

**COPYRIGHT
(IN DESIGN)
POST BREXIT:
SHOULD SECTION
52 CDPA 1988
BE REINSTATED?**

CREATe Working Paper 2022/3

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CREATe

Copyright (in Design) post-Brexit: Should section 52 CDPA 1988 be reinstated?

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Abstract

This response submitted to public consultation argues that section 52 of the UK Copyright, Designs and Patents Act should be reinstated, thereby limiting the term of copyright protection in industrially applied artistic works to 25 years. Particularly, Brexit calls for a reassessment of the objectives which the section 52 repeal sought to pursue – namely, a perceived need to ensure clarity and consistency with EU law –, as those objectives may no longer be aligned with the interests or priorities of the UK. This is considered by the response within the context of freedom of competition and innovation, with concerns being raised in relation to the (cumulative) protection of product design. Additionally, UK court decisions assimilating recent CJEU jurisprudence on copyright subsistence suggest an expansion of protectable subject matter affecting previously unregulated creative industries such as fashion, which may warrant further analysis of the potential benefits of section 52.

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UK copyright and EU law shared a long, complicated, at times contentious relationship over the past decades. For better or worse, we cannot deny the impact that EU legislation and, perhaps more significantly, the jurisprudence of the Court of Justice have had on the way copyright is understood and applied in the UK. Indeed, we are still grappling with the intricacies of this relationship, and, maybe like a long marriage which saw its end in a divorce, we may now have arrived at a time of introspection. To what extent should UK copyright retain or depart from a body of law developed for so long a period, and why?

To be sure, the experience of the UK-EU copyright interface is a multifaceted one; we should not expect a single, overarching answer to be derived from Brexit itself – as a fact with consequences of its own. There are aspects of EU law we may find worth retaining, whereas others may no longer be justified. Being part of the European Union also required concessions to be made, a trade-off reflecting a deeper, meaningful commitment with the single market project. It is no mystery that decision making at the Court of Justice places heavy reliance on this normative commitment, with legal provisions and concepts often being interpreted (and expanded, occasionally) to attain higher levels of harmonisation.¹ The UK is no longer part of this project, which may call for a reassessment of those changes implemented for the sole purpose of ensuring (formal) consistency with EU law – that is, where any other compelling policy or justification may be lacking.

By and large, this moment of introspection for the UK should prompt careful reflection on the objectives of and justifications for copyright, a better understanding of and engagement with the role of this field of law in regulating human behaviour and markets. What should we expect from copyright, and for what (or whom) should it be conceived? What amounts to good, appropriate policy for the UK?

It is therefore not surprising that some of those questions begin to arise in specific areas, with the government's agenda centred on fostering innovation within a pro-competition environment.² Recently, the UK Intellectual Property Office ran a public consultation on the impact of arguably one of the most significant changes we have seen implemented as a

¹ See, for example, AG Szpunar's opinion in Case C-610/15 *Stichting Brein v Ziggo BV* EU:C:2017:456, para 3, in relation to the concept of communication to the public. See also Matthias Leistner, 'Europe's Copyright Law Decade: Recent Case Law of the European Court of Justice and Policy Perspectives' (2014) 51 *Common Market Law Review* 559.

² Department for Business, Energy & Industrial Strategy, *UK Innovation Strategy: Leading the Future by Creating It* (22 July 2021).

direct result from a CJEU judgment, namely, the repeal of section 52 of the Copyright, Designs and Patents Act 1988.³

Section 52 reflected a longstanding position in UK copyright of limiting protection in industrially applied artistic works to 25 years. Copyright duration was therefore made coextensive with the term of protection afforded by registered design, notably to ensure that cumulative protection would not unduly restrict the manufacture and commercial exploitation of three-dimensional objects such as furniture and designer jewellery.⁴

However, the Court of Justice's judgment in *Flos v Semeraro*⁵ prompted the UK government to repeal section 52 based on a perceived need to achieve consistency with EU law. In the decision, the CJEU interpreted Article 17 of the Designs Directive⁶ in a way which precluded Member States from limiting the term of copyright in a design and, by extension, from distinguishing between different kinds of works or specific uses made of them. At the time, a group of prominent intellectual property scholars advised that repealing the provision would be unjustified.⁷ The repeal was carried out by the Enterprise and Regulatory Reform Act 2013 which, following transitional arrangements, came into force on 28 July 2016. As a result, all artistic works are currently afforded the equal copyright term of life plus 70 years, regardless of their being exploited in mass-produced products, or their capability of being protected through other regimes such as design law.

In the below response to the UK IPO's public consultation submitted on behalf of the CREATE Centre at the University of Glasgow, we propose that, following Brexit, section 25 be reinstated. Particularly, the objectives which the repeal sought to pursue may no longer be aligned with the interests or priorities of the UK. This is considered by the response within the context of freedom of competition and innovation, with concerns being raised in relation to the (cumulative) protection of product design. Additionally, UK court decisions assimilating recent CJEU jurisprudence on copyright subsistence suggest an expansion of protectable

³ Intellectual Property Office, 'Repeal of Section 52 CDPA and related amendments: Call for views' (22 June 2021) <<https://www.gov.uk/government/consultations/repeal-of-section-52-cdpa-and-related-amendments-call-for-views>> accessed 14 October 2021.

⁴ For an account of the historical development of the provision, see Lionel Bently, 'The Return of Industrial Copyright' (2012) 34 *European Intellectual Property Review* 654.

⁵ Case C-168/09 *Flos SpA v Semeraro Casa e Famiglia SpA* EU:C:2011:29.

⁶ Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the Legal Protection of Designs [1998] OJ L289/28.

⁷ 'Copyright in Artistic Designs' (CREATE blog, 17 March 2013) <<https://www.create.ac.uk/news/2013/03/17/copyright-in-artistic-designs/>> accessed 1 July 2021.

subject matter affecting previously unregulated creative industries such as fashion, which may warrant further analysis of the potential benefits of section 52.

Response on behalf of CREATE

Post-implementation review of the repeal of Section 52 CDPA 1988: Call for views

- In your view, to what extent have these changes achieved their original objectives to protect all artistic works equally?

The repeal of section 52 CDPA 1988 and associated amendments were motivated by a perceived need to make UK copyright consistent with EU law. At the time, academics in the field advised such changes would be unwarranted, in particular, that 'during the passage of the [Designs Directive 98/71], the UK secured permission to retain the 25-year term.⁸ Hence, to the extent that affording the same level of protection to all artistic works derived from a formalistic, if not conservative interpretation of EU law,⁹ the objective has been achieved.

- Do you think that the changes remain appropriate? Could the same objectives be met through other, more efficient, means?

As mentioned above, it is debatable whether the changes were required in the first place. More importantly, Brexit calls for a reassessment of the objectives which the repeal sought to pursue, as those objectives may no longer be aligned with the interests or priorities of the UK. Particularly, the Court of Justice's commitment to single market integration, which effectuated harmonisation at a high level of protection, may not reflect good, appropriate, or desirable policy for UK copyright. This issue is discussed more fully in relation to the next question.

- Now that the UK has left the EU, do you believe the changes remain relevant and necessary?

Following the UK's departure from the European Union, the justification (or policy) for the repeal ceased to exist. While the changes have been in force for just a few years, s52 reflects a significant period of recent UK copyright history. Even before it came into effect, the UK had long adopted a more cautious approach to copyright in industrially applied artistic works which

⁸ 'Copyright in Artistic Designs' (CREATE blog, 17 March 2013) <<https://www.create.ac.uk/news/2013/03/17/copyright-in-artistic-designs/>> accessed 14 August 2021. See also Lionel Bently, 'The Return of Industrial Copyright' (2012) 34 European Intellectual Property Review 654.

⁹ Notably, the Court of Justice's judgment in Case C-168/09 Flos SpA v Semeraro Casa e Famiglia SpA EU:C:2011:29.

can be traced back to the 1911 Act.¹⁰ We therefore believe that reinstatement of the provision should be the default position. Within the context of this review, the maintenance of the repeal – which marked a significant departure from status quo – must be supported by a clear policy and pursue objectives other than mere conformity with EU law.¹¹ We have doubts that such a policy exists.

The s52 repeal amounted to an extension of copyright duration which was not supported by evidence.¹² Copyright extensions of the kind are not expected to generate further incentives for the creation and dissemination of artistic works,¹³ but, rather, to prolong the time required for such works to revert to public domain. Arguments based on formal parity across all categories, as though the term of protection would be a proxy for recognition of the societal value inherent in the different categories of works,¹⁴ are not particularly persuasive. Unlike whole books or songs, artistic works subject to s52 are largely capable of being protected by other, more appropriate intellectual property regimes – some of which, like trade marks and passing off, are not time limited.

More significantly, the repeal may have neglected the rationale of s52 which the UK Supreme Court once recognised, namely, ‘to limit the influence of [artistic] copyright on other person’s freedom to make and market three-dimensional objects.’¹⁵ European scholars have also characterised freedom of imitation as the ‘lifeblood of a competitive economy’ which, absent a compelling reason, should not be constrained by exclusionary rights.¹⁶ And the potential foreclosing effects arising from the repeal were not fully measured. Without empirical evidence, the UK IPO’s Impact Assessment from 2012 surmised that competitors and consumers would

¹⁰ Bently (n 8) 654–657. See also *Lucasfilm Ltd v Ainsworth* [2011] UKSC 39, [14]–[27].

¹¹ See also Martin Howe, James St Ville and Ashton Chantrielle (eds), *Russel–Clarke and Howe on Industrial Designs* (9th edn, Sweet & Maxwell 2016) para 5–095 (‘It would appear that the Government machine was impervious to the fact that the forthcoming departure of the United Kingdom from the European Union would remove the need to repeal s.52, so perhaps it will be reinstated after exit.’).

¹² Intellectual Property Office, *Copyright Protection for Designs (Impact Assessment, 2012)* 4 (‘No consultation has been carried out as this is being done in order to update and clarify UK legislation and bring it in line with EU law.’). For additional context, see Bently (n 8) 665–666.

¹³ See, for example, Mark A Lemley, ‘Ex Ante versus Ex Post Justifications for Intellectual Property’ (2004) 71 *University of Chicago Law Review* 129, discussing the copyright term extension introduced by the Sonny Bono Act in the US; Christopher Buccafusco and Paul J Heald, ‘Do Bad Things Happen When Works Enter the Public Domain: Empirical Tests of Copyright Term Extension’ (2013) 28 *Berkeley Technology Law Journal* 1, empirically questioning the main rationales for extending protection of existing works.

¹⁴ See, in particular, Barbara Lauriat, ‘Copyright for Art’s Sake?’ (2014) 36 *European Intellectual Property Review* 275, reporting (with some justifiable scepticism) the argument of interest groups in support of the repeal.

¹⁵ *Lucasfilm (UKSC)*(n 10)[12].

¹⁶ See, in particular, Ansgar Ohly, ‘The Freedom of Imitation and Its Limits: A European Perspective’ (2010) 41 *International Review of Intellectual Property and Competition Law* 506, 510.

adapt.¹⁷ Recent studies in the US, however, may suggest a more complex picture.¹⁸ It also remains to be ascertained whether, in the period following the repeal, right holders did effectively 'reinvest any increased profits in the promotion of innovative designs and artistic works,' as the UK IPO had initially suggested.¹⁹

Legal commentary further recognises the role of the s52 provision in aligning 'the effective period of copyright protection for artistic works which are applied as industrial designs with the period of protection that would have been enjoyed by a corresponding registered design.'²⁰ Such works typically consist of intellectual creations intended to be exploited commercially on a large scale, with the underlying rights affecting the ability of third parties to offer the same products and, to some extent, substitutes or improvements.²¹ In many cases, the artistic or aesthetic aspect cannot be so easily dissociated from the shape of the product or the technical function that it is expected to perform. While a picture may be easily separable from a mug, the same cannot be said of a peculiar design of a chair or a foldable bicycle, for example.

The recent CJEU judgment in *Brompton Bicycle* further complicated this issue by suggesting that a modicum of creative freedom may suffice for copyright to subsist in functional product shapes.²² This level of protection raises significant concerns; copyright had not been conceived for and is therefore ill-equipped to deal with creations of such kind. By contrast, design and trade mark laws, both cognisant of the competitive concerns commonly associated with product shapes, have developed more articulated, if not stringent functionality doctrines.²³ Indeed, not

¹⁷ Impact Assessment (n 12) 3 ('[Firms will] have to invest in substitutes or purchase licenses. Consumers won't have access to certain cheap copies of classic designs and will need to buy other substitute products.').

¹⁸ See, for example, Christopher Buccafusco, Stefan Bechtold and Christopher Jon Sprigman, 'The Nature of Sequential Innovation' (2017) 59 *William & Mary Law Review* 1, 21 ('The amount that downstream creators are willing to pay to license rights or to spend on research and development (R&D) designing around them will increase with increasing IP duration – but only up to a point. When IP rights are made long enough to endure for a period at least as long as the anticipated economic life of the works and inventions they cover, then additional increases in term will not further affect downstream innovators' willingness to license.'). See also Christopher Buccafusco and Christopher Jon Sprigman, 'The Creativity Effect' (2011) 78 *University of Chicago Law Review* 31, suggesting a creativity, endowment-like effect which may create substantial barriers to optimal transacting in copyright.

¹⁹ Impact Assessment (n 12) 3.

²⁰ *Howe, Ville and Chantrielle* (n 11) para 5-092.

²¹ See also Stefan Bechtold, Christopher Buccafusco and Christopher Jon Sprigman, 'Innovation Heuristics: Experiments on Sequential Creativity in Intellectual Property' (2016) 91 *Indiana Law Journal* 1251, 1298 ('By making minor innovations more expensive, copyright law, in theory, affects sequential innovation in ways that patent law does not ... copyright law largely forecloses opportunities for borrowing, at least without a prior licensing arrangement. In so doing, copyright law further distorts creators' behavior in ways that are likely to produce inefficiencies.').

²² Case C-833/18 *Brompton Bicycle Ltd v Chedech/Get2Get* EU:C:2020:461.

²³ See, for example, Case C-299/99 *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* EU:C:2002:377, paras 78-84, holding that the technical functionality objection in EU trade mark law cannot be overcome by establishing that other shapes can yield the same technical result. Following s3(2)(c) UK

only can copyright be found to subsist in a functional shape, scope of protection is far reaching. For infringement to be established, it may only take the reproduction of part of the artistic work incorporating some level of creative freedom, irrespective of the motives which have led to the copying, its significance to the resulting product (or work), or the overall impression to the user or consumer.²⁴

As it stands, the current term of copyright protection for industrial design - life plus 70 years - is disproportionate and raises significant policy issues. The reinstatement of s52 would limit copyright for such product shapes, making it again consistent with registered design. We believe this would not be done to the detriment of creators, whose efforts are already recognised and rewarded by design rights. Any protection exceeding this 25-year period is more appropriately achieved by way of trade marks and passing off, both having subsistence and infringement tests more attuned to competition and consumer concerns.²⁵ Some designs may remain protected under these other regimes, and justifiably so - notably, the relevant design performing an origin function (trade marks) or there being recognisable goodwill attached to it which merits protection (passing off).

- Have the Regulations led to any consequences that you did not anticipate? Please provide details.

It may be more appropriate to say that unintended consequences are likely to arise from recent developments in the CJEU jurisprudence, as assimilated by UK courts. The European copyright *acquis* effectively incorporated into UK law prior to Brexit is markedly different from when the Enterprise and Regulatory Reform Act 2013 passed.

Trade Marks Act, shapes or other characteristics adding substantial value to the goods may also be found functional. In relation to design rights, see generally Jens Schovsbo and Graeme B Dinwoodie, 'Design Protection for Products that Are 'Dictated by Function'' in Annette Kur, Marianne Levin and Jens Schovsbo (eds), *The EU Design Approach: A Global Appraisal* (Edward Elgar 2018).

²⁴ Cf. *PMS International Plc v Magmatic Limited* [2016] UKSC 12, affording a more limited scope of protection to the (then) Community design right under the 'overall impression' test. Neither does UK unregistered design adopt a copyright infringement approach. See, in particular, *Original Beauty Technology Company Limited v G4K Fashion Limited* [2021] EWHC 294 (Ch) [30] ('In contrast to copyright, it is not an infringement of a UK unregistered design to reproduce "a substantial part" of a design.');

L Woolley Jewellers Ltd v A & A Jewellery Ltd [2002] EWCA Civ 1119, [19].

²⁵ With regards to trade marks, see, for example, Luis H Porangaba, 'A Contextual Account of the Trade Mark Functions Theory' [2018] *Intellectual Property Quarterly* 230; Ilanah Fhima and Dev S Gangjee, *The Confusion Test in European Trade Mark Law* (Oxford University Press 2019) 231-242. In passing off, a claim would depend upon there being misrepresentation and damage to the protected goodwill, with the possibility of qualified injunctions in the so-called 'without clearly distinguishing' form. See, for example, *Diageo North America Inc v Intercontinental Brands (ICB) Limited* [2010] EWHC 173 (Pat); *Havana Cigar and Tobacco Factories Ltd v Oddenino* [1923] 2 Ch 243.

Following a strand of CJEU decisions on copyright subsistence,²⁶ UK courts have recently signalled a more generous interpretation of artistic works, subsuming creations hitherto unprotected or otherwise subject to design rights. In *Islestarr v Aldi*,²⁷ copyright was found to subsist in the design of makeup powder. In *Response Clothing*,²⁸ jacquard fabrics were recognised as a work of artistic craftsmanship, and the defendant enjoined from making and selling knitted tops made to the design. Practitioners have lauded *Response Clothing* as an expansion of copyright subject matter, as illustrated by the following:

[This judgment] provides guidance about the qualification for works of artistic craftsmanship and seemingly expands that scope of copyright protection in the UK. It is a helpful case for owners of certain types of consumer products, which might usually be unable to have copyright enforced.²⁹

If this judgment is followed, a wider range of garment designs, principally those which would not be categorised as, or been first recorded as, “graphic works”, may now be protected by copyright.³⁰

This judgement is likely to lead other fashion designers to argue that certain types of garments (not just jacquard type fabrics) fall within the above definition of works of artistic craftsmanship. Previously, designers would have had to rely on design law to enforce their rights.³¹

The current climate is one of legal uncertainty. If followed, *Response Clothing* will extend the breadth of copyright and encroach upon previously unregulated creative industries such as fashion. This may have an impact more significant than initially anticipated in 2013, and, indeed, may warrant further analysis of the possible benefits of s52 to newly affected industries. The United Kingdom has a thriving fashion industry, developed without recourse to copyright, and other IP regimes such as unregistered design already provide adequate and proportionate protection for creations.³² The post-implementation review of s52 should also be regarded as

²⁶ Case C-310/17 *Levola Hengelo BV v Smilde Foods BV* EU:C:2018:899; Case C-683/17 *Cofemel - Sociedade de Vestuário SA v G-Star Raw CV* EU:C:2019:721; *Brompton Bicycle* (CJEU)(n 22).

²⁷ *Islestarr Holdings Ltd v Aldi Stores Ltd* [2019] EWHC 1473 (Ch).

²⁸ *Response Clothing Limited v The Edinburgh Woollen Mill Limited* [2020] EWHC 148 (IPEC).

²⁹ Jeremy Blum and Mark Linsner, ‘Fabrics can be works of artistic craftsmanship in the UK: *Response Clothing Ltd v The Edinburgh Woollen Mill Ltd*’ (Kluwer Copyright Blog, 10 February 2020) <<http://copyrightblog.kluweriplaw.com/2020/02/10/fabrics-can-be-works-of-artistic-craftsmanship-in-the-uk-response-clothing-ltd-v-the-edinburgh-woollen-mill-ltd/>> accessed 14 August 2021.

³⁰ Richard Roberts, Aidan Southall and Georgia Carr, ‘Copyright protection for textiles’ (Potter Clarkson) <<https://www.potterclarkson.com/insights/copyright-protection-for-textiles/>> accessed 14 August 2021.

³¹ ‘Expansion of UK copyright law for the fashion industry’ (Osborne Clarke, 14 February 2020) <<https://www.osborneclarke.com/insights/expansion-uk-copyright-law-fashion-industry/>> accessed 14 August 2021.

³² For a recent example, see *Original Beauty Technology* (n 24), dealing with the infringement of unregistered design rights in garments including dresses, jumpsuits, and tops.

an opportunity for the UK to set its own policy and offer a distinctive innovation space for creative industries including, inter alia, the fashion industry.

Annex I

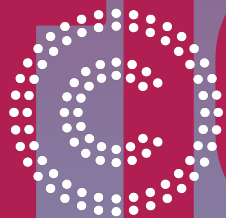
Images taken from judgments available on bailii.org



Figure 1: Response Clothing v Edinburgh Woollen Mill (defendant's wave fabric top)



Figure 2: Islestarr v Aldi (claimant's makeup powder design)



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