

## **Comments of the Chartered Institute of Patent Attorneys**

*On the Consultation on transitional arrangements for the Repeal of Section 52 of the Copyright, Designs and Patents Act 1988*

### **Introduction**

The Chartered Institute of Patent Attorneys (“CIPA”) is the representative body for Chartered Patent Attorneys in the UK, all of whom are trained and examined to advise and represent in design matters and in copyright law insofar as it protects designs. Most CIPA fellows (around 2240 people) are Registered Patent Attorneys regulated by IPReg (a national Regulatory Authority supervised by the Legal Services Board under the Legal Services Act 2007), and are representatives before OHIM qualified to represent in design matters.

### **General comment**

Though we had not previously considered it necessary or desirable, it appears that the *Flos* judgment of the Court of Justice leaves no option but to get rid of Section 52.

The *Flos* judgment also leaves little scope for lengthy transitional provisions, and we are now almost five years after *Flos*. However, six months is a short transitional term, and our view is that, in relation to three-dimensional works (which require changes to tooling) it is inconveniently short. A transitional sell-off period would of course mitigate the difficulty.

Beyond that, compulsory licensing as of right has previously been used to ease similar transitions (for example, on the introduction of Section 51 in 1989) and the IPO has precedent and mechanisms which would allow them to settle the terms of such licences. If it is open to the Government to do so, a five year term of compulsory licensing following the end of the transition period (like that of UDR) would compensate rights-holders whilst allowing competitors to wind down business slowly.

We think the Government should also consider carefully whether Sections 4 and 51 are still compliant with the *Flos* judgment and the law on which it is based. We note, for example, that in Case C-5/11 *Donner* at para 29, following *Flos*, Advocate General Jääskinen opined that “*the Member States have no discretion to exclude works of applied arts and industrial designs and models, such as the items here in issue, from the scope of copyright protection*”. If Section 51 is to be retained, it may be necessary to add “*works of applied arts and industrial designs and models*” to the list of works protected within Section 4 of the Copyright, Designs and Patents Act.

As advisors, we cannot comment in detail on the costs and benefits.

## Detailed Answers

1. What will be the impact of a transitional period of six months, both costs and benefits? **IT WILL VARY ACROSS INDUSTRY SECTORS.**
2. Should the six months run from the start date of this consultation or from a different date, and if different, why? **WE HAVE NO VIEW**
3. Should a longer or shorter transitional period than six months be adopted, and if so, what are the costs and benefits? **WE THINK A LONGER PERIOD IS DESIRABLE FOR THREE DIMENSIONAL PRODUCTS. SEE BELOW. THIS WOULD ALLOW TIME FOR CHANGING OVER PRODUCTION BY CURRENT PRODUCERS.**
4. Are there any other issues which the guidance should cover which are not listed? **NO COMMENT.**
5. Do you agree that the Government is right not to distinguish between two- and three-dimensional copies? **NO. THE OBJECT OF A TRANSITION PERIOD IS TO MITIGATE THE INCONVENIENCE TO BUSINESS. IN GENERAL THERE IS GREATER INCONVENIENCE IN VARYING THREE DIMENSIONAL MANUFACTURING PROCESSES THAN TWO DIMENSIONAL PROCESSES. ONE YEAR WOULD PROBABLY BE ADEQUATE IN MOST SUCH CASES.**
6. Do you agree that applying the depletion period only to those contracts entered into prior to the start time and date of this consultation appropriate, and what are the costs and benefits of this? **YES.**
7. Are there any other factors that the Government should consider for the depletion period? **NO COMMENT**
8. Do you agree that the period provided for depletion of stock is proportionate? **YES, IF THE TRANSITION PERIOD IS EXTENDED AS ABOVE.**
9. Should a longer or shorter depletion period than six months be adopted, and if so, what are the costs and benefits? **SIX MONTHS IS CONVENTIONAL FOR RECORDINGS. A ONE-YEAR PERIOD MIGHT BE CONSIDERED, IN ORDER TO ENCOMPASS SUMMER AND WINTER SALE PERIODS.**
10. Do you agree that no legislative change should be made in respect of items previously purchased under section 52 CDPA? If not, what provision would you make and why? **IN RELATION TO RETAIL SALES, THE RIGHTS SHOULD BE TREATED AS EXHAUSTED AND WE THINK A PROVISION COVERING THIS FOR THE AVOIDANCE OF DOUBT WOULD BE DESIRABLE. THE POSITION FOR WHOLESALE SALES REQUIRES MORE THOUGHT, AS SUCH SALES TO A THIRD PARTY WOULD THEN POTENTIALLY EXTEND THE DEPLETION PERIOD.**
11. Do you agree that Paragraph 6 of Schedule 1 of the Copyright, Designs and Patents Act 1988 should be amended to exclude items protected by copyright in the EU at 1 July 1995? **YES. IT IS NECESSARY TO REPEAL THIS PROVISION TO COMPLY WITH THE FLOS RULING.**
12. If Paragraph 6 of Schedule 1 of the Copyright, Designs and Patents Act 1988 is repealed or amended, are you aware of items where copyright would be conferred which never previously had copyright protection anywhere? **NO. WE THINK IT LIKELY THAT ANY SUCH ITEMS WOULD HAVE BEEN PROTECTED IN THE NETHERLANDS AND FRANCE AT LEAST, AND PERHAPS ALSO IN GERMANY. HOWEVER, IN THE EVENT THAT CHANGES SHOULD BE MADE TO SECTION 51, THAT CONCLUSION MIGHT CHANGE.**
13. Do you agree that Regulation 24 of the Duration of Copyright and Rights in Performances Regulations 1995 should be repealed? **WE DO NOT THINK THIS IS REQUIRED BY THE PRESENT SITUATION, BUT FOR THE REASONS GIVEN IN THE CONSULTATION WE ALSO DO NOT THINK THE REPEAL WOULD BE HARMFUL ON A LARGE SCALE.**
14. Have you relied on or been subject to compulsory licensing in the past under Regulation 24 of the Duration of Copyright and Rights in Performances Regulations 1995, and what were the costs or benefits? **NO. HOWEVER, OUR MEMBERS ARE FAMILIAR WITH TRANSITIONAL COMPULSORY LICENCE OF RIGHT PROCEDURES UNDER THE PATENTS ACT 1977 AND THE COPYRIGHT DESIGNS AND PATENTS ACT 1988, AND WITH THOSE FOR DESIGN RIGHT CURRENTLY IN FORCE UNDER THE LATTER ACT.**

15. Would you expect to rely on or be subject to compulsory licensing in the future, and what would you expect the costs or benefits to be? **NO COMMENT**

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22 December 2015