The Response Clothing Ltd v The Edinburgh Woollen Mill Ltd Decision

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On the same day that the United Kingdom signed the Withdrawal Agreement formalising its departure from the EU, the Intellectual Property Enterprise Court (the “Court”) handed down an important judgment in which it grappled with the relationship between English and European law. In particular, the Court was asked to interpret the UK’s categorization of works of artistic craftsmanship in light of the Court of Justice of the European Union’s (the “CJEU”) decision in Cofemel-Sociedade de Vestuário SA v G-Star Raw CV (Case C-683/17) (“Cofemel”).

The Claimant (Response Clothing Ltd), being a company based in Lancashire, designed and sold clothes to the Defendant (The Edinburgh Woollen Mill Ltd), who was a major retailer with about 400 stores in the UK. Between 2009 and 2012, the Claimant supplied the Defendant with women’s garments made of what was claimed to be a jacquard fabric incorporating a design referred to in the evidence as a “wave arrangement” (the “Wave Fabric”). When commercial discussions for future orders between the Claimant and the Defendant broke down, the Defendant approached another vendor and provided them with a sample of the original fabric supplied by the Claimant, with a view to obtaining a similar replacement fabric. In 2015, the Defendant changed suppliers again and the new suppliers began to manufacture garments for the Defendant on the same basis. The Claimant subsequently brought an infringement action before the Court and His Honour Judge Hacon (“HHJ Hacon”) handed down judgment on 29 January 2020.

The main point of contention arising from a copyright law perspective was whether the “Wave Fabric” was a work capable of being protected under the Copyright, Designs and Patents Act 1988 (the “Act”). While the Claimant’s Particulars of Claim did not state specifically the nature of the copyright work, the Court accepted that the general assertion appeared to be that the Wave Fabric was either a graphic works or a work of artistic craftsmanship as defined by the Act. Under the Act, copyright protection will be granted to a work that:

(a) falls within one of the categories of works contemplated within the Act; and
(b) is original.

In this regard, Section 1 of the Act states that copyright will subsist in original artistic works.

Section 4 of the Act sets out prescribed categories of work which can qualify as an artistic work, including graphic works “irrespective of artistic quality” and works of artistic craftsmanship.

As far as the requirement of originality is concerned, the Court accepted that the work embodied by the Wave Fabric was original since it was a commissioned employee’s “own intellectual creation” and had not been copied from any other design. The Court also concluded that the Wave Fabric was not a graphic work within the meaning of the Act. In considering whether the Wave Fabric could be classified as a work of artistic craftsmanship, the Court referred first to the 1976 Decision in George Hensher Ltd v Restawhile Upholstery (Lancs) Ltd [1976] AC 64 (“Hensher”). In assessing the application of Hensher to the present case, the Court acknowledged that the decision did not give rise to one single unifying point of law and that, in fact, the views of the five judges in that case were not easy to reconcile.

The Court next considered the judgment in Bonz Group (Pty) Ltd v Cooke [1994] 3 N.Z.L.R. 216 (“Bonz Group”), which had been endorsed by the High Court in Lucasfilm. In that case, the Court
held that “[f]or a work to be regarded as one of artistic craftsmanship, it must be possible fairly to say that the author was both a craftsman and an artist. A craftsman is a person who makes something in a skilful way and takes justified pride in their workmanship. An artist is a person with creative ability that produces something which has aesthetic appeal”.

Relying in particular on evidence of the commercial success of the Wave Fabric, which suggested to HHJ Hacon that customers must have found it aesthetically pleasing, the Court concluded that the Wave Fabric fell within the definition of a work of artistic craftsmanship as set out in Bonz Group.

What makes the present decision interesting, especially given the date of the judgment, is that having surveyed and applied the leading English judgments on artistic craftsmanship, the Court went on to consider the UK’s obligation to interpret the Act in accordance with the InfoSoc Directive, as interpreted by the CJEU. The Court discussed specifically Article 2 of the Infosoc Directive, which states:

“Member States shall provide for the exclusive right to authorise or prohibit direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part:
(a) for authors, of their works;”

The Court, referring to the CJEU’s decision in *Levola Hengelo BV v Smilde Foods BV*, acknowledged that all EU Member States (including the UK, at least until the end of the transition period) must afford protection to authors of works based on only two criteria:

(a) the work should be an original work, i.e. it should be the author’s own intellectual creation; and
(b) it should be an expression of the author’s own intellectual creation.

Having determined the scope of the Court’s obligation to take account of EU law, HHJ Hacon went on to consider the decision in Cofemel and in particular the CJEU’s ruling therein that EU Member States could not, through National Law, impose a requirement of aesthetic or artistic value in the assessment of whether a work is capable of copyright protection or not. The CJEU in Cofemel reaffirmed the relevance of the two conditions outlined in Levola, but clarified that to be original, the subject matter in question must reflect the personality of its author, as an expression of free and creative choices as opposed to technical considerations and constraints, which leave no room for creative freedom.

In the present case, HHJ Hacon noted that his duty was not to assess whether the Infosoc Directive “has the effect of removing all gaps there may be in copyright protection available from a court at first instance for works within the meaning of Article 2 of the Directive”, but to determine whether the Act could be interpreted in line with Article 2, entitling the Wave Fabric to copyright protection as a work of artistic craftsmanship. The Court also noted that complete conformity with Article 2, in particular as interpreted by the CJEU in Cofemel, would exclude any requirement for the Wave Fabric to exhibit aesthetic appeal and thus would be inconsistent with the criteria for artistic craftsmanship outlined in Bonz Group.

The Judge did not consider it necessary to delve deeper into that point because, in his view, the Wave Fabric *did* have artistic appeal, thereby satisfying the definition in Bonz Group and thus rendering the application of the European standard unnecessary in this instance.

HHJ Hacon went on to consider the question of infringement, dismissing the claim of primary infringement on the basis that (a) the Defendant had not copied the Wave Fabric (the physical act of copying had been carried out by its suppliers) and (b) those copies had been put into circulation by the suppliers and not the Defendant. However, having found that the garments supplied to the Defendant were infringing copies of the Wave Fabric, the Defendant’s possession and sale of such copies in the course of business constituted an act of secondary infringement.

The obvious implication of Cofemel is that the UK’s closed list of categories is inappropriate and that English law concerning the subsistence of copyright ‘works’ is incompatible under EU law.
The Judge did not need to go as far as that himself, given that the more stringent requirements in Bonz Group had been met. It will be interesting, however, to see how future cases are addressed by the Courts; in particular, whether English law on ‘works’ will be dispensed with entirely in light of the Cofemel judgment. Of course, with the expiry of the transition period at the end of this year, the whole question of compliance with EU law is up in the air. As we have already seen, the UK’s decision not to implement the Directive on Copyright in the Digital Single Market (given that its implementation deadline by all Member States post-dates the end of the transition period) may be an indication of the direction that the country intends to take when it comes to the future relationship with the policies and laws of the EU.

For more information on the matters discussed in this Locke Lord QuickStudy, please contact the authors.

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