

From: [Simon Joy](#)
To: [Section52CDPA](#)
Subject: Section 52 CDPA
Date: 09 December 2015 08:59:50
Attachments: [image001.png](#)
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Dear Sir/Madam,

I am writing on behalf of the UK subsidiary of Poltrona Frau Group and Cassina SpA which employs 19 people in the UK and would like to thank the Government for the chance to comment on this consultation on the repeal of Section 52 of the Copyright, Design and Patents Act 1988.

The proposed transition period is appropriate and proportionate and we are fully supportive of it.

Since the Enterprise and Regulatory Reform Act received Royal Assent in April 2013, businesses selling replicas have already had sufficient time – more than two years – to learn about the planned change in law and begin to make preparations for it. Those who are manufacturing products in the UK have also already had the time to phase out the relevant part of their business – if indeed there are any UK-based manufacturers (to our knowledge there are none). Others (the vast majority, if not all, of those affected by the change of law) require only enough time to clear their stock in order to phase out that part of their business – most replicas are imported from Asia. Again, they have had over two years to do this. The Government's proposal to have a short, clear transition period of six months is therefore sensible.

This proposed transition period will also bring the UK into line with European law in the shortest time possible. This is in light of the European Court of Justice ruling in the Case C-168/09 Flos SpA v Semerano Case e Famiglia SpA (Flos case).

Overly long transitional provisions, which permit new entrants to the market during the transitional period, are incompatible with Court of Justice case law.

There is no rationale whatsoever for longer transition periods. Any longer transition periods would not only be against European law, as noted above, but also impose significant costs on designers of industrially-manufactured artistic works. The continued availability of copies of artistic design on the UK market has a devastating impact on the financial situation of design companies and on employment in the sector. We estimate that we are million pounds of revenue due to unlicensed copies being shipped into the UK and which have been principally imported from China and other Asian markets, heavily impacting European jobs and factories.

It is also important to stress that designers of industrially-manufactured artistic works should be given the same protection for their work and efforts as other creators such as artists, composers and writers. The UK has some of the best design schools in the world. Yet, many young British designers currently have little incentive to stay and create in the UK where the law offers limited protection for the works that they produce. Ensuring that the transition period is six months from the start of this consultation will send the right message to these designers.

Finally, we welcome the proposed guidance on helping businesses in this area following the repeal of

Section 52 and look forward to further details of its release and whether we will be able to feed into its development.

It is not the intention of Poltrona Frau and Cassina SpA to bring action against museums, schools, film makers and libraries using 2-dimensional images of design classics. Our intention is to stop the import of illegal replicas of our products to the EU market. We simply would not consider action against the publishing of our works in magazines, catalogues etc., because such action would destroy the most important marketing platforms for furniture design classics. These platforms are also essential for public awareness of these enormously significant designs and for the ability of new generations to learn about the importance of world-class design.

We agree that the Government should apply these depletion periods only to those contracts entered into prior to the start time and date of this consultation. The benefits of this are clear, as acknowledged in the consultation, namely that it will bring the UK into line with European law and encourage innovation in the British design sector, as young designers see their hard work properly protected.

A depletion period any longer than the one proposed by the Government and applicable to contracts entered into after the start time and date of this consultation could potentially see copyists encouraged to build up stock, which they would sell on and so undermine the spirit of the change in the law.

There will be costs to businesses engaging in the sale of replicas, but – as noted above – these businesses have had since April 2013 to adjust to the changed regulatory landscape and six months is enough time for them to sell through stock. If these companies have not been able to make significant changes to their business model in the two years since the law changed, and if they are then not able to sell through stock in six months, then they must bear these costs. As it is, to our knowledge very little or no manufacturing actually takes place in the UK and most of the copies of design classics are imported from Asia by businesses merely registered in the UK to benefit from Section 52 of the CPDA.

By taking an approach that favours longer transition periods, the Government would not be supporting British industry but would instead stifle creativity and competitiveness in this country. Furthermore, as a world leader in helping to enforce intellectual property rules around the globe, the UK should ensure that its laws are in line with EU legal provisions and do not encourage intellectual property rights infringements elsewhere. The suggested depletion period is therefore proportionate.

Finally, we agree that the sale of second-hand items purchased under S52 **so long as this product is not being sold as part of a business** is permissible and agrees that the Government should not make any legislative changes in this respect. We look forward to the guidance on helping businesses in this area on this matter that the Government will be producing.

We agree that Paragraph 6 of Schedule 1 of the CPDA should be amended. This will have significant benefits in terms of bringing the UK into line with EU law and providing legal certainty.

We look forward to hearing more as soon as possible about how the Government will amend the law,

as there is considerable uncertainty as to how this is to be achieved.

We agree that Regulation 24 of the Duration of Copyright and Rights in Performances Regulations 1995 should be repealed.

It was our understanding that “compulsory licensing provisions” (i.e. the permanent application of Regulation 24 to certain works which previously fell within S52) would deprive those works of the protection envisaged in the Berne Copyright Convention and be in breach of EU legislation. Indeed, this would amount to a failure to implement the Term Directive, Information Society Directive and Enforcement Directive. It would of course be essential that such a failure – and its consequences for all stakeholders – is avoided, and so we welcome the Government’s suggested repeal of Regulation 24.

As with the above, we look forward to hearing more as soon as possible about how the Government will repeal this Regulation.

For any comments or questions on this consultation response, please contact:

- Simon Joy
Poltrona Frau (Group) UK Limited & Cassina SpA
148-150 St John Street
London EC1V 4UD

Yours faithfully,

Simon Joy

Simon Joy
Managing Director
UK/Eire/Gulf Region, Middle East – International Projects Hub
D.D. [REDACTED] **M.** [REDACTED]

Poltrona Frau Group, 150 St. John Street, London, EC1V 4UD.
Tel. +44 (0)20 7014 5980

Cassina Flagship Showroom, 238-242 Brompton Road, Knightsbridge, London, SW3 2BB.
T. +44 (0) 207 584 0000

Poltrona Frau Flagship Showroom, 147-153 Fulham road, London, SW3 6SN.

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The **Poltrona Frau Group** is the Holding Company for the following Manufacturers:

GroupSig 24th June 15



Cassina	www.cassina.com
Poltrona Frau	www.poltronafrau.com
Cappellini	www.cappellini.it
Alias	www.aliasdesign.it
GTV	www.gebruederthonetvienna.com

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