

Cassina, Vitra and Knoll's Response
to the consultation on transitional arrangements
for the repeal of section 52 CDPA 1988

This is Cassina, Vitra and Knoll's response to the consultation dated 28 October 2015 on the transitional arrangements for the repeal of s.52 of the CPDA.

Cassina, Vitra and Knoll have already provided responses to the Government's various consultations on the transitional provisions for the repeal of s.52. This response supplements those previous responses.

Those previous responses did not offer Cassina, Vitra and Knoll's opinion on how the repeal of s.52 interacts with Schedule 1 of the CDPA. Accordingly, this response is focussed on the questions concerning the repeal/amendment of paragraph 6 of Schedule 1 of CDPA together with other potential issues in Schedule 1.

Question:

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?

Cassina, Vitra and Knoll's Response:

1. By way of overview, Directive 2006/116/EC (the "Second Term Directive") (which "codified" Directive 93/98/EEC ("the First Term Directive") with materially identical effect for present purposes) requires that, in the UK, the term of protection of all artistic and literary works that were protected, pursuant to national copyright provisions, in at least one Member State on 1 July 1995, shall run from the life of the author plus 70 years. That is the case regardless of whether or not the work was previously protected in the UK¹. This was reflected in the announcement in Parliament by the Parliamentary Under Secretary of State for Business, Innovation and Skills and Minister for Intellectual Property, and repeated in the consultation document.
2. To the extent that any provision of UK law is inconsistent with that requirement, that law either needs to be interpreted in accordance with EU Law under the Marleasing principle, or repealed or amended so as to be compatible with EU law. Amending the relevant legislation would provide legal certainty for all interested parties and assist in avoiding unnecessary litigation.

Paragraph 6 of Schedule 1

3. Paragraph 6 excludes from copyright protection any "...artistic work made before 1st June 1957 which at the time when the work was made constituted a design capable of

¹ See the ruling by the Grand Chamber of the European Court of Justice in Case C-240/07 Sony Music Entertainment (Germany) GmbH v Falcon Neue Medien Vertriebe GmbH [2009] ECR I-263 at paragraphs 20-25 and 35.

registration under the Registered Designs Act 1949 or under the enactments repealed by that Act, and was used, or intended to be used, as a model or pattern to be multiplied by an industrial process". The practical effect of this provision, which has been in force since 1 August 1989, is to exclude copyright protection from works which may otherwise be protected under the CDPA.

4. On 29 October 1993, the First Term Directive was adopted. The First Term Directive stipulated that the rights of an author of an artistic work shall run for the life of the author and for 70 years after his death, irrespective of the date when the work is lawfully made available to the public (Article 1); and made clear that such term of protection must apply to all works which were protected in at least one Member State on 1 July 1995 (Article 10(2)). These provisions were adopted by the UK in Regulation 16 of the Duration of Copyright and Rights in Performances Regulations 1995 (the "1995 Regulations").
5. On 13 October 1998, the EU adopted Directive 98/71 (the "Designs Directive"). The purpose of the Designs Directive was to effect a partial harmonisation of the Member States' laws in relation to the legal protection of designs. A central principle of the Designs Directive was the *"...cumulation of protection under specific registered design protection law and under copyright law"* (Recital 8). Article 17 made provision for the operation of this principle as follows:

"Relationship to copyright

A design protected by a design right registered in or in respect of a Member State in accordance with this Directive shall also be eligible for protection under the law of copyright of that State as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State."

6. This Article required designs to be eligible for copyright protection as well as design right protection: that is why the principle was referred to as one of *"cumulation"*. The UK was required to achieve this outcome by 28 October 2001, which was the last date for transposition of the Designs Directive by the Member States.
7. The combined effect of Article 17 of the Designs Directive and Article 1 of the First Term Directive was that the UK was required, by 28 October 2001, to ensure that designs were eligible for copyright protection, with the *"...extent to which, and the conditions under which, such a protection is conferred, including the level of originality required"* being a matter for the UK, subject always to the requirement that if the UK did confer protection, it was required to ensure that the term of such protection was the life of the author plus 70 years.
8. The UK's copyright law already, as at 28 October 2001, conferred protection upon artistic works embodied in designs. However, the UK failed to ensure that the requirements of Article 17 of the Designs Directive and Article 1 of the First Term Directive were implemented. In particular, the UK's maintenance in force of Paragraph 6 excluded from copyright protection any artistic work made before 1 June 1957 *"...which at the time when the work was made constituted a design capable of registration under the Registered Designs Act 1949 or under the enactments repealed by that Act, and was used, or intended to be used, as a model or pattern to be multiplied by an industrial*

process". This provision was squarely contrary to the principle of cumulation contained in Article 17 of the Designs Directive.

9. It has been argued by the supporters of the replica furniture importers that the UK was entitled, under Article 17 of the Designs Directive, to determine "[t]he extent to which, and the conditions under which", the copyright protection for which designs were required by that Article to be eligible, and that this carried with it an entitlement to provide for pre-1957 designs to remain ineligible for protection at all. However, this is wrong on the face of the relevant instruments, given that the principle of "cumulation" was at the heart of the Designs Directive and was squarely inconsistent with a total exclusion of eligibility for pre-1957 works.

10. This was subsequently also made clear by the CJEU in Case C-168/09 Flos SpA v Semeraro Casa e Famiglia SpA (27 January 2011). In the Flos SpA judgment, the Court observed:

"37. Indeed, it is clear from the wording of Article 17 of [the Designs Directive], and particularly from the use of the word 'also' in the first sentence thereof, that copyright protection must be conferred on all designs protected by a design right registered in or in respect of the Member State concerned.

38. The intention of the European Union legislature to confer that protection also emerges clearly from recital 8 in the preamble to [the Designs Directive], affirming, in the absence of harmonisation of copyright legislation, the principle of cumulation of protection under specific registered design protection law and under copyright law.

39. Nor does the fact that the Member States are entitled to determine the extent of copyright protection and the conditions under which it is conferred affect the term of that protection, since the term has already been harmonised at European Union level by [the First Term Directive].

40. In that regard, Article 1(1) of [the First Term Directive] provides for copyright in a literary or artistic work within the meaning of Article 2 of the Berne Convention for the Protection of Literary and Artistic Works to run for the life of the author and for 70 years after his death. Article 10(2) of [the First Term Directive] provides that that term of protection is to apply to all works and subject matter which, on 1 July 1995, were protected in at least one Member State."

11. The correct interpretation of the First and Second Term Directives is therefore that, if a design was protected by copyright in at least one Member State as at 1 July 1995, then the UK is required to recognise it as being so protected under UK copyright law even if: (i) copyright in the UK had expired, or (ii) copyright never subsisted in the UK. See further the Sony Music case cited in footnote 1 above.
12. That being so, Paragraph 6 is manifestly contrary to the First and Second Term Directives: it squarely prevents pre-1957 designs from qualifying for copyright protection at all.
13. Although the Marleasing obligation is a far-reaching one, the current situation is not one of interpretation but rather one of dis-application of primary legislation, which may cross

the “...boundary between interpretation and amendment”.² Furthermore, any suggestion that a piece of delegated legislation (i.e. the 1995 Regulations) impliedly repealed a piece of primary legislation is likely to face considerable legal obstacles.

14. It would therefore be preferable to repeal the provision. This is the simplest way in which to deal with the issue and the least likely to produce unintended consequences. Alternatively, amendment to the provision to exclude items protected by copyright in the EU as at 1 July 1995 would be an acceptable solution and would have the advantage of making the minimum change necessary to ensure that provision is compatible with EU law. However, if an amendment is to be made it should use the language of Article 10(2) the Second Term Directive (rather than the potentially ambiguous wording of the 1995 Regulation) and apply to the whole of Schedule 1 (including paragraphs 5 and 6) for the reasons set out below.

Paragraph 5(1) of Schedule 1

15. Although the consultation document question identified above is mainly directed at paragraph 6 of Schedule 1, Cassina, Vitra and Knoll understand that some respondents to this consultation also have concerns about paragraph 5(1) of Schedule 1. They argue that paragraph 5(1) presents a further obstacle to protection of works of artistic craftsmanship where those works (a) were created before the CDPA commenced, (b) qualified for copyright protection in another EU state in 1995, but (c) would not have attracted copyright subsisting in the UK immediately before the commencement of the CDPA.
16. Paragraph 5(1) states that:
- “Copyright subsists in an existing work after commencement only if copyright subsisted in it immediately before commencement”.*
17. The purpose of this paragraph is to ensure the continuity of law. However, on a literal reading, works which were created before the enactment of the CDPA and which did not qualify for copyright protection at that time (e.g. pre-1957 registrable designs) would not be able to qualify for copyright protection under the CDPA since copyright would not have “subsisted in [the work] immediately before commencement”.
18. This paragraph is therefore argued to be an obstacle to the meaningful repeal of s.52 in relation to pre-1957 works.
19. Such a literal interpretation of paragraph 5(1) would undermine the UK’s ability to comply with EU law. The First and Second Term Directives require the UK to provide copyright protection for literary and artistic works of life plus 70 years, regardless of when those works came into existence. There is no justification for excluding works created prior to the commencement of the CDPA.
20. By way of example, a literary work by an author who died in 1937 would have been protected in the UK until 31 December 1987. In Germany the same author’s work benefited from a period of protection of life plus 70 years. Regulation 16(d) of the 1995 Regulations requires that copyright in that work should have been extended until 2007. However, on the basis of a literal interpretation of paragraph 5(1), this would not be

² See e.g. *Vodafone 2 v Revenue and Customs Commissioners* [2010] Ch 77 at paragraph 38 per Sir Andrew Morritt C.

possible – the work had fallen out of copyright in the UK by the time the CDPA was enacted and so could not be protected under the CPDA.

21. Furthermore, such a literal interpretation of paragraph 5(1) would frustrate other more recent extensions of UK copyright required by EU law. By way of example, copyright in databases was intended to be introduced into UK law in 1998 by s.3A of the CDPA. However, copyright in databases did not subsist before the CPDA was enacted, or immediately thereafter. Yet, article 14(1) of the Directive 96/9/EC required that:

“Protection pursuant to this Directive as regards copyright shall also be available in respect of databases created prior to the date referred to Article 16 (1) [i.e.1998] which on that date fulfil the requirements laid down in this Directive as regards copyright protection of databases.”

22. If the Government does not intend to modify paragraph 5 then Cassina, Vitra and Knoll believe that the Government should be clear in providing guidance that paragraph 5(1) of Schedule 1 should not be read in the manner advanced by the replica furniture importers. Cassina, Vitra and Knoll believe that Marleasing would require that paragraph 5(1) be interpreted as follows:

“Copyright subsists in an existing work after commencement by virtue of the commencement of this Act only if copyright subsisted in it immediately before commencement”

23. However, Cassina, Vitra and Knoll's preferred approach would be for the Government to amend paragraph 5 to provide clarity and certainty to all parties.

24. Paragraph 5(2) currently sets out a number of exceptions to the rule in paragraph 5(1). Cassina, Vitra and Knoll believe that the introduction, in paragraph 5(2), of an additional exception to the rule set out in paragraph 5(1) would avoid any uncertainty as to the scope of paragraph 5(1). Cassina, Vitra and Knoll suggest that paragraph 5(2)(c) be introduced as follows:

5(2) Sub-paragraph (1) does not prevent an existing work qualifying for copyright protection after commencement—

- (a) under section 155 (qualification by virtue of first publication), or*
- (b) by virtue of an Order under section 159 (application of Part I to countries to which it does not extend); or*

(c) to the extent otherwise required by European Union law.

25. Such an amendment would avoid any doubt as to the result of the repeal of s.52 in respect of pre-1957 works. It is suggested that it will be appropriate for consistency for any amendment to paragraph 6 to take the same form. Alternatively, the simplest and most effective amendment would be to add paragraph 5A to Schedule 1, which would read:

5A. This Schedule does not prevent an existing work qualifying for copyright protection after commencement to the extent that such copyright protection is required by European Union law.