



## Department of Jobs, Enterprise and Innovation response to submissions received as part of the consultation on the overlap of intellectual property protection between industrial designs and copyright law

### Introduction

On 24 August 2016, the Department of Jobs, Enterprise & Innovation published a consultation paper inviting submissions from stakeholders on proposed amendments to the term of protection for designs and artistic works exploited by an industrial process.

The consultation was concerned with proposed amendments to sections 31A and 78B of the Copyright and Related Rights Act 2000 (as amended), hereinafter referred to as the “Principal Act”. While these sections currently provide for a 25 year term of copyright protection for designs and artistic works, the proposed amendments would ensure that these works receive the full copyright term of protection of 70 years after the death of the creator.

Article 17 of the EU Designs Directive<sup>1</sup>, which was implemented in 2001, states that the extent to which a design may receive copyright protection shall be determined by each individual Member State. The CJEU judgement in the *Flos* case<sup>2</sup> makes it clear that this article cannot be without prejudice to the Term of Protection Directive<sup>3</sup> and that, therefore, the term of copyright protection for an eligible design must be the life of the creator plus 70 years.

The Irish consultation was intended to determine any potential impacts of the amendments, as well as to gauge the duration of an effective transition period for these proposed amendments. It was published on the website of the Department and was issued to approximately 400 stakeholders including businesses and interest groups associated with designs. The Department received a low number of responses to the consultation.

The closing date of the consultation was 22 September 2016. The Department of Jobs, Enterprise and Innovation would like to thank all respondents for their submissions on this matter.

The responses to the Consultation are available on the Department’s website on the Copyright Consultation page. A summary of the key issues of interest is provided below.

### Potential Impact on Business

A key question asked by the Consultation was whether the proposed legislative amendments would potentially impact businesses in a positive or negative manner.

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<sup>1</sup> Directive 98/71/EC of the European Parliament and of the Council, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31998L0071:en:HTML>

<sup>2</sup> *Flos SpA v Semeraro Casa e Famiglia SpA*, <http://curia.europa.eu/juris/document/document.jsf?jsessionid=9ea7d0f130d6d10b9d15842b4c6ca8739a77a7bf6447.e34KaxiLc3eQc40LaxqMbN4PaheTe0?text=&docid=79192&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=237609>

<sup>3</sup> Directive 93/98/EEC of 29 October 1993 harmonizing the term of protection of copyright and certain related rights, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006L0116&from=EN>

Given that a large proportion of the respondents represented replica furniture manufacturers, a number of responses stated that these amendments would negatively affect their businesses. Conversely, the Department received some submissions stating that the proposed amendments would be beneficial to Irish designers.

Of note, a significant number of the replica furniture manufacturers that responded to the consultation pointed out that they had only recently relocated, or were in the process of relocating, their operations to Ireland. Indeed, most of these respondents had only become established in Ireland following the introduction in the UK in 2016 of legislation bringing the longer term of protection of designs and artistic works into force.

In accordance with the CJEU ruling in the *Flos* case, Ireland is legally obliged to amend its legislation to provide for a term of protection for designs and artistic works exploited by an industrial process equal to that applicable to other copyright works. Following this ruling, Ireland must comply and amend its legislation regarding the term of protection for copyright in designs and artistic works exploited by an industrial process. By ensuring that rightsholders receive copyright protection for the lifetime of the creator plus 70 years, we will be complying with the CJEU ruling and aligning Irish legislation with that of other European Union Member States.

A number of responses to the consultation stated that these proposed amendments would have the effect of reinstating expired copyrights. While it is an unavoidable fact that some works that are currently in the public domain would see their copyright restored, in accordance with the *Flos* decision these works must receive the full term of copyright protection, which is the life of the creator plus 70 years.

Some respondents stated that the term of protection should not be increased as to do so would permit designers to “cash-in” on their works. Provided that their works are eligible to receive copyright protection, designers should be entitled to protect their rights, license their works and receive remuneration where appropriate.

### **Transition Period**

The consultation asked stakeholders whether a short transition period before the amending legislation comes into force would be the most appropriate and effective. The Department received a variety of responses on this issue.

Many respondents considered a period of 12 months to be the minimum transition period that would be appropriate. This is similar to the transition period implemented by the United Kingdom for their amending legislation introduced in 2016.

It was suggested that we implement a two-step transition period, similar to that implemented in the United Kingdom. This would involve an initial period in which businesses could prepare for the amendments and a second period in which businesses have an opportunity to sell-off or dispose of their existing stock before the legislation fully enters into force. In this second period businesses would be prohibited from entering into new contracts to purchase or manufacture any additional units.

Some respondents felt that a longer transition period would be required to ensure minimal impact to businesses and to avoid the perceived “fire sale” effect of the transition period in the United Kingdom. Recommendations for the length of a transition period were diverse, extending to as long as 5 years. Despite these suggestions, there was a lack of compelling evidence provided to suggest that a longer transition period would be required.

In its ruling on the *Flos* case, the CJEU considered a 10-year transition period that had initially been introduced by the Italian Government for implementing the protection of designs in accordance with the Designs Directive. This transition period, which was intended to begin on 19 April 2001 and to last until 2011, was based around a “moratorium” on the copyright protection conferred on designs for persons that manufactured, supplied or marketed products based on designs that were in the public domain prior to that date in Italy.

The CJEU determined that a 10-year transition period “appears to go beyond what is necessary” as this would mean that “the application of copyright protection is deferred for a substantial period”.

In effect Ireland has had a similar “moratorium” on the copyright protection for designs that has lasted, as of the date of the consultation, 15 years. This is in excess of the 10 year period that the CJEU deemed “to go beyond what is necessary”. Therefore, Ireland must have as short as possible a transition period to implement the proposed amendments to the copyright term of protection for designs and artistic works exploited by an industrial process.

Having analysed the responses to the consultation, alongside consideration of our legal obligations, we have decided on a two-step, 12 month transition period as the most appropriate response.

We consider the proposed two-step transition period to be the most effective to implement the necessary legislative amendments. To ensure this, the commencement date of the repeal of sections 31A and 78B of the Principal Act will be six months after the entry into force of the proposed amending legislation. For six months following the commencement date, it will not be an infringement of copyright in a work:

- to copy a work,
- provide the means to copy, or
- import a copy of that artistic work,

provided that any of those acts are done in accordance with a contract entered into before the commencement date and that such an act would not have infringed sections 31A or 78B of the Principal Act.

Additionally, the following acts done after the commencement date will not be considered an infringement of copyright in an artistic work, provided that they would not have infringed sections 31A or 78B of the Principal Act:

- the issuing or sale of a copy of an artistic work,
- the renting or lending of a copy, or

- the communication to the public of the artistic work in connection with anything done in reliance on the previous two acts.

Following the six month period after the commencement date the repeal of sections 31A and 78B will be enacted fully and each of the above exceptions allowing acts of copying, communication and sale to the public under certain circumstances will no longer have effect. The intention is that this second six month period will afford businesses the opportunity to deplete their remaining stock of replica furniture.

## **Other**

A number of additional issues were raised by some respondents in the course of the consultation.

It was suggested in a submission received by the Department that the CJEU judgement in this case did not take into account that Article 17 of the Designs Directive was negotiated, and intended to function, as a carve-out for the United Kingdom and Ireland that would allow both Member States to provide for shorter copyright terms for designs.

The CJEU explicitly stated in the *Flos* judgement that Article 17 does not entitle a Member State to set any term of copyright protection for designs it pleases as “the term has already been harmonised at European Union level by Directive 93/98” (the Term of Protection Directive). Therefore, the term of copyright protection for designs and artistic works exploited by an industrial process must be the life of the creator plus 70 years, as established in the Term of Protection Directive. As mentioned, the United Kingdom has already given effect to the longer term of copyright protection since 2016

It was also mentioned in a response to the consultation that possession, publication and distribution of images could be restricted as rightholders might insist on the removal of existing images from circulation should those images include their designs. It was proposed that this would cause publications, such as magazines or books, containing images of designs or artistic works to be considered as infringing and that they could be removed from circulation.

Despite this possibility, the Department did not receive any submissions to the consultation from any photographers or publishers. We have no evidence to suggest that photographers or publishers in Ireland would be significantly adversely affected by the proposed change in legislation.

## **Next Steps**

The Department of Jobs, Enterprise and Innovation is currently in the process of preparing draft copyright legislation which will, *inter alia*, provide for the necessary changes to the Principal Act to allow for the longer period of copyright protection including the proposed transitional arrangements. The intention, subject to Government approval, is to include this proposed reform in the draft legislation.