



A | P | T | M | A
Association of Patent and Trade Mark Attorneys

Department of Jobs, Enterprise and Innovation
23 Kildare Street
Dublin 2

Your Ref :
Our Ref : DG10066IE00/db

By email: copyright@djei.ie

October 14, 2016

Dear Sirs

**Consultation on the overlap of intellectual
property protection between Industrial Designs
and Copyright law**

I write on behalf of the Copyright and Design Law Committee of the Association of Patent and Trade Mark Attorneys, in relation to the above Consultation.

Overview

The proposal to repeal Sections 31A and 78B will have the effect of reinstating (or granting for the first time) copyright for commercially available articles which fall into the category of "works of artistic craftsmanship".

If one takes the example of the famous *Egg* chair created in 1958 by Arne Jacobsen for the Royal Hotel in Copenhagen, this chair might arguably be cited as an example of a work of artistic craftsmanship, and thus would normally be protected for the full term of copyright law,

c/o FRKelly • 27 Clyde Road • Ballsbridge • Dublin D04 F838.
Tel: +353 1 231 4848 • Fax: +353 1 614 4756 • E-mail: info@aptma.ie

President: Simon Gray Secretary: Judy McCullagh Treasurer: Rory Litton

i.e. life plus 70 years. However, where the creator of the work chooses to authorise the industrial manufacture of copies of the work and their sale in the State (i.e. putting the chairs into mass production), then copyright expires instead after 25 years.

The Consultation proposes the repeal of Section 78B, which would have the effect of providing a full copyright term for such works in the future, regardless of industrial commercialisation. It appears, though the Consultation is silent on the point, that this repeal would reinstate expired copyrights for many older works.

Thus for the Egg chair a new term of copyright would be created and would extend out until 2041 (Jacobsen died in 1971). For similar works created by living designers, the term of protection proposed in the Consultation will typically last well into the 22nd century.¹

The Consultation also proposes the repeal of Section 31A which is more limited in its effects, the repeal extending copyright for designs that had been registered (and for which copyright was curtailed to 25 years) out to the full copyright term of life plus 70 years.

The Association, it should go without saying, is a believer in and supporter of IP rights. However, the term of protection should be appropriate and the current limit of 25 years for industrially produced articles appears to be appropriate and in line with the underlying policy of the design registration system. The Association does not believe that for mass-produced works an exclusive term of a century or more is justified.

Expected effects of the proposed repeals

There are several likely effects that can be envisaged from the repeal of Section 78B:

- 1) Consumers will be affected. The choice between buying a higher-priced “designer name” original brand and a lower-priced replica will be denied to consumers until long after both the designer and the consumers alive at the time of the design’s commercial release have died. The Consultation does not address the effects on consumers, only on businesses, and this appears to be a major oversight from the terms of the Consultation. The Association believes that the reduction in consumer choice for commercially available products like furniture and jewellery is the primary effect of the proposed repeal and is not considered, nor have consumer groups been canvassed for their views.

¹ A thirty-year old artist today is expected to live until 2069. Works enjoying copyright will be protected until 2139.

- 2) Those in the business of manufacturing, importing and selling (currently) legitimate replica items will be adversely affected if those items become regarded as infringements of reinstated copyrights.

- 3) Possession, publication and distribution of images of such items will be restricted. Publications currently in circulation showing a picture of (for example) the Egg chair may need to be taken off the market either until a licence is obtained or until a new edition is prepared without the offending image. Books containing such images, which are currently stocked by libraries or bookshops (both new and second-hand), would be infringing items and the copyright owner could insist on their removal from circulation.

This latter effect is not merely a fanciful or hypothetical possibility. The following is the UK Government's own assessment² of the legal position following the repeal of the equivalent Section 52 of the Copyright Designs and Patents Act, 1988:

The Government is of the view that sellers of digital and analogue photos will be in the same position as sellers of 3D copies. They will have until the end of the depletion period to sell their photographs or obtain the necessary licences, if their copies were made or contracted for prior to the publication of the consultation document. Following this, while mere possession of the 2D copies would not constitute an act of infringement, giving them away may constitute the infringing act of issuing copies to the public. Photos of artistic works taken after the repeal date would constitute infringing copies and the sale of those copies would be an infringing act. If acting in the course of a business, even the mere possession of an infringing copy of a work could amount to an infringement.

Similarly, sales of copies of books containing infringing copies would constitute the issue of copies to the public after the depletion period (assuming the copies were made or contracted for prior to the consultation date) and would need to be depleted before that point. It was pointed out that the absence of the permission of one rights holder out of many could render an entire book potentially infringing. In addition, it was contended during the consultation that the end of the depletion period could have the effect of transforming second-hand bookshops and some charity shops into infringers. Libraries may also need to take books off shelves and out of circulation in instances where images are infringing.

² Consultation on new transitional provisions for the repeal of Section 52 of the Copyright, Designs and Patents Act 1988: Government Response and Summary of Responses, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/515305/Gov-response_s52.pdf

The above comments are true not just of images of famous items like the Egg chair and books containing such images. It will also be true for publications containing images of any mass-produced item that may have started life or been derived from a work of artistic craftsmanship or a sculpture, even if this is a completely obscure work for which a library, bookseller or publisher could have no realistic ability to determine the copyright status or ownership.

Photographers, magazine and book publishers, image agencies, website owners, libraries and booksellers will apparently be under an obligation to:

- vet images and publications to identify such objects, i.e. furniture, jewellery and other designer items;
- evaluate if they qualify for reinstated copyright under the proposed regime, which will normally require that they seek specialist advice;
- locate the owner of the copyright if that is feasible, a task which becomes more difficult with each passing decade of the copyright term;
- negotiate a licence if the owner is willing to do so on reasonable terms, or alternatively delete the images, pull the publication from circulation or redesign it.

The Consultation does not address itself to the effects on sectors like libraries, photographers or illustrators, and while publishers, image agencies and booksellers are “businesses” there is no hint in the Consultation that they might be affected at all, let alone so fundamentally. It is almost certain that such businesses and their representative organisations are unaware of the changes proposed and their effects, largely due to the extremely narrow terms of reference of the Consultation and the absence in the consultation document of any discussion of the effects of the repeal on 2D images, or any explanation of additional measures to be taken in reforming the law to mitigate such effects.

The Association believes it is not sufficient to accept meekly that the proposed repeal may give rise to such bizarre results. Nor can one safely assume that right-holders will not seek to enforce these new rights. Instead, the law should be revised carefully to exclude such unwanted and unjustified effects, which are inevitable due to Section 39(1)(b) CRR 2000.³

Thus it can be seen that these are extraordinarily far-reaching proposals. On the surface the proposal involves the simple deletion of two sections, deemed to be of narrow interest only to specialists. In fact the proposed repeal rewrites the entire law governing the boundary

³ “References in this Part to copying shall be construed as including ... in relation to an artistic work, the making of a copy in three dimensions of a two dimensional work and the making of a copy in two dimensions of a three dimensional work”

between shorter-lived rights granted to industrial designs and the ever-longer terms accorded to artists under copyright law, and between the public's freedom to make and sell images of mass-produced objects and the right of an artist to control images of his or her artwork.

Response to questions posed

Regarding Question 1

The Association is not aware of any sizeable industry in Ireland involved in the mass-production by the original right-holder, or on its behalf, of affected works. Accordingly, it is difficult to see that there is a positive benefit in the repeal for businesses. In contrast, there are businesses involved in manufacturing, importing and selling of reproduction furniture which has passed beyond the 25 year term and the effects on such businesses will be negative.

The Association takes the view that the effect on consumers will be negative if (as appears inevitable) the degree of choice is significantly reduced.

The Association takes the view that the effect on the industries involved in capturing, licensing, lending and selling either images or publications containing such images will be wide-ranging and entirely negative. Until a bona fide effort is made to quantify the cost of vetting images, reviewing existing publications, determining ownership of copyright, securing licences or republishing revised editions where licences are unobtainable, and of withdrawing from circulation infringing copies, all that can be said is that the effects of the proposals are likely to be very significant.

Regarding Question 2

As regards transitional provisions, the Association believes that a longer transitional period is essential given the far-reaching impacts of a blanket repeal of Sections 31A and 78B.

Any transitional period needs to be fair and proportionate. However, the actual time period required to ensure fairness and proportionality can only be judged after establishing the actual time required for users of copyright works to comply with the new law. This requires seeking the input of those affected. How long will it take for libraries and booksellers to identify and remove potentially infringing items from their stocks? How long will it take manufacturers of legitimate replica furniture or jewellery to transition to new product lines while ensuring business continuity and viability from the point when the legitimate reproductions are outlawed?

The Association cannot provide a definitive answer but it would appear that a period of

somewhere around five years is the minimum required to allow such actions to take place without endangering or placing undue burdens on libraries, publishers and businesses.

Shortcomings in Consultation process

The Association respectfully suggests that the Consultation appears not to comply with government policy as reflected in the Guidelines on Consultation for Public Sector Bodies – Reaching Out (2005)⁴ (referred to here as the “2005 Guidelines”), and the draft Guidelines for Public Consultation⁵ (referred to here as the “2015 Guidelines”) the latter of which reflect commitments under the Open Government Partnership.

According to the 2015 Guidelines, “Principles” section: *“Government departments and agencies should make systematic efforts to ensure that interested and affected parties have the opportunity to take part in open consultations at all stages of the policy process on significant policy, services and legislative matters: development, implementation, evaluation, and review.”* Furthermore, *“Consultation should be targeted at and easily accessible to those with a clear interest in the policy in question.”*⁶

The Consultation document did not identify that the repeals would affect consumers, publishers, librarians, booksellers and photographers, and so on. The Association expects that the level of engagement will be very low indeed from such interested parties, since they do not know that they ought to be interested. Many of the groups who stand to be most directly affected by the proposed repeals (a) would have had no reason to learn of the Consultation and (b) even if they had read the document they would have been no wiser as to the impact on their specific interests.

- The average reader of the Consultation will be unaware of the fact that the proposals are concerned with works in this problematic category of “artistic craftsmanship”, as this is not mentioned at any point. The term “works of artistic craftsmanship” is undefined in the Act, and the leading decision on interpreting this term in the UK House of Lords⁷ is heavily criticized by the leading authority on UK copyright⁸. (The term has not been interpreted in the Courts here.)

⁴ http://www.taoiseach.ie/eng/Publications/Publications_Archive/Publications_2011/Reaching_Out_-_Guidelines_on_Consultation_for_Public_Sector_Bodies.doc

⁵ <http://www.per.gov.ie/wp-content/uploads/Draft-Principles-Guidance-July-2015-FINAL-2.docx>

⁶ See also 2005 Guidelines, section 5.1; 2005 Guidelines, section 7; 2015 Guidelines: “Principles” section; 2015 Guidelines: “When to consult” section.

⁷ *George Hensher Ltd v Restawhile Upholstery (Lancs) Ltd* [1976] AC 64

⁸ “In addition to [the lack of a definition in the statute], matters are not helped by the fact that the leading case, in the House of Lords, was handicapped by what was probably a mistaken concession, and that even then the House of Lords did not speak with one voice.” - *Copinger and Skone-James on Copyright*, Seventeenth Edition, 3-129.

- The average reader will be unaware of what kinds of products are to be brought back into copyright, as no examples are given.
- The average reader will be unaware that the policy has a consumer impact, or that currently available, legitimate products will have to be removed from circulation.
- The average reader will be unaware that one of the effects of the proposal will be to enable the producers of items like mass-produced furniture and jewellery to control the circulation of images in those commercially available products or to control the circulation of publications containing such images.⁹
- The average reader will be unaware that the corresponding amendment in the UK was accepted by the UK government as imposing a potential liability on businesses for mere possession of images of innocuous, commercially available items.
- The average reader will be unaware that the corresponding amendment in the UK was accepted by the UK government as imposing obligations on publishers, image agencies and booksellers to vet their entire stocks to identify offending images and remove them from trade.
- The average reader will be unaware that the corresponding amendment in the UK was accepted by the UK government as imposing potential obligations on libraries to remove books from circulation.
- The average reader will be unaware that there was considerable dissension in the UK that repeal of the corresponding Section 52 was even necessary, and that no public debate has been held on this point here leading to the policy decision already apparently taken.

A further point of criticism is that the Consultation suggests to readers that only one legislative solution is feasible: repeal of Sections 31A and 78B. The public and the legal professions have been excluded from any debate on this point which is very much an open question. Therefore the *development* of the proposed policy has not yet been the subject of a consultation as is required.

⁹ by virtue of Section 39(1)(b) of the CRRA 2000, which extends copyright in three-dimensional works to reproductions in two dimensions.

It is stated as fact in the Consultation that as a result of the *Flos* decision¹⁰ "Irish legislation must therefore be amended to align itself more closely with EU law." This is highly debatable in itself and is the first question on which views should be sought.

The court in the *Flos* case was concerned with a different issue of Italian law. The Court did not in fact mention the Irish legislative regime (or equivalent UK regime), and neither Ireland nor the UK made any submissions to the Court defending its own legislative regime. Accordingly it must be recognised that *Flos* did not in fact state either that Sections 31A and 78B were non-compliant, or that the repeal of these sections was necessary.

The Court was apparently unaware, or at least did not remark upon the fact, that Article 17 of the Designs Directive had been negotiated by the UK and Ireland to provide specific recognition of and legitimacy for the shorter copyright terms granted to industrially-produced designs in these countries. Since the Court has not considered this point, the Association questions why the Government has started with the assumption that our law would be held non-compliant if it were ever to be specifically considered by the Court of Justice.

Even assuming that some amendment of our law is required, the Consultation fails to consider what options might exist in this regard.

Alternative approaches such as distinguishing between 3D and 2D copies, putting in place protections for permitted uses (such as permitting the taking, publication, and distribution of images); drawing lines between the existence of copyright and the infringement of copyright (as in Section 78A); providing better definitions of the kinds of work that are to be protected (in particular a robust definition of "works of artistic craftsmanship"); providing a right of continued use where preparations had been made in good faith to commercially exploit out-of-copyright works or continue such actual use; and so on, are not mentioned but deserve serious consideration.

Section 78A and the implications for manufactured products generally

Section 78A is not mentioned in the Consultation. Section 78A is the other cornerstone on which the boundary has been constructed between copyright law and the manufacture of industrial products generally (e.g. toasters, car exhaust pipes, mobile phones and beer bottles) rests. The logic of repealing Section 78B as the only response to *Flos* suggests that Section 78A is equally incompatible. If Section 78A is not incompatible, then the logic suggests that Section 78B can be salvaged in an amended form with far fewer adverse consequences.

¹⁰ Case C-168/09 *Flos SpA v. Semeraro Casa e Famiglia SpA*

It will be recalled that *prima facie* the copyright in a design drawing of, say, an exhaust pipe is infringed by the manufacture of spare exhaust parts.¹¹ Thus, a car manufacturer would be granted absolute control in the market, for over a century, in respect of spare parts arising out of the original design drawings, for objects as unartistic and mundane as exhaust pipes. Similarly, absent Section 78A, any original product which starts as a drawing (and that means most products) would benefit from the copyright in that drawing for a term of the designer's life plus 70 years. The copyright would be infringed under Irish copyright law by the production of reproduction products. The reason for this is the principle in Irish copyright law (expressed in Section 39 CRRA 2000) that copying is deemed to include making a 2D copy from a 3D work and vice versa, and the further principle (expressed in Section 37) that infringement includes both direct reproduction and indirect reproduction. In other words, if one copies an actual exhaust pipe, one infringes copyright in an underlying drawing that one has probably never had sight of.

Section 78A avoids this wholly undesirable consequence by distinguishing between the *existence* of copyright in a technical drawing ("design document" in the words of the section) and the infringement of such a copyright by "making a product to the design or copying a product made to the design". If one were to follow the logic that *Flos* absolutely requires repeal of Section 78B, then one has to ask how can Section 78A remain on the books? After all, Section 78A curtails the enforceability of copyright in a drawing of an exhaust pipe, so must it not, according to the assumptions in the Consultation, also breach the same principles of *Flos*?

The answer, it is submitted, is that Section 78A is permissible, and so would a redrafted version of Section 78B that (i) recognised copyright in a coherent, limited and well-defined set of three-dimensional artistic works and (ii) confined the concept of infringement to a coherent and related set of objects.

The Association is not suggesting that Section 78A should be repealed. To do so would result in the ultimate in copyright maximalism – almost every product on the market would be granted exclusive, unregistered rights for over a century. What the Association instead suggests is that the Government should take time to re-examine the boundary between copyright and industrial design, as expressed in Sections 78A and 78B, and propose a meaningful boundary that allows copyright to exist and be enforceable for the right kinds of artistic works, and as against the right kind of infringement. It is respectfully submitted that the approach being suggested in the Consultation is rushed, inconsistent, and likely to lead to unforeseen and undesirable consequences.

¹¹ This was the holding in *British Leyland Motor Corp. v Armstrong Patents Co.* [1986] UKHL 7, which ultimately led to the introduction in the UK of Section 51 CDPA 1988, equivalent to our Section 78A.

Conclusion

The Association formally requests that the Consultation be redrafted and relaunched with an adequate consultation period of e.g. three months, that the document include a proper explanation of the impact of the proposals making it clear how various sectors are liable to be impacted, and that instead of seeking input on limited implementation details for an already-decided change, the consultation should ask whether a legislative response is in fact required and what that legislative response should be. The relaunched Consultation should be targeted to all of the affected groups.

Yours faithfully

David Brophy

Chairperson - Copyright and Design Laws Committee

T: +353 1 231 4848

E: d.brophy@frkelly.com

W: www.apmta.ie