IPO Consultation in relation to the Transitional Arrangements for the Repeal of Section 52 CDPA 1988 and consequential amendments

This response is submitted jointly by Catriona Smith, Sara Ashby and Tamsin Holman (in their personal capacity).

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We have seen the joint submission from Professors Lionel Bently (Cambridge University) and Graeme Dinwoodie (Oxford University) and endorse their submission.

We also draw the Government's attention to the IPKat blog dated 22 December 2015 (Subject: [The IPKat] Santa Claus's submission on the IPO Consultation on Transitional Arrangements for the Repeal of Section 52), setting out a 'letter from Santa', which conveniently illustrates some of the difficulties with and perhaps unforeseen consequences of the Government's proposals.

Transitional period

Should the six months run from the start date of this consultation or from a different date, and if different, why?

1. In our view the six months cannot reasonably run from the start date of this consultation period.
2. The Government has stated that it wants to take 'the correct approach', hence revoking the earlier commencement order and consulting again. A consultation by definition is an opportunity to gather views and consider what is the 'correct' approach and make a decision in light of those views. For the six months to commence from a date prior even to the deadline for submitting those views cannot be right, on any view.
3. In any event, section 52 is still in force. A 'transitional period' commencing (and possibly concluding) prior to repeal of section 52 becoming effective would not be a 'transitional' period at all.

Depletion period for existing stock

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?

4. We agree.
5. As the Government pointed out in the previous consultation in October 2014: *"there is a legal basis for existing stock not to be affected by the change in law"* (i.e. the repeal of section 52): namely section 27(2) and 27(3) of the CDPA 1988 which provide that an article is an infringing copy if [and only if] its making in the UK or importation into the UK constitutes an infringement.
6. This is a sound reason for not rendering illegal articles which, prior to commencement of the repeal of section 52, were legal.
7. We note that this consultation states:

"The Government had originally intended that any stock imported or produced up to the date of the repeal of Section 52 would remain lawful... The Government intends to allow for a depletion period of an additional six months following the date of the repeal, effectively ending on 28 October 2016, limited in its application only to goods produced or acquired under a contract entered into before the publication time and date of this consultation"

8. Accordingly, it appears that the Government's position has therefore changed, although no explanation has been given for this change.

9. If the Government's intention now really is that, after the depletion period, articles will become infringing even though they were not infringing articles when made or imported, then this would seriously undermine the otherwise legitimate expectations of (until now) lawful traders.

10. If this is indeed the Government's intention, the Government will need to make specific provision for this in the transitional provisions because of the effect of Section 27 CDPA 1988.

Provision of copyright protection for works made before 1957

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?

11. No.

12. This Consultation is on transitional provisions for the implementation of repeal of section 52 of the CDPA 1988 and consequential amendments. Paragraph 6 of Schedule I CDPA ("paragraph 6") is nothing to do with the implementation of that repeal. Any potential changes to this provision should be the subject of separate full and proper consultation.

13. Paragraph 24 of the Consultation Document states that the purpose of the proposed amendment of paragraph 6 is *"in order to provide more clarity for right holders and ensure there is equality of copyright protection for artistic works capable of qualifying as designs and other artistic works"*. It states further that the proposed amendment is to *"exclude articles protected by copyright in the EU at 1 July 1995. The paragraph would not be repealed in full, in order to prevent items obtaining copyright protection inadvertently".*

14. When the question asks whether Paragraph 6 should be amended, we take that to be asking whether the amendment would achieve the Government's stated objective, not whether the stated objective is an objective which the Government should be trying to achieve[1].

15. One problem is that it is not clear what the Consultation Document means by *"equality of copyright protection"*. In essence, does it mean that designs which did not enjoy copyright protection at all (notably registrable designs created before June 1957 ("Pre-1957 Works")) should have copyright protection conferred on them for the first time?

16. It is also not clear whether the Government believes that it must achieve its objective to comply with European law. The provisions of the First Term Directive, the Designs Directive and *Flos* do not clearly mandate any introduction of new copyright, and thus the Government's objective may be a matter of policy, not obligation. However, the current consultation is not concerned with this. If the Government's objective is not clearly articulated, it will be difficult to ensure that it is achieved.

[1] There is, perhaps, a debate to be had as to what UK law should be following the *Flos* decision, and thus what the Government should be trying to achieve.

17. Turning to the proposed amendment to paragraph 6 itself, the Consultation suggests that paragraph 6 must be read as if Pre-1957 Works protected in any other EU country on 1 July 1995 would already be protected in the UK, citing the *Marleasing* principle. This presupposes that the Government is obliged to protect Pre-1957 Works in this way. For the reasons given above, that is far from clear. In any event, even if that were so, paragraph 6 cannot be interpreted in this way. To do so would amount to dis-application of primary legislation, which would cross the *"…boundary between interpretation and amendment"*: see e.g. *Vodafone 2 v Revenue and Customs Commissioners* [2010] Ch 77 at 38 per Sir Andrew Morritt C. Furthermore, any suggestion that a piece of delegated legislation impliedly repealed a piece of primary legislation is likely to face considerable obstacles.

18. If the Government's objective is to *"provide more clarity"* and to confer copyright protection on Pre-1957 Works (which are designs which have never previously enjoyed copyright protection at all), in our view the better way to achieve that would be to legislate affirmatively, conferring copyright protection on the (artistic) works which the Government intends should be protected. This would mean that the nature of the law is indeed clear to all concerned, lay people as well as lawyers. It would also be clear that the Government's intention was in fact achieved. We are concerned that amendment to paragraph 6 alone would not achieve the Government's apparent objective and, even if it did, would not do so in a way which *"provides more clarity"*.

19. Paragraph 3 of Schedule I CDPA 1988 states *"The new copyright provisions apply in relation to things existing at commencement as they apply in relation to things coming into existence after commencement, subject to any express provision to the contrary"*.

20. Paragraph 6 only relates to subsistence under the CDPA 1988 itself and not to subsistence under previous legislation. Pre-1957 Works are also excluded from copyright protection not only by paragraph 6 but also by virtue of paragraph 5 of Schedule 1 CDPA 1988 ("paragraph 5") and paragraphs 5 and 6 implement the effect of section 22 of the Copyright Act 1911 (the "1911 Act"). Paragraph 8(2) of the Seventh Schedule to the Copyright Act 1956 (the "1956 Act") also excluded protection under that Act for pre-1957 artistic works.

21. If the Government wishes to give copyright protection to artistic works that are excluded from copyright protection by these provisions, it cannot do so simply by repealing or amending paragraph 6 because paragraph 5 expressly states that copyright only subsists in any existing work after 1 August 1989 (commencement of the CDPA 1988) if it did so before commencement. This covers not only Pre-1957 Works but also any other work in which no copyright subsisted on the date of commencement of the CDPA 1988.

22. Even repealing paragraph 5 without careful consideration could lead to unintended consequences by conferring copyright protection on works beyond just those covered by paragraph 6 (and originally covered by section 22 of the 1911 Act).

23. We would also comment that if Pre-1957 Works were to be given copyright in the UK for the first time, complex investigations would have to be conducted by anyone who might wish to deal in copies of any particular pre 1957 item. They would have to consider at the least:

    a. what type of work the item might be, or might be a copy of: artistic, literary, etc;

    b. whether it met the requirements for originality;

    c. who the author was, and whether the author was entitled to copyright protection for his works in the UK;

    d. when the work was created;

    e. when the author died;

f. who the first owner (rather than author) of the copyright was (and if new copyright is created by the new laws, the rules as to ownership would also have to be established);

g. who the present owner of the copyright is; and

h. whether any relevant licences are, or have ever been, in place (e.g. there might be a worldwide licence in respect of the work, previously granted and covering the UK).

24. Bringing Pre-1957 Works into copyright for the first time necessarily means that some of these questions require investigation of events happening at least 58 years ago, and possibly over a century ago. The investigations would be far from easy.

25. If the Government does wish to give copyright protection to artistic works that were originally excluded from copyright protection by virtue of section 22 of the 1911 Act, it will have to consider how to do so and in particular should consider whether to impose conditions on that protection (which the Government is entitled to do - see below).

26. We have not considered, for the purposes of this response, the position of works created prior to the entry into force of the 1911 Act, but it is not inconceivable that such works might also have been created by an author who died less than 70 years ago. Pablo Picasso, for example, the well-known artist, sculptor and ceramicist, was born in 1881 and died in 1973, well under 70 years ago. He was in his twenties, and active, in the first decade of the 1900s, i.e. prior to 1911. To appreciate the potential impact of amending or repealing paragraphs 5 and 6 would therefore require investigation into the copyright position in relation to works under previous legislation including that which pre dates 1911, which would require consideration of Acts preceding the 1911 Act.

27. Therefore any possible amendment or repeal of paragraphs 5 and 6 should be only done if at all by primary legislation, and following full and proper consultation.

Compulsory licensing of works where copyright is revived

Do you agree that Regulation 24 of the Duration of Copyright and Rights in Performances Regulations 1995 should be repealed?

28. No.

29. This Consultation is on transitional provisions for the implementation of repeal of section 52 of the CDPA 1988 and consequential amendments.

30. Regulation 24 of the 1995 Regulations does not relate to the implementation of that repeal. It relates to *"revived copyright"* as a result of implementation of the Term Directive.

31. Repeal of section 52 does not result in *"revived"* copyright. Repeal of section 52 merely removes a defence to an allegation of copyright infringement.

32. In any event, Regulation 24 would not apply to new copyright which did not previously subsist.

33. Regulation 24 of the 1995 Regulations applies in relation to only one category of work, namely those in which "revived copyright" subsists. The definition of "*revived copyright*" in Regulation 17 of the 1995 Regulations refers to copyright which subsists by virtue of the new provisions after having expired under [the earlier provisions of the CDPA 1988] or any "*earlier enactment relating to copyright*" (which would be a reference to the 1911 Act and the 1956 Act (as well as earlier enactments)).

34. Regulation 24(1) of the UK 1995 Regulations provides:

24. – Revived copyright: use as of right subject to reasonable royalty

(1) In the case of a work in which revived copyright subsists any acts restricted by the copyright shall be treated as licensed by the copyright owner, subject only to the payment of such reasonable royalty or other remuneration as may be agreed or determined….

35. The words in the definition of "*revived copyright*" in Regulation 17 cannot be ignored or construed as covering works in which copyright has never previously subsisted in the UK. Paragraph 24 of the 1995 Regulations cannot cover works which may be given copyright protection for the first time. Such works are referred to in Regulation 16(b), but are clearly not covered by Regulations 17 and 24.

36. In the case of Pre-1957 Works, whilst there is a principle of cumulative copyright protection for designs, we do not believe there is any clear requirement under EU law/*Flos* to give copyright to works not previously protected, retrospectively. In those circumstances, if the Government intends to amend paragraphs 5 and 6 of the CDPA 1988, then primary legislation would be needed. If there is to be any such amendment, consideration will need to be given as to whether to introduce compulsory licensing in relation to any work which has never previously been protected by copyright in the UK and what transitional provisions should apply to any such works. The issue of whether or not to grant compulsory licences in relation to Pre-1957 Works should be part of the same full and proper consultation as to whether or not to grant copyright to Pre-1957 Works for the first time.

37. In the case of both Pre-1957 Works if copyright is to subsist in them for the first time, and in the case of any copyright work the copying of which would previously have avoided a finding of infringement as a result of the operation of section 52, in our view the Government could introduce compulsory licensing if it chose to do so. The Berne Convention allows the imposition of conditions on copyright works, and so far as we are aware there is nothing in European law to prevent such conditions being imposed and the CJEU in *Flos* is clear that Article 17 of the Designs Directive means that it is up to Member States to regulate as to the extent and conditions upon which any copyright is to be conferred. A compulsory licence does not remove copyright protection; it simply limits the remedies available.

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