

Submission by Haydn Price, Managing Director of Pablo Star Media Ltd, in support of the Governments proposal to change Schedule 1 CDPA to ensure equal treatment of copyright works made prior to 1 June 1957 and the amendment and repeal of some of the 1995 Regulations to remove compulsory licensing of works where copyright is revived.

On behalf of my company I make the following brief submissions;

- 01 My company is the owner of various photographic copyrights which were revived in the UK under the amended 1988 CDPA following the implementation of the Term Directive. These photographs were taken around 1936-1940 by an EU photographer who died in 1967 and so were still protected in various EU states in 1991 (for example in Spain¹). Therefore they were revived in the UK and in the UK are affected by the UK compulsory licensing provision.
- 02 It is our belief that the UK Government is correct in asserting that the compulsory licensing provision is incompatible with Article 2 of the InfoSoc Directive, as it may deny rights holders the exclusive rights they are granted under EU law. We believe the compulsory licensing provision should be repealed as soon as possible and no additional transitional provisions should be made to drag out this discredited provision still further.
- 03 We believe that the current UK compulsory licensing provision is an oddity within the EU, as no other state to our knowledge has put restrictions or special conditions on such works once revived. For example in Austria, Ireland and The Netherlands copyright is simply for 70 years after the death of the author for all revived works. There is no compulsory licensing provision for these works and they are treated like any other in-copyright work.

¹ Law 01/10/1879 as seen today in its 1879 official written form as "Law of January 10, 1879 on intellectual property (Spain)" (in Gaceta Madrid, nº. 12, 01/12/1879).
Law 22/1987, of 11 of November on Intellectual Property (in BOE -A -1987-25628; in line in Spain Official legal text https://www.boe.es/diario_boe/txt.php?id=BOE-A-1987-25628)
Royal Legislative Decree Nº 1/1996, of 12 of April 1996, consolidated text of the law on intellectual property, regularizing, clarifying and harmonizing the applicable statutory provisions (in BOE -A-1996-8930; in line in Spain Official legal text https://www.boe.es/diario_boe/txt.php?id=BOE-A-1996-8930)

- 04 In addition, the UK compulsory licensing provision may give a false sense of legal protection to any that apply for and hold a UK license. It is established law that EU law trumps national law. When EU law conflicts with national law, UK courts have a duty to give full effect to EU law². From the consultation document, the UK Government already seems to imply that under EU law a UK compulsory license may not actually be enforceable before UK courts and the holder of the license may logically still be guilty of infringement under EU law.
- 05 The functional, practical value of the UK compulsory license therefore now seems redundant. Our belief is further strengthened when one considers the wider single EU market. Following court rulings in several member states, EU case law now means that the law of the country of protection must now determine the question of initial ownership and other conflicts of copyright law rather than the country of the author's origin or a work's first publication.
- 06 In simple terms once an image or product reaches the national borders of another EU state it is governed by the copyright laws of that state not the UK³. So if a person obtained a UK compulsory license for a revived copyright and printed the work in a book in England and the book was later made available in say Germany the publisher would automatically infringe the copyrights of the holder under German law. In Germany the rights holder would have the exclusive rights in Germany unaffected by the UK compulsory license. Nothing in the compulsory license would save the user in Germany. Equally if the holder placed the image on a UK ".Co.UK" website and it was "accessible" in the Netherlands, infringement would occur in the Netherlands⁴ and the UK compulsory license would count for nothing in the Netherlands. To support the above assertions I have listed cases below.
- 07 I understand that the last consultation on the Governments proposals produced no real objections but the Government wished to consult once again to be sure. Having

² *Finanze dello Stato v Simmenthal SpA* Case 106/77 [1978] ECR 629 (Tab 21) Ruling; "A national court which is called upon, within the limits of its jurisdiction, to apply provisions of Community law is under a duty to give full effect to those provisions, if necessary refusing of its own motion to apply any conflicting provision of national legislation, even if adopted subsequently, and it is not necessary for the court to request or await the prior setting aside of such provisions by legislative or other constitutional means". See also *Vidal-Hall v Google* (March 2015) EWCA Civ 311 Case No: A2/2014/0403.

³ *Laserdisken aps v Kulturministeriet*, C-479/04 (2006) ECR I-8089 [2007] CMLR (6) 187

⁴ *Pez Hejduk v EnergieAgentur NRW GmbH*, C-441/13, 2015, The Court (Fourth Chamber).

previously contacted the Compulsory Licensing body about their work and learning that very, very, few licenses are ever requested, I believe the lack of response to the Government's first consultation further indicates that the license is of little real use in the UK today. I believe this added to the EU complications listed above makes the license a rather pointless and unhelpful anomaly which should be retired as soon as possible.

08 I wish to also point out that the original premise of the license over 25 years ago also seems outdated and rather UK centered, as if all trade only occurs within UK borders. It ignores that elsewhere in the EU rights were frequently protected for 70 and 80 years. It is as if the UK believed the UK approach to pre-1957 works was the norm rather than the exception. In Spain for example all work of the mind are protected regardless of form under Law 01/10/1879⁵ and Law 22/1987 of 11 of November on Intellectual Property⁶.

09 Finally we are concerned that if the Government does repeal the provision (but allows further roll-on limited transitional provisions of any description) this will encourage people to apply for a compulsory license before any cut-off date or new legislation. As I have explained above, the functional practical value of the UK compulsory license is fatally compromised by the legal practicalities of the wider single EU market and case law. The UK compulsory license is not a valid protection against wider EU infringement. We would ask that any transitional relief be limited to either;

10 A). Those who applied and were granted a license before the consultation began or
B). Those who applied for a license before the consultation began

11 Relevant case law

European Court of Justice

⁵ as seen today in its 1879 official written form as "Law of January 10, 1879 on intellectual property (Spain)" (in Gaceta Madrid, nº. 12, 01/12/1879)

01 ⁶ (in BOE –A -1987-25628; in line in Spain Official legal text
https://www.boe.es/diario_boe/txt.php?id=BOE-A-1987-25628)

The European Court of Justice seems to have moved to a *Lex Protectionis* position (whilst it has not necessarily been controversial about applying *Lex Protectionis* to infringement, the significant conflict has been in dealing with ownership and transfers). However, where you can bring a case is different to what law you should then use in that case.

The lack of rights in an EU author's home state is not now a bar on rights in another EU country. In *EMI Electrola v Patricia Im-und Export*⁷ it was held that if an artist had a valid sound recording right in Germany (the country of protection), the artist could take action under this German right if products featuring works covered by that right were imported into Germany from another member state where that same right had expired. The defendant could not ignore the German right, even though it did not exist in the originating country where the products were legally manufactured. It was this ruling which provided the justification for the Duration Directive⁸.

Another case is *Tod's Spa and Tod's France SARL v Heyraud SA, Technisynthèse*⁹ in which the Second Chamber of the ECJ ordered:

'Article 12 EC, which lays down the general principle of non-discrimination on grounds of nationality, must be interpreted as meaning that the right of an author to claim in a Member State the copyright protection afforded by the law of that State may not be subject to a distinguishing criterion based on the country of origin of the work'.¹⁰

The Tod case involved an Italian company who owned the artistic rights in shoes sold under the Tod's and Hogan trademarks. The shoes' main design characteristics were copied and sold in France by the defendant. The defendant said the case was inadmissible under Article 2(7) of the Berne Convention because Tod's could not claim copyright protection in France for designs that do not qualify for such protection in Italy. Tod successfully argued that Article 2(7) did not apply, as it would be discriminatory on the grounds of the rights owner's nationality¹¹. In referring the case

⁷ 1989 E.C.R. 79; *Strivenens* [1989] E.I.P.R. 297; 1989 2 C.J.E.C (6th Chamber) C.M.L.R 41.

⁸ Cornish, W, Llewlyn, D, and Aplin, T, *Intellectual Property: Patents, Copyright, Trademarks and Allied Rights* 8th Ed (London, Sweet & Maxwell, 2013) p802 par 3 point 42.

⁹ Intervening case C-28/04 CJE (2nd Chamber) 30 June 2005 [2005] E.C.D.R. 32 p6.

¹⁰ *Id.*

¹¹ Under Article 12 EC Treaty Establishing the European Community.

to the ECJ, the *Tribunal de Grande Instance de Paris* appeared to take the view that Article 2(7) of the Berne Convention effectively deprived some Union nationals (who in their country of origin had only protection granted in respect of designs and models) of the right to bring proceedings in countries of the Union which allowed cumulation of protection.

The importance of national treatment is ever-increasing in the Internet age. Plaintiffs now have far more choice in selecting jurisdictions in which to take action and publishers more uncertainty in the legality of their products in the 'Single Market'. In the *eDate* case¹² the ECJ ruled that "in the event of an alleged infringement of personality rights by means of content placed online on an Internet website, the person who considers that his rights have been infringed has the option of bringing an action for liability, in respect of all the damage caused, either before the courts of the Member State in which the publisher of that content is established or before the courts of the Member State in which the centre of his interests is based. That person may also, instead of an action for liability in respect of all the damage caused, bring his action before the courts of each Member State in the territory of which content placed online is or has been accessible. Those courts have jurisdiction only in respect of the damage caused in the territory of the Member State of the court seised". It added "Article 3 of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'), must be interpreted as not requiring transposition in the form of a specific conflict-of-laws rule."

As we saw at the start in *Hejduk v EnergieAgentur*,¹³ it is now possible for a single photograph to be placed on-line on an EU website and for this to lead to litigation in many Member States under different national laws. Each state may use a slightly different approach to ownership, originality or protection and potentially the website owner will have to consider all these differences when making the work available. It will not be enough to cite the "work for hire" rules common in England to a French court or the French approach to originality in football match photography to an English court.

¹² *eDate Advertising GmbH and Olivier Martinez and Robert Martinez v MGN Limited* ECJ (2011) C-509/09 and C-161/10.

¹³ C-441/13.

Unless its law mandates otherwise, say in the case of films, each EU state will now normally apply its own national laws to all questions.

As we have already seen, the CJEU ruled in *Hejduk v. EnergieAgentur*¹⁴ on whether the Austrian court could hear a claim for copyright infringement of a photograph placed online in another Member State. The CJEU ruled that “courts of other Member States in principle retain jurisdiction, in the light of Article 5(3) of Regulation No 44/2001 and the principle of territoriality, to rule on the damage to copyright or rights related to copyright caused in their respective Member States, given that they are best placed, first, to ascertain whether those rights guaranteed by the Member State concerned have in fact been infringed and, secondly, to determine the nature of the damage caused”. It follows therefore that a photograph taken or owned by an EU citizen and placed online can result in multiple claims in different EU states and the national law in each Member State must apply. The UK compulsory license simply does not help outside the UK.

We have already explored the logic of *Pinckney v KDG Mediatech*¹⁵. The court ruled that Art.5(3) of the Council Regulation (EC) No. 44/2001 “must be interpreted as meaning that, in the event of alleged infringement of copyrights protected by the Member State of the court seised, the latter has jurisdiction to hear an action to establish liability brought by the author of a work against a company established in another Member State and which has, in the latter State, reproduced that work on a material support which is subsequently sold by companies established in a third Member State through an Internet site also accessible with the jurisdiction of the court seised. That court has jurisdiction only to determine the damage caused in the Member State within which it is situated”.

All these cases owe their heritage to *Shevill v Presse Alliance*¹⁶ where the ECJ ruled that Article 5(3) of the Brussels Convention entitled the plaintiff to bring proceedings where the harmful event had occurred, either in the jurisdiction in which the defendant was domiciled or in whichever contracting state the publication was distributed. Since

¹⁴ C-441/13.

¹⁵ AG case C-170/12 CJEU.

¹⁶ [1995] 2 AC 218.

Shevill, the ECJ has gone further in *eDate Advertising v Martinez*¹⁷. That case involved a French national living in France and an on-line British newspaper whose on-line work was stored in Britain but accessible on-line in France. *eDate* makes clear that Article 3 of e-Commerce Directive¹⁸ does not prescribe a particular choice of law rule for a member state to follow.

Given all these cases, it is hard to believe that in the EU, Member States will want to give up national treatment. Certainly the English, French and German courts seem to adopt it. Although in accordance with Directive 2001/29, copyright must be protected automatically in all Member States, rights are still subject to the principle of territoriality. Those rights are thus capable of being infringed in each Member State in accordance with the applicable substantive law.¹⁹ As we have seen, this has wide implications allowing rights owners to sue in multiple jurisdictions for the same core infringement (which may have been legal in the home country of publication, but not in France, Ireland or Germany under different country of protection laws). Online publishers are now open to increased legal challenges from outside their core markets and this brings the importance of national treatment firmly centre stage.

On one hand we have seen EU anti-discrimination rules force Member States to apply equal treatment under national laws to EU citizens but in *Luksan v Petrus*²⁰ the EU prevented them from applying conflicting national laws or Berne measures. The Court here sent a clear message regarding ownership of exploration rights and the role of Berne in EU Member States' approach to copyright. It ruled that national laws which allocate the authors' exploitation rights exclusively to the producer, contradicted EU law. The court in effect removed the right of national law to allow such practices. The Court considered if Member States may, in their national legislation and under Article 14bis of the Berne Convention, deny the author the rights to exploit a film. The Court said, "When such an agreement allows, but does not require, a Member State to adopt a measure which appears to be contrary to European Union law, the Member State must refrain from adopting such a measure."²¹ In those circumstances, the Member States are no longer competent to adopt provisions compromising that European Union

¹⁷ Case No. C-509/09 and C-161/10 ECJ [2012].

¹⁸ Directive 2000/31/EC.

¹⁹ *Pinckney v KDG Mediatech* par 39.

²⁰ *Martin Luksan v Petrus van der Let*, The Court (Third Chamber), in Case C-277/10, (2012).

²¹ *Id.* Par 62.

legislation. Accordingly, they can no longer rely on the power granted by Article 14bis of the Berne Convention.”²²

England

One of the earliest cases dealing with applicable laws was *Hanfstaengl v Empire Palace* in 1894²³. Here a German plaintiff owned copyright in pictures originally produced in Germany and later represented on an English theatre stage in the form of *tableaux vivants*. A London newspaper published sketches of the tableaux with an explanatory letterpress. The German owner then sued for infringement of his original work. The English Court of Appeal held that German copyright law in paintings did not extend to the events at issue, effectively the German plaintiff had less rights in Germany than the equivalent English law would afford him in England. Therefore he could not benefit from greater protection in the country of protection than in his home state²⁴. However, the judges ruled that the question as to whether infringement had occurred in England must turn on English law.²⁵ This case supports my assertion that the law of the country of protection should determine questions about protection but it did not apply the modern approach of non-discrimination against EU citizens when deciding ownership. In the later English case of *Century Communications v Mayfair Entertainment*²⁶ the English High Court first had to decide if the author of a film qualified for protection. The defendant claimed that the producer was from mainland China (which at the time of production was not a signatory to Berne and so not a ‘qualifying author’ under section 153[1] of UK Copyright Act 1988)²⁷. Based on English law, under English definitions, the court ruled that the plaintiff was from Hong Kong and so qualified for protection under the act.²⁸ This case supports my view about applying the law of the country of protection not production.

In *Pearce v. Ove Arup*²⁹ the English court agreed to take a case featuring a British architect who claimed his economic and moral rights had been infringed when his

²² Id. Par 64.

²³ 3 Ch. 109 p109-135.

²⁴ 1894 3 Ch. 109 P25 par 2.

²⁵ Id. p126 par 3 and p131 par 2.

²⁶ 1993 EMLR 335.

²⁷ See also Bently, L, *Intellectual Property Law* 3rd ed, (Oxford, OUP, 2008) p113-116.

²⁸ 1993 EMLR 335 judgement p2-3 and p6 par 3.

²⁹ [1999] 1 All E.R. 769 (Eng. C.A.).

student drawings were allegedly replicated in the design of a building in Holland. Although the purported building was in another EU state, the actual infringement was of the claimant's UK copyright rights. This case supports my view and provides increased scope for rights holders to issue proceedings against those abroad (although this in itself is an extraterritorial effect on citizens in other sovereign states and potentially limits their access to implement their own national laws).

Before this case, Anglo courts often declined to take action over infringements abroad because they saw copyright as a land type property governed by the sovereign powers of the nation state.³⁰

In the *Peer International*³¹, the English application of Cuban ownership and contract laws would have had devastating effect on property rights exploited in England. The dispute involved competing claims of ownership to works by Cuban composers following their assignment. The copyrights had been assigned in the 1930s and 1940s before post-Revolutionary Cuban law required Cuban Government approval for such assignments. The Cuban law sought to cover all countries in which copyright was assigned. Later, the English Court of Appeal held that English law, not Cuban, governed the exploitation of the works in England.³² This case also supports my approach.

France

The French Revolutionary Copyright Decrees of 1791 and 1793 extended protection to all foreigners regardless of whether French authors were protected in the foreign country of origin. In 1964 French statute introduced a reciprocity requirement.³³ In 1995 the French court continued to apply French law even though a valid American contract existed giving Turner Entertainment the apparent right to colourise a black and white movie from the 1950s³⁴. The heirs of John Huston successfully argued that, under French law, the director's moral rights had been infringed by the unauthorised altering of the film and its display in France. Following this judgment, the French position appeared

³⁰ *British South Africa Co v Companhia de Mocambique* House of Lords [1893] A.C. 602.

³¹ *Peer International Corp v Termidor Music Publishers Ltd.* Ch. 2675, [2002] All E.R. (D)143, par 71.

³² *Peer Int'l Corp. v. Termidor Music Publishers Ltd.* [2004] 2 W.L.R. 849

³³ See also art. L. 111-4 of the 1992 French Intellectual Property Code.

Turner Entertainment Co. v. Huston, CA Versailles, civ. ch., Dec 19, 1994, trans in Ent. L. Rep., Mar. 1995, at 3.

to be that the French Code would apply to any work made or shown in France regardless of an author's nationality, or where the work was first published. This would be a throw back to the Unilateral Law 1852 when France gave protection to all works regardless of the nationality of their author. It also appeared that the ruling may in some cases negate international contracts standard in many common law countries but unpalatable in civil law states like France. Previously on 28th May 1991, the French Supreme Court also reversed the judgment of the Court of Appeal for violation of Section 1.2 of Law 64-689 of 8th July 1964 and Section 6 of the Law of 11th March 1957, stating:

'...The integrity of a literary or art work cannot be affected in France, regardless of the State in whose territory the said work was made public for the first time. The person who is its author, by its creation alone, enjoys the moral right stipulated in his favour by the second of the aforesaid texts; these are laws of mandatory application'³⁵.

More recently, in 2013, the previous French position of ceding questions of ownership to the definition of the country of origin was abandoned by the Cour de Cassation³⁶. Announcing the ruling on the government's official *Legifrance* news site³⁷, the court quashed a previous Court of Appeal's judgement and affirmed that the law of the country of protection governs all matters relating to the exercise and enjoyment of copyright³⁸. The case involved a reporter-cameraman who was hired by a US television company and sent to their French office until being made redundant in 2004. The plaintiff claimed that his employer had infringed copyright by exploiting the reports without authorisation. The Court of Appeal subsequently applied the US Copyright Code and deemed that the work was 'made for hire' and the defendant's employer owned the rights. However, The French Cour de Cassation Cass overturned that decision and previous French policy. The overriding French position seems to support my argument that national laws should be applied to all questions.

Germany

³⁵ Id. at 3 p2 par 6.

³⁶ The French Cour de Cassation Cass. civ. I, 10 April 2013 (unreported).

³⁷ www.legifrance.gouv.fr/affichJuriJudi.do?oldAction=rechJuriJudi&idTexte=JURITEXT000027303750&fastReqId=1024588292&fastPos=1

³⁸ Including the determination of the rights holder.

It should be noted that German courts have traditionally tended to apply German laws to German questions. Their sense of national determination has remained firm and mirrors France's predominantly origin focused rulings and contrasts with Holland's inconsistency³⁹. The German Federal Supreme Court held Germany's copyright Act's *droit de suite provision*⁴⁰ does not apply to the resale in Great Britain of works by a German artist⁴¹. The court ruled, "It follows from the principle of territoriality... that the resale that gives rise to the *droit de suite* must have taken place at least partly in Germany."⁴² Meanwhile another case saw the German court accept that its laws did cover the German radio transmissions from Germany aimed at a mainly French audience.⁴³

Germany's firm application of German laws led it into conflict with the European Court of Justice. In *Collins v Imtrat*,⁴⁴ the British performer Phil Collins sued a German record distributor for selling recordings of a concert he had given in America. At the time, German law granted performers full neighbouring rights and the right to prevent distribution of recordings made without their consent (regardless of where the performance had occurred). Although German law granted the same right to foreign performers, it only covered their performances if given in Germany. The CJE ruled that this was a violation of the non-discrimination clause of Article 7 of the EC treaty.

This was a seminal moment in EU copyright law and the national treatment debate. Our position is reinforced by the prevention of discrimination under EU law. It was later said that the ruling applied not only to Germany but to every Member State and the wider countries of the EEA⁴⁵. Three years later and the German court signaled that discrimination against EU citizens on the grounds of protection reciprocity or other causes was at an end in the state. Considering Performance Rights in *La Boheme*⁴⁶ the court demanded that the same German rights be applied to EU plaintiff's seeking protection before the court. Then, a German opera house had refused to pay royalties

³⁹ *Eechoud van, M*, (2003) p123-4.

⁴⁰ Germany Law on Copyright and Neighboring Rights (Copyright Law) 1965 amended 1998 article 26(1)

⁴¹ *Folgerecht bei Auslandsbezug* ("Droit de suite with Respect to Sales Abroad), German Fed. Sup. Ct., June 1994, Case No. I ZR 24/92, a 26 I.I.C. 573 (1995).

⁴² *Id* at 575.

⁴³ *Felsberg Transmitter*, German Fed. Supreme Court, Nov. 2002, Case I ZR 175/00, 35 I.I.C. 977 (2004).
⁴⁴ C-92/92 CJE 20 Oct 1993 [1994] F.S.R. 166.

⁴⁵ EC Commission Staff Working Paper, SIV(4) s.IV(4).

⁴⁶ Case 11 U 23/96.

to the estate of the Italian composer, Puccini, saying that his Italian rights had expired in Italy and so his heirs could not obtain the benefit of the longer term of protection offered in Germany⁴⁷. The court's clear rejection of any discrimination against an EU citizen and firm imposition of equal national treatment leaves little doubt that an *Itar-Tass*⁴⁸ type decision in Germany and the wider EU is now very unlikely.

Spielbankaffaire is another case favourable to our assertions. Here the German Federal Supreme Court⁴⁹ said that German laws of ownership are to be applied in German cases featuring foreign EU works. The claim was brought by a Swiss company who said that the defendant infringed its rights in Luxembourg by transmitting a film called *Casino Affair* via satellite and into the cable systems of West Germany. The German court held⁵⁰:

1. Claims which appertain to the rights-holder of an exclusive copyright licence in a case of an infringement have to be assessed mandatorily according to the laws of the state where protection is sought (the principal of the state of protection);
2. The laws of the state where the protection is sought are decisive not only for the evaluation of the scope of protection of the copyright but also the authorship and initial ownership of the copyright in the cinematographic work. They are further decisive for the assessment whether the powers conferred by copyright are transferrable;
3. The cable transmission of broadcasts from abroad are subject to the laws of the state where the transmission takes place.

Ends

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⁴⁷ The shorter term rule for foreign works Art. 7.8 Berne Convention.

⁴⁸ *Itar-Tass*.

⁴⁹ MMR 1998/35 I ZR 88/95.

⁵⁰ Vahrenwald, A, 1998, p259-260.