13</sup> Perhaps most significantly, collective contracts (like union agreements) can be negotiated under SIWA to set minimum pay and conditions for roles (writers, directors, technicians, etc.).<sup>14</sup> If you partner with a New Zealand production company, they will handle this compliance.

8. See "Media and Online Content Regulation" [Department of Internal Affairs](#), which outlines the Safer Online Services and Media Platforms review, which ran from 2021 to 2024. This review aimed to modernise New Zealand's content regulation system, including streaming platforms, and proposed a more flexible framework for online content classification.

9. See "Streaming content" [Te Mana Whakaatu Classification Office](#), which confirms that streaming providers in New Zealand can submit content for classification, use-cross ratings from the UK and Australia, or apply self-rating systems approved under the [Films, Videos, and Publications Classification Regulations 1994](#). Regulation 15A allows specified commercial video-on-demand (CVoD) providers to assign ratings using approved self-rating systems.

10 Screen Industry Workers Act 2022, ss 11, 13, and Schedule 3.

11 Sections 14, 20, and 23.

12 Section 23.

13 Section 14.

14 Sections 26 and 32

## Industry-specific requirements

### Screen incentives and funding schemes

While not “law”, government incentives heavily influence how adaptations can be financed in New Zealand:

- **The New Zealand Screen Production Rebates**

**(NZSPR):** offers [rebates](#) on qualifying production expenditure in New Zealand (20% + an extra 5% for international productions, and 40% for New Zealand productions, which meet certain criteria). There is also the PDV rebate (20% + a recently announced extra 5% for international productions for post, digital, and VX activities in New Zealand). If your game-to-film project will shoot and/or do PDV activities in New Zealand, this can be a huge factor. To qualify as a New Zealand production (for the 40% rebate up to a cap), the film must have significant New Zealand content or be an official co-production. Having New Zealand game IP could help it qualify as New Zealand content. The rebate can effectively serve as financing: the producers spend money in New Zealand and later get a portion back as a rebate, and usually this rebate is cash-flowed through production so the producers can spend the money when they need it. You’ll need to be across the criteria: you might need to hire a certain number of New Zealand personnel, do post-production in New Zealand, etc.

- **The NZ Film Commission (NZFC):** They offer development funding, production and post production funding (‘equity’ investment or grants),

marketing support and distribution funding. They can introduce you to experienced producers, directors, and market partners. They will fund projects with a New Zealand production company and projects that reflect New Zealand culture, tell a New Zealand story, or showcases New Zealand talent in some way. If your game is New Zealand-made or has local elements, this will likely be a path to funding a game to film project.

- **Official co-productions:** New Zealand has co-production treaties with many countries (UK, Canada, Australia, China, to name a few). If your adaptation is set up as a co-production between New Zealand and another country, it can access screen incentives from both. For example, a New Zealand-Canada co-production could get the NZSPR and Canadian tax credits, with each country’s producers handling parts of the production. Co-productions require approval and meeting certain national “points”. Using your game (New Zealand IP) and some New Zealand elements (director, lead actors, locations in New Zealand) could help qualify as a New Zealand co-pro. This is highly technical, but worth mentioning because it’s a route to funding. A co-production agreement will specify how IP is shared or who can

exploit the film in each territory (often each co-producer handles their region). So you need to plan carefully so that these arrangements don’t inadvertently conflict with your game IP rights or sequel plans.

- **NZ On Air:** Traditionally focuses on TV, but they also administer some interactive media funds (and as of 2023, the [Game Development Rebate scheme](#) on behalf of the Government).<sup>15</sup> The NZGDR is not for films, but it provides up to a 20% rebate (up to a cap) on qualifying game development spend in New Zealand. If a developer is using that scheme to help it make the game, it shouldn’t generally conflict with making a film. The rebate scheme was introduced to prevent talent drain to Australia (which has a higher games tax offset). Indirectly, this means New Zealand game studios have support to grow (and recently the sector has been growing year on year), which could lead to more NZ IP worthy of adaptation. There’s no direct film angle, except that a financially stronger game studio might choose to co-invest in a film rather than sell rights outright.

<sup>15</sup> Whakamahere Kēmu Wāhanga Whakahoki Game Development Sector Rebate (GDSR)\* [NZ On Air](#)

## Industry-specific requirements

- **General taxation:** Any income you generate from licensing your IP or from co-producing is likely to be taxable. However, if the arrangement is a sale of IP you might not be subject to tax as New Zealand does not generally tax capital gains. New Zealand has specific income and expenditure spreading rules for film rights under the Income Tax Act 2007, which may offer more favourable outcomes than standard tax treatment in certain cases.
- **Withholding taxes:** If international parties are involved, consider whether withholding tax applies to payments made to, or received from, overseas entities. Withholding tax rates vary depending on the applicable laws and the applicable double tax agreements (DTAs), with treaty rates for royalties often reducing the default rate (e.g., New Zealand's default withholding rate is 15% and, in the US, it is 30%) to 5% or 10%. New Zealand's extensive DTA network can help mitigate double taxation risks. We strongly recommend seeking tax advice early in the process to ensure tax implications are properly priced into negotiations and contracts.

### Cultural/IP stewardship considerations:

- If the game story involves Māori or indigenous content, New Zealand has expectations (though not strictly codified) for consultation and respect. For instance, if your game is based on a Māori legend, involving Māori advisors in the film adaptation process is strongly recommended.
- The NZFC publishes guidelines for portrayal of Māori and require certain protocols if they fund the project. Failing to do so could lead to public backlash or complaints to the Classification Office if the content is seen as objectionable on cultural grounds. Please be respectful and conscious of this, as thoughtful engagement is expected and valued by communities and audiences alike.

### In short

Beyond just sorting out the IP licence or assignment itself, you need to be on top of New Zealand's production laws and make the most of the support that is available. SIWA is the biggest recent shift, so make sure you're using approved cast and crew templates or get advice to check these.

### Another big takeaway

Don't leave government money on the table – look into NZSPR and NZFC funding, as they can be the difference between your project happening or not, especially for independent studios.

New Zealand provides a stable legal platform to undertake a game-to-film adaptation, but the interplay of various laws requires planning and likely a multidisciplinary team (legal, accounting, producing) to navigate. In the next section, we look at practical strategies for New Zealand game developers negotiating adaptation deals, building on this legal foundation.





## Considerations for New Zealand game developers in adaptation deals

Assuming you have game IP that a production company is interested in (or that you are pitching to them), what specific steps and points should you pay attention to?

We offer practical guidance for New Zealand game developers when negotiating or collaborating on a film adaptation, including negotiating strategy, typical deal structures, protecting your interests, and working with international partners.



## Negotiating rights: Strategy and key deal points

### Know your worth

- Start by sizing up your IP. Is your game a global hit with millions of players, or a niche indie gem with a loyal following? This will influence your leverage. A globally popular IP (think Fortnite or Minecraft) commands large fees and likely an active role in production; smaller IP might get you a modest option deal or a chance to collaborate creatively in exchange for lower fees.
- Research recent adaptation deals (though many terms are private, industry investors and entertainment lawyers will have some general insights). Understanding the market value helps you avoid under-selling.
- Also consider the potential. Even if your game is niche, could it be the next big fantasy franchise on screen? If you believe that to be true, you might prioritise finding the right production partner over a high upfront fee.

### Option v outright sale

- Decide whether you want an option structure or an outright sale/license from the get-go. From the developer's perspective, an option can be advantageous because it gets a foot in the door (some money now, a chance at more later, and if the film never materialises, you keep the IP and the option fee). It also lets you see how serious the production company is. If someone wants to outright

buy your film rights but with no guarantee of production (and maybe no reversion), be careful: you might end up with a one-time payment and your story sitting on a shelf and you can't use it for another film.

- Generally, we recommend option deals unless the purchaser is fully committed to immediate production. Option deals are also more market standard in New Zealand. But negotiate the option length tightly; you don't want your IP tied up for years unnecessarily. A 12-month option with one 6- or 12-month extension (for an extra fee) is fairly common.
- Also ensure a **reversion clause**: if the production company doesn't start principal photography (i.e. shooting) or at least pay the purchase price by the option expiry, all rights revert to you. Additionally, you can negotiate that even after they exercise the option, if the film isn't produced within, say, 5 years, rights revert. This protects you from perpetual "development hell." Production companies will likely resist tight reversion timelines, but some compromise (e.g. rights revert if film not released in 7 years) can sometimes be reached.

## Negotiating rights: Strategy and key deal points

### Money, upfront and backend

Typically you should seek:

- **An option fee (if doing an option):** Often 1%–5% of the expected purchase price. High-profile IP can command more. Ensure extension fees escalate (e.g. second year option costs another X dollars).
- **A purchase price for the rights:** This can be a lump sum or split into steps (on first day of shooting, on delivery, etc.). It might be a flat amount, or against box office gross or “net profits”. Be careful with “net profit” deals; film accounting is quite notorious such that many films can officially show no net profit. If you take a percentage of profits (“backend participation”), try to define it as a percentage of gross receipts (this will still usually be net of actual or capped distribution expenses) – something harder for the sales and distribution companies to zero out. Alternatively, another structure is \$X cash plus \$Y contingent bonus if the film’s box office exceeds a certain threshold. For example, “NZD100,000 purchase price, plus NZD50,000 bonus if the film’s global gross receipts exceeds NZD50 million.” This way you get some guaranteed money and still share in the success.
- **Royalties on merchandise or sequels:** If your game has marketable characters or if you expect spin-offs, consider negotiating a cut of merchandise revenue and first negotiation rights or a royalty for film sequels/TV series (if you are granting those

rights, and not reserving them, in the first instance). A production studio might push back, but some deals grant the original IP holder a royalty on merchandise using the game IP (since the studio is essentially monetising your creations beyond the film). Likewise, you could ask for “meaningful consultation” or participation if a sequel or TV show is made using your game IP. The contract could say you’ll be paid NZD\$X for a sequel or have an option to write the sequel’s first draft, etc. But it will also depend on what rights you sell or license in the first place – and whether the film adaptation rights will extend to merch, film or TV spin offs, sequels, prequels etc. This all needs to be carefully thought about when agreeing to the film adaptation rights.

- **Credit:** Under moral rights (and as often explicitly in contracts), you should get an on-screen credit: e.g. “Based on the game [Game Name] by [Your Name/Studio]”. Ensure this is in the deal terms/option agreement. Also, if you or your team members are contributing to the film’s production (maybe you’re co-writing the script or serving as executive producer), negotiate appropriate credits and fees for those roles. Credits can be very important for career purposes in both the game and film industries.



## Negotiating rights: Strategy and key deal points

### Creative control and approvals:

- One of the trickiest aspects to negotiate is how much say you have in the creative direction of the film. As the game IP holder, you care about the essence and value of the game and brand integrity. However, the production company will want creative control to make a film they think will work, and financiers of the film will likely require that the production company has the ultimate say. A middle ground is consultation rights: e.g. you get to review and consult on the screenplay, casting of key characters, and character design, but you may not have a veto. Requiring consultation is enforceable, though proving a breach (if they consult but ignore you) is hard – still, it exerts a bit of moral pressure on the filmmakers.
- In some deals, especially where the creator is a renowned figure or the game IP is very strong, the creator or the game developer may be able to negotiate limited approval rights on certain things (like final script approval, or director approval). Nintendo's Shigeru Miyamoto, for example, co-produced The Super Mario Bros. Movie in 2023 specifically to steer creative decisions – having learned from the 1993 Mario film flop where Nintendo had zero involvement.<sup>16</sup> As a result, the 2023 film stayed true to

the spirit and was a huge success. Use this example when negotiating. Even if you can't get final say, try for a role like executive producer or creative consultant. That title in itself (Executive Producer) can grant you more access to the process. Spell out in the contract any key approvals or consultations: script changes, character portrayal, use of the game's world-building, etc.

- Also consider setting boundaries: if there are any "no-go" themes for you (e.g. you don't want the film adaptation to include extreme gore or political messaging that was not in the game), put that in writing. It could be as simple as "*Purchaser agrees that the Film will not portray the Game's characters in pornographic or defamatory ways, and Owner retains approval rights over any depiction that might substantially deviate from the established character profile.*" This ties into your moral rights too (if you need another reason to justify your position to the production studio).

16. Ethan Shanfeld and Brent Lang "Mario Powers Up: How Nintendo Visionary Shigeru Miyamoto and Illumination's Chris Meledandri Plan to Super Smash Hollywood" (4 April 2023) [Variety](#)



## Negotiating rights: Strategy and key deal points

### Preserve game sequel rights

- Whatever you do, make sure nothing in the film deal hamstrings your **ability to make future games** (sequels, spin-off games, DLCs) based on your own game IP. The production company may ask for a tie-in game option or rights of first refusal. Usually, you want to keep game rights separate. In fact, it's common (currently) to expressly exclude "interactive entertainment" from the licensed or assigned rights so that you remain free to keep developing games. If the production company does want to do a film *tie-in* game, you could handle that via a separate agreement or allow it under licence with royalties to you. But **do not inadvertently sign away your core business**.
- Check that "Reserved Rights" clause – it should list that you reserve all rights not expressly granted, including but not limited to theme park rides, comic books, etc., if you want those. Sometimes production companies will ask for ancillary rights like novelisations or theme parks to be included. You can negotiate carving some of those out or at least getting revenue share.
- The main point: maintain rights to continue your game franchise storyline even if the movie diverges. You might even coordinate so one boosts the other (e.g. release new game content timed with the film, but that's a marketing matter).

### Jurisdiction and enforcement clauses

- If possible, and if the production company is New Zealand-based, ensure the governing law is New Zealand, especially if a lot of the work will be done here. Realistically, a US production studio will prefer US law. We recommend negotiating that, because the origin of the IP is New Zealand, New Zealand law is justified – point out that New Zealand law on copyright is robust and not dissimilar to others, and New Zealand is a neutral, English-speaking forum. That said, if giving this up gains you more on money or credits, you might let them have their law choice. Just be aware of the practical effect: if something goes wrong, can you afford to fight it in that jurisdiction? One mitigating factor is that often these contracts have internal dispute resolution first before **mediation escalation**: try negotiation, then mediation, then arbitration/court. This can solve many issues without lawsuits, especially if both sides have a continuing relationship (e.g. sequel potential).
- If you are dealing with an offshore production company, speak with an insurance broker on what cover might be available to you to help you enforce your IP rights overseas.

### Insurance and indemnities

- The film producer will need to obtain Errors & Omissions (E&O) insurance before release of the film – this insurance covers liabilities if someone later sues claiming the film infringes their rights. As part of getting E&O, the insurer will require a legal opinion and/or to audit the chain-of-title documents (including your game IP agreements). Be prepared to provide copies of all those contributor agreements, trademark registrations, etc., to prove the adaptation right was fully transferred or licensed. The E&O insurance cost is usually borne by the production company, and you could require the producer to add you as an additional insured to the policy.

### Engage a lawyer

Negotiating with experienced film producers as a game developer can feel like playing in a different arena. We recommend you have an entertainment lawyer negotiate or at least review the contract.

Don't go it alone on major deals. Someone smart once said: the cost of a commercial lawyer will be a fraction of the cost of a litigator down the line.



## Collaborating with international studios and partners

When working with overseas entities (be it Hollywood studios, streaming platforms like Netflix/Amazon, or international co-producers), there are additional considerations for New Zealand game developers.

**Understanding different business cultures:** Hollywood studios, for example, can have a fast-paced, deal-driven culture. Decisions might go through many executives and lawyers. It's important to be patient but also assertive about what matters to you. For example, some may not initially be familiar with New Zealand law nuances (like moral rights or SIWA), so you might need to explain those to them or have your lawyer discuss with theirs. Conversely, East Asian partners (Japan, China) might have different expectations on creator involvement or IP control. Do your homework on the company – have they adapted other IP? How did those turn out? Tailor your approach: with Netflix, for instance, they often will have a significant budget but want near-total control and typically prefer buying out rights entirely to avoid backends. Many creators have taken Netflix deals for the upfront security. Just know each company's style.

**Co-production logistics:** If engaging in an official co-production (say New Zealand and Canada), you (if you're producing the film) or the relevant producers will set up a production company (SPV) in each country. As the game IP owner, you might license the IP to both co-producers jointly. The co-producers will have a co-production agreement between them (allocating responsibilities, budget split, etc.). As a New Zealand game developer, ensure the New Zealand co-producer is someone you trust and who respects your IP. They will

be your voice in many production matters. International treaties can require a balance (e.g. key roles split between countries). That might mean, for example, a Canadian director and a New Zealand lead actor. You may have to compromise on certain creative choices due to treaty points. Plan these early so they don't come as a surprise.

**Currency and payments:** Specify currency for all payments. NZD or USD are common. If the option fee is in NZD but the US production company budgets in USD, they might prefer USD. Be mindful of exchange rates because you could lose value if not hedged. For large sums, you might want to negotiate a fix in a stable currency or split (half in NZD, half in USD). Also account for GST/VAT. As mentioned earlier – get tax advice on how to structure payments efficiently.

**IP laws abroad:** After you license or sell the film rights, the foreign production company will be doing things under foreign law (like making derivative scripts, etc.). Usually, your contract makes that lawful. But be aware of concept like **fair use** in the US – theoretically, someone in the US could make an unauthorised fan film of your game claiming fair use parody, etc. This is just an example of how your IP might be treated differently abroad.

## Collaborating with international studios and partners

**Language:** Ensure the contract addresses language versions – usually the production studio (and then subsequent market partners) have the rights to dub or subtitle in all languages. That's fine, but if your game has specific culturally nuanced language (Te Reo), offer your guidance so it's handled respectfully in translation.

**Marketing:** Discuss how the **game and film can cross-promote each other**. International studios might not automatically do this. Negotiate that the film will feature the game's logo or a credit to the game's publisher, and in return you can advertise the film in your game's community. A collaborative marketing effort can boost both: e.g., a special edition of your game with film-themed content can release alongside the film, and the film's official website can link to your game.

**Visas and travel for collaboration:** If you as the creator are to be actively involved (say script co-writer or on-set advisor), make sure to get the appropriate visa for the country of filming. The production company should

sponsor this if they want you on set. Raise this during negotiations so it's part of the plan (and potentially at their expense). It's part of enabling your creative control.

**Data and privacy:** If the adaptation involves sharing data (maybe player metrics to inform the film marketing), be mindful of privacy laws. New Zealand has the Privacy Act, and if dealing with EU partners, GDPR could apply. Likely not a central issue, but if you're exchanging user community information or similar, ensure compliance (usually by anonymising data or getting user consent for any cross-promotional emails, etc.).

**Feedback loops:** Set up a working process for collaboration. For instance, agree that you (and your writer, if any) will meet with the production company's script writer weekly during outline development, or you'll review concept art over VC with the director. Having a structured schedule (maybe even written into a side letter) can prevent you from being sidelined. When international time zones are involved, plan regular call

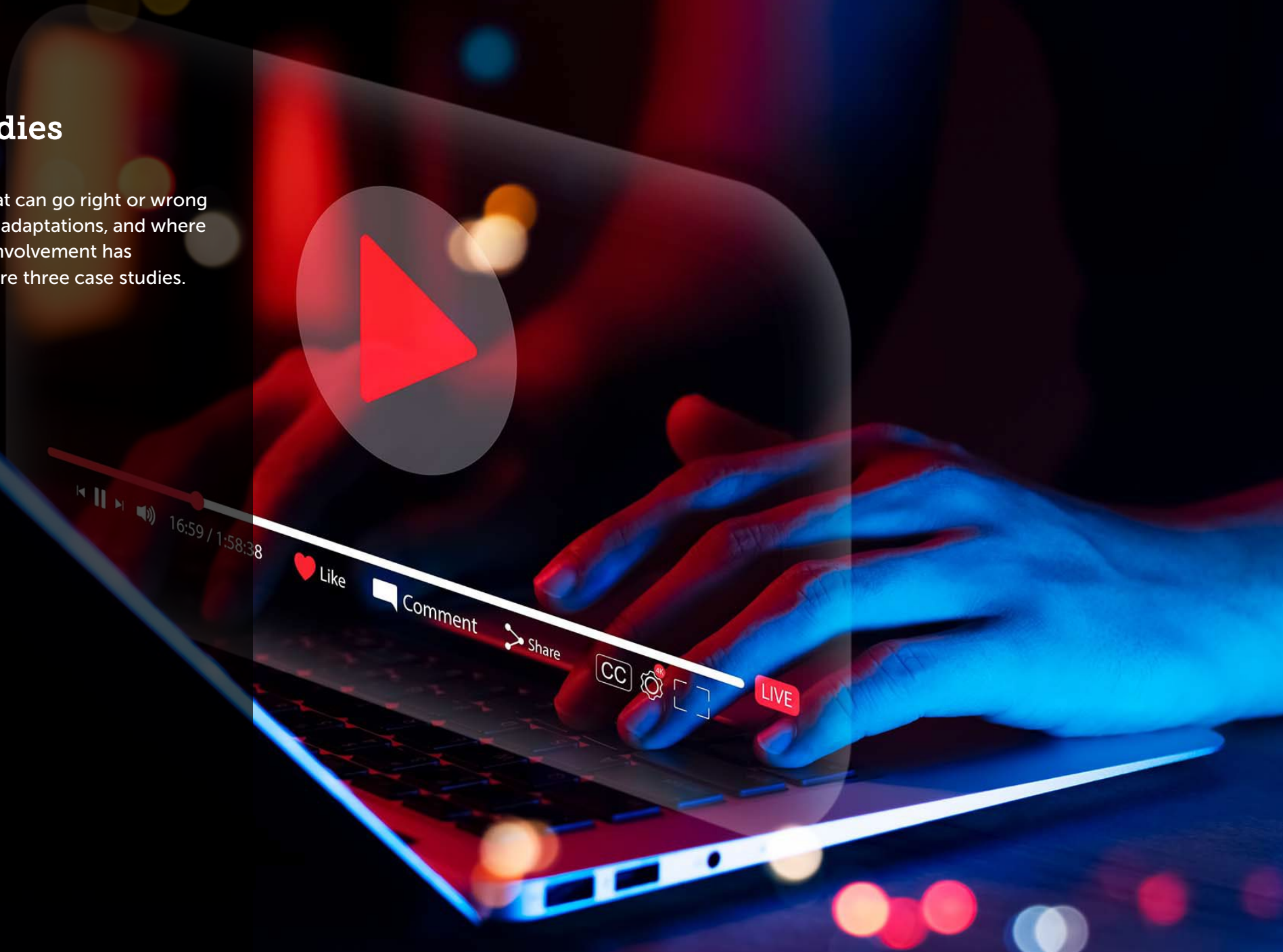
times that suit both New Zealand and the other side. It's worthwhile over-communicating to compensate for distance.

**Legal jurisdiction wrinkles:** if any disputes arise with an international partner, enforcing an New Zealand developer's rights might involve foreign courts, and that will be costly. One risk mitigation is to include an **attorney's fees clause** – in some jurisdictions (like California/New York), if your contract says the prevailing party in a dispute gets legal fees paid by the losing side, that can deter small breaches and make it more feasible for you to pursue if you are in the right.<sup>17</sup> New Zealand courts generally allow cost recovery to the winning party too, but US courts only if contract or statute allows.<sup>18</sup> So try to include that in your agreement.



## Case studies

To highlight what can go right or wrong in game-to-film adaptations, and where New Zealand's involvement has featured, we share three case studies.



## Case Study 1

### *Mario Bros.* – 1993 vs 2023 – Creative control and brand protection:

The 1993 live-action *Super Mario Bros.* film (not a New Zealand production, but instructive) is infamous for straying wildly from the game's tone and plot, resulting in a critical and commercial flop. Nintendo had **licensed the rights with virtually no creative oversight**, treating it as a hands-off licensing experiment. The filmmakers took major liberties that alienated fans and even embarrassed Nintendo (the movie's dark, dystopian interpretation was far from the colourful, family-friendly game). One of the original film's directors later lamented that if Shigeru Miyamoto (Mario's creator) had been involved, "he wouldn't have let certain things happen".<sup>19</sup> This fiasco made Nintendo "fearful" of adaptations for decades.

**Fast forward to 2023:** Nintendo tried again with *The Super Mario Bros. Movie*, an animated film co-produced by Nintendo and Illumination. This time, Miyamoto himself served as a hands-on producer and collaborated closely on all decisions.<sup>20</sup> The result was a film that faithfully captured the game's spirit and delighted global audiences. It became one of the highest-grossing video game films ever.

**Lesson:** If you, as the game IP holder, care about how your world is portrayed, negotiate for a meaningful voice in the adaptation. Nintendo's 30-year course correction on Mario demonstrates that maintaining creative influence (even if it means sharing production responsibilities) can protect your brand and lead to success.

**For New Zealand developers:** you might not be as powerful as Nintendo, but even consultation rights can help avoid the "Mario '93 problem" of a misaligned vision. And if a production company isn't willing to listen, it might be better to walk away than risk a career-damaging flop; your IP's reputation is on the line.



19. Shanfeld and Lang, above n 14, [www.variety.com](http://www.variety.com)

20. Shanfeld and Lang, above n 14, [www.variety.com](http://www.variety.com)



## Case Study 2

### *Mortal Kombat* (2021) – NZ creative services in adaptation

While not a direct New Zealand game-to-film (the game is from a US/Japanese publisher), the 2021 *Mortal Kombat* film illustrates New Zealand's role in global adaptations. The film was an R-rated action movie based on the classic fighting game. Wētā Workshop was commissioned to contribute design and manufacturing expertise – specifically, Wētā Workshop handled key prop and costume design elements (like the iconic bladed hat weapon of character Kung Lao)<sup>[8]</sup>.<sup>21</sup> It worked closely with the director on realising game-accurate yet cinematically grounded designs. This underscores that even if the underlying IP isn't Kiwi, New Zealand companies can significantly influence the adaptation's authenticity. The film did moderately well and was praised by fans for faithfully depicting signature elements (costumes, fatalities, etc.), due in part to those high-quality props and designs.

**Lesson:** For New Zealand game developers, if a big (budget) studio is adapting your game, consider involving New Zealand's world-class creative industry (Wētā Workshop, Park Road Post, other world-class VFX companies, including 37 Degrees Studio) to maintain quality. And if you *are* partnering in production, leverage New Zealand's reputation. In negotiations, pointing to success stories like *Mortal Kombat* can bolster confidence that New Zealand can deliver. It also showcases how you might keep some production in New Zealand, qualifying for the screen rebates and NZFC funding, and giving you easier oversight over the film.

**From a legal perspective, if** New Zealand creative services companies are engaged, ensure the contracts align with your IP licence – e.g. if the creative service provider creates new designs or concept art for the film, make sure the licence to the production studio extends to those, or they are work-made-for-hire for the production. Usually, that's handled by the production company, but as the original IP owner, you might also want an agreement that any new characters or inventions the creative service provider adds (unlikely in an established IP adaptation, but possible) don't get exclusively locked away from you.

Generally, creative service providers do not claim IP in the underlying franchise; they deliver it to the client. But keep an eye on it if, for example, new characters are invented for the film (like the film introduced a new protagonist not seen in games). Who owns that new character? Ideally, your contract with the production company making the adaptation should say any new characters or storylines developed for the film that are based on the game world become part of your IP or at least you have a right to use them in future games. Otherwise, the game franchise might be unable to incorporate a popular movie-original element. In *Mortal Kombat 2021*, they did introduce a new character (Cole Young). Likely, the production studio owns that character for film, but the game developer might have rights to add him to games. These specifics are usually sorted out in the adaptation agreement (often by giving the original game IP owner rights to any "derivative characters").

<sup>21</sup> "*Mortal Kombat*" [Wētā Workshop](#)

## Case Study 3

### Case Study 3: *The Witcher* – Multiple source material and rights overlap

*The Witcher* is an interesting example because it became famous as a video game series (developed by Poland's CD Projekt Red), but those games were based on novels by Andrzej Sapkowski. When Netflix adapted *The Witcher* to a TV series (2019–ongoing), it licensed directly from the original author (Sapkowski) and based the TV series mainly on the books, not the game visuals – likely because the author retained TV rights and the game studio had only the game rights. This meant certain elements unique to the games couldn't be used without CD Projekt's permission. However, the huge popularity of the games influenced fan expectations (for instance, the games' characterisation of Geralt and their visual style set a template). Netflix navigated this by sticking to book descriptions but inevitably many viewers associated it with the games.

Sapkowski had his own saga: he had sold the game rights for a lump sum in the 2000s (believing a game wouldn't succeed) and later realised he missed out on royalties when the games became hits. He eventually reached an amicable settlement with CD Projekt to share in game profits (not in the snippet above, but known from news).<sup>23</sup> For the TV series, Sapkowski is a consultant, and

CD Projekt is not officially involved in the series (though Netflix did include some subtle nods to the games).

**Lesson:** If your game is *itself based on other IP*, be extra cautious. Many games use pre-existing story worlds (comics, novels, movie franchises). In such cases, you may not actually control adaptation rights – the original author or licensor does.

For New Zealand developers, always clarify IP origin: if you made an original game, great; you have the rights. But if your game is based on, say, a local myth or a book in public domain, etc., check if any exclusive rights exist. (Public domain material can be used by anyone, so you can't stop someone else from making a film based on the same myth, but you can protect the unique expression your game added). And if you are licensing a book to make a game, try to get audiovisual rights too, or at least a first opportunity to be involved in any film. In *The Witcher* scenario, Netflix effectively bypassed the game studio. From CD Projekt's view, the silver lining is the TV series boosted *Witcher 3* player counts spiked after the Netflix series). But legally, the game studio had no say.

23. "CD Projekt S.A. Solidifies Relationship with *Witcher* Books Author Andrej Sapkowski" (20 December 2019) [CD Projekt](#) and Liz Lanier

24. "CD Projekt Red Offers Additional Compensation to 'Witcher' Writer (February 5 2019) [Variety](#)

25. Charlie Hall "More people are playing *The Witcher 3* on Steam than when the game launched in 2015" (30 December 2019) [Polygon](#)



#### Each cases carries a warning and a takeaway:

**Mario:** Prioritise creative vision alignment; a bad adaptation can have a long tail.

**Mortal Kombat:** Use New Zealand's creative industry strengths; clear new IP elements that arise.

**Witcher:** Consider the source IP. Know exactly what rights you have and don't, and plan for success (don't shortchange yourself with a bad initial deal like Sapkowski did with the games).

# Conclusion

For New Zealand game developers, adapting a game into a film means navigating both creative and legal challenges.

Here's how to set yourself up for success:

1

## Get your legal house in order

Secure all IP rights and contracts before negotiations begin. Production companies/studios will pay more for "clean" IP (and it's easier for projects to be financed if there is "clean" IP).

2

## Think long-term

Structure deals that allow your game or franchise to grow. Don't just think about the immediate option payment. Consider where you want your franchise to be in 5 and 10 years.

3

## Balance protection and partnership

Insist on what matters (your game IP ownership, credit, creative integrity). But be flexible on details that the filmmakers might understand better (e.g. runtime or combining minor characters for narrative simplicity).

4

## Use available support

Plug into the NZGDA and the NZFC. They provide resources, advice, and connect you with others who've been through a transmedia project. Government screen incentives and grants are there to be used. International partners will appreciate if you bring potential funding to the table – this can lower their cost, making your project more attractive.

5

## Stay informed

Keep up with law changes and industry trends – we are seeing AI-created TV series, interactive TV series, which brings new legal questions. Stay part of the conversation through industry sessions (via NZGDA, NZ On Air, and the NZFC).

## Meet our gaming and film experts

New Zealand punches above its weight with our creative content globally.

With careful planning, New Zealand developers can turn their games into successful films, and continue to showcase the strength of our creative sector around the world – which is incredibly important right now.

So, engage the right advisors, build strong partnerships, and position your IP to succeed in both the gaming and film markets.



**Kate Cruickshank**

Partner

View profile [here](#)



**John McCay**

Partner

View profile [here](#)



**Christopher Young**

Partner

View profile [here](#)



**Richard Wells**

Partner

View profile [here](#)

