

Dealing with copyright infringement before it deals with you!

Seminar to DACS artists - 18 February 2010

The Nature of Copyright

“...anyone who by his or her own skill and labour creates an original work of whatever nature shall, for a limited period, enjoy an exclusive right to copy that work. No-one else may for a season reap what the copyright owner has sown”. Lord Bingham in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2001] FSR, 11, HL

The copyright owner has the exclusive right to:

- copy/issue copies of the work;
- rent or lend copies of the work;
- perform, show, play or communicate the work in/to the public;
- make an adaptation of the work; and
- restrict others from doing those acts or to authorise them to do so.

Works to which copyright applies:-

Literary, dramatic, musical and artistic works (see below), sound recordings, films, broadcasts and the typographical arrangement of published editions.

The Requirements for Copyright

- **Artistic works**

According to the law, an artistic work is either:

- (a) “a graphic work, photograph, sculpture or collage (irrespective of quality)”;
- (b) “a work of architecture being either a building or a model for a building”;
- (c) “a work of artistic craftsmanship”.

- **Originality**

The law requires that the work should be “original”. It is important to remember that, generally, *ideas* are not protected by copyright. What is protected is the expression of the idea. So, for an artistic work to be “original” for copyright purposes, it does not have to be an expression of an original thought. It is the expression of the thought that must be original. The work has to be original in two senses:

- it must be original to the artist (it must not have been copied).
- the artist must expend a sufficient level of original labour, skill and judgment to qualify for copyright. In the United Kingdom, the threshold is low; one dot

would not qualify but a complex pattern of dots, so long as it is original to the artist, would.

- **Qualification**

For United Kingdom copyright to apply, either the artist must have a link with the United Kingdom or the work must have been first published in the United Kingdom or in a country with a link to the United Kingdom. (The artist must either have British nationality or be resident or domiciled in the United Kingdom when the work was created).

- If the artist does not qualify, then United Kingdom copyright will still apply if the work is first published in the United Kingdom.
- There are provisions, implementing various international treaties, under which works originating in various foreign countries may also enjoy United Kingdom copyright.

- **No requirement for registration**

There is no need for any kind of registration. Copyright arises by the act of creation itself.

(Although not necessary in order to gain copyright protection, it is good practice to apply a notice in accordance with the Universal Copyright Convention, that is, "Copyright © [*name of copyright owner*] [*year of publication*]". This is a useful notice and a warning to anyone using the work that copyright exists and that action may be taken if the work is copied).

Ownership of Copyright

- **The first owner**

General rule: the 'author' is the first owner of the copyright in his work and, by the expression 'author', the Copyright Act means the creator of the work.

- **The author**

In the case of an artistic work, the author will be the person who is most nearly the effective cause of the final representation.

- **Distinction between ownership of copyright and ownership of the work**

It is important to note that ownership of the physical work is not the same as ownership of the copyright in the work.

- **When the author is not the first owner of the copyright**

Although the general rule is that the author is the first owner of the copyright, this is not always the case.

○ **Employees**

Under United Kingdom law, the copyright in a work created by an employee in the course of his employment will belong to the employer, unless they agree otherwise. On the other hand, the copyright in a work created by an employee in his own time, outside the scope of his employment, will belong to the employee. Between these two situations there is scope for a range of situations, such as the employee who creates the work at the employer's premises outside normal business hours. In those situations, who owns the copyright will depend on the facts.

○ **Commissioned works**

Where work is commissioned, it does not necessarily displace the general rule that the author is the first owner of the copyright in his work, but it will, in many cases, be an express or implied term of the contract that the person commissioning the work will be entitled to the copyright. It may be that the author is obliged to assign the copyright to the commissioner after the work is created. It may be that the agreement is, in effect, an assignment of future copyright; in that case, the copyright will belong to the person commissioning the work as soon as the work is created.

Under copyright law prior to 1989, different rules applied to certain types of commissioned works. The pre 1989 rules continue to apply today to works created before that date.

● **First ownership of work and copyright in different hands**

The artistic work and the copyright in the artistic work are two different pieces of property and may be in separate ownership. Normally the artist will be the first owner of both the work and the copyright, but that may not always be so.

For example, if you engage a foundry to produce a bronze casting from your clay maquette, it is likely that the foundry will retain ownership of the bronze until you have paid them. If some problem arises and you cannot or will not pay, the casting will remain the property of the foundry, but you will own the copyright.

In the case of a commissioned work (e.g. a decorative sculpture to go on display in the foyer of an office building), the effect of the agreement could be such that the company commissioning the work becomes the owner as soon as it is created, so that you, the sculptor, never own it. As to the copyright, the agreement may allow you to retain it, or it may omit to say anything about the copyright, in which case you will retain it automatically.

Examples aside, if you are the owner of the raw materials and you create the work for yourself and there are no agreements with anyone else, then you will be the first owner of both the physical work **and** the copyright.

Dealings in copyright

Copyright can be bought, sold, bequeathed or given away.

- If you sell the work but agree nothing about the copyright, then you remain the owner of the copyright.

- There may be circumstances in which an agreement about copyright may be inferred. (For example, if you hand over the moulds as well as the original work that would suggest at least a licence to produce castings, if not an outright assignment of the copyright).
- You can retain the original work, and sell the copyright.
- Alternatively, you can grant licences under the copyright.

- **The formalities for assignment:-**

- It must be in writing and it must be signed by the assignor. A copyright assignment is a contract and therefore a contract must have consideration. A copyright assignment document will normally refer to the price paid or it may be by way of a deed (a deed is good consideration without the need for any payment).
- The requirement for a signed, written assignment is the same, whether you are selling the copyright or giving it away. In the case of a gift, the consideration could be expressed as “natural love and affection”, but better to be on the safe side and execute the assignment as a deed.
- You can bequeath your copyright in your will. An exception to the principle that a transfer of the original work does not transfer the copyright is if in your Will, you make a bequest of your original work, and that work has not been published, then the beneficiary gets the copyright with the work.
- Copyright is divisible. You can divide up your rights and assign different bits to different people. You might sell to a manufacturer your copyright, so far as it relates to the right to produce three dimensional reproductions of your work; and you might sell to an art publisher your copyright, so far as it relates to the right to produce two dimensional prints of your work. Copyright is also divisible by time. You can assign the right to make reproductions for a period of, say, three years.
- You can assign not only the copyright you own today, but also the copyright in work which you have yet to create. In that event, the assignee will be the owner of the copyright as soon as the work is created.

- **Granting a licence**

If you wish to give someone the right to reproduce your work, as an alternative to an assignment of the copyright, you can grant a licence. If you have the choice between assigning the copyright or granting a licence, you should generally opt for a licence because, with a licence, you retain ownership and control of the copyright. If the licensee breaches the terms of the licence, then, depending on its terms, you can take the licence away.

Weighing up the choice between an outright assignment and a licence:-

- What you get paid, and when. An assignment is an outright sale and is often for a lump sum payment. Under a licence, payments are typically a percentage royalty on the licensee’s sales; you will have to wait longer for your money and you may discover that your licensee is not very good at selling the goods. But,

assignments are sometimes done on a royalty basis and licences can require up front payments, sometimes characterised as advance royalties.

- A licence is also a form of contract, but it does not have to be in writing. Nevertheless, you are well advised to ensure that any licence you grant is properly recorded in writing and that it contains all the terms which you need for your protection.

Duration of Copyright

Duration of copyright varies according to the nature of the work, but in the case of artistic works, copyright expires at the end of 70 years from the end of the calendar year in which the author died. The date of publication is irrelevant to the copyright term, except in the case of works unknown authorship.

Copyright Infringement

- **Primary infringement**

Copyright is infringed by anyone who, without the licence of the copyright owner, does (or authorises another to do) any of the acts restricted by the copyright. These are:

- copy the work;
- issue copies of the work to the public;
- rent or lend the work to the public;
- perform, show, play or communicate the work in/to the public;
- communicate the work to the public; and
- make an adaptation of the work or do any of the other prohibited acts in relation to an adaptation.

Copying an artistic work means reproducing it in any material form, *including* storing it in a computer.

The copyright in a two dimensional work is infringed by the making of a three dimensional copy and vice-versa.

For example, if someone takes your preliminary drawings for a work and, from them, produces a work of their own, that will infringe the copyright in your drawings. Conversely, if someone puts a photograph of your work on a poster, that will infringe the copyright in your work.

- **Substantial part**

In order to infringe copyright, there must be copying. It does not have to be a copy of the whole work but the law requires that a substantial part of the original work must have been taken.

- **Secondary infringement**

- possessing an infringing copy in the course of business and certain dealings in infringing copies;
- providing the means for making infringing copies;
- the infringer must know or have reason to believe they are dealing in an infringing work.

For example, selling infringing copies is in itself an infringement; making a mould to reproduce infringing copies would also be an infringement. Note that, for these acts to constitute infringement, the perpetrator must know, or have reason to believe, that he is dealing with an infringing work. Contrast this with the acts of primary infringement that we have considered, where no guilty knowledge is required.

- **Permitted acts**

The law does permit certain acts in relation to copyright work. These include:-

- fair dealing for non-commercial research and private study;
- fair dealing for the purpose of criticism, review and news reporting;
- incidental copying; and
- fair dealing for educational purposes.

Apart from incidental copying, these permitted uses of a copyright work should all be accompanied by a sufficient acknowledgement.

- **What to do if your copyright is infringed**

- Stop the infringement. The court is able to grant an injunction, ordering the defendant to cease the infringement. Injunctions are discretionary and there are circumstances when they may not be available. For example, if you have known about the infringement for some time but have done nothing about it. Delay can be fatal.
- Entitlement to damages. If, for example, you have lost sales of reproductions of your work because of sales by the infringer, you can claim your lost profit. As an alternative, you can claim damages on the basis of a royalty which the infringer would have had to pay you if he had taken a licence.
- Instead of claiming damages to compensate you for your loss, you can ask the court to order the infringer to account to you for the profit which he has made out of his infringement. In certain circumstances the copyright owner can ask the court to order that infringing copies of his work be destroyed or delivered up to him.
- Order for destruction/delivery-up. Like an injunction, the remedies of destruction and delivery up are discretionary.

Use of Trade Marks Belonging to Others

The Trade Mark Acts 1994 defines a trade mark as: a sign, capable of being represented graphically, which is capable of distinguishing the goods or services of one undertaking from the goods or services of other undertakings.

- **Functions**

- to distinguish the goods and services of one trader from those of another.
- to indicate the origin of the goods/services.
- as an indication of quality.
- as a means of advertising goods/services.

- **Infringement**

- A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
- A person infringes a registered trade mark where he uses in the course of trade, a sign which is identical with the trade mark and is used in relation to goods or services similar to those for which a trade mark is registered, or the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered, and, there exists a likelihood of confusion of the part of the public which includes a likelihood of association with the trade mark.
- A person infringes a registered trade mark if he uses in the course of trade in relation to goods or services a sign which is identical with or similar to the trade mark where the trade mark has a reputation in the UK and the use of the sign being without due course takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

If the mark is not being used “in the course of trade” then it is not trade mark use and there will be no infringement. Use in the course of trade means use in the UK in a commercial context, with a view to economic advantage.

However, if a work which incorporates someone else’s trade mark is licensed or assigned, then that may give rise to trade mark infringement, if it amounts to trade mark use.

“David and Goliath litigation” – large corporations may commence litigation, even when the prospects or success are not good, merely for commercial reasons.

Beware also of liability for copyright infringement when using someone else’s trade mark.

Be careful that the context of use of the trade mark could not be said to be defamatory.

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Practical Points

- Ensure your work is properly marked
- Keep all relevant supporting evidence
- Post important documents back to yourself/leave with a solicitor for safe keeping
- Use footprints, watermarks and other technological protection measures
- Written agreements between co-authors
- Record licences in writing
- Consider “limited editions”
- Use of out of copyright works
- Take advice

International Aspects

Everything written or explained here about copyright relates to the position in the United Kingdom under UK law. The international aspects are governed by various international treaties under which, to varying degrees, contracting states accord copyright protection to the citizens or residents of other contracting states. This is too wide a field to address in this talk and specific advice should be sought where necessary.

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