The Secretary of State, being designated(1) for the purposes of section 2(2) of the European Communities Act 1972(2) in relation to the conferment and protection of exclusive rights in the topographies of semiconductor products, in exercise of the powers conferred on him by the said section 2(2) hereby makes the following Regulations:

1. These Regulations may be cited as the Semiconductor Products (Protection of Topography) Regulations 1987 and shall come into force on 7th November 1987.

2.—(1) In these Regulations—

“semiconductor product” means an article the purpose, or one of the purposes, of which is the performance of an electronic function and which consists of two or more layers, at least one of which is composed of semiconducting material and in or upon one or more of which is fixed a pattern appertaining to that or another function;

“topography” means the design, however expressed, of any of the following:

(a) the pattern fixed, or intended to be fixed, in or upon a layer of a semiconductor product;
(b) the pattern fixed, or intended to be fixed, in or upon a layer of material in the course of, and for the purpose of, the manufacture of a semiconductor product;
(c) the arrangement of the layers of a semiconductor product in relation to one another;

“topography right” has the meaning given in regulation 4(1) below and, unless the context otherwise requires, references to topography right are references to topography right subsisting in a topography.

(2) For the purposes of these Regulations, the creation of a topography occurs upon its first expression in a form from which it can be reproduced.

(1) S.I.1987/448.
(2) 1972 c. 68.
(3) For the purposes of these Regulations, and subject to paragraph (4) below, the commercial exploitation of a topography is the sale or hire, or the offer or exposure for sale or hire, of—

(a) a reproduction of the whole or a substantial part of the topography, or

(b) a semiconductor product incorporating such a reproduction,

being (except for the purposes of Regulation 3(2) below) lawful exploitation by or with the licence or consent of the owner of topography right in the topography or of any predecessor in title of the owner.

(4) No account shall be taken of any commercial exploitation which is subject to an obligation of confidence in respect of information about the topography exploited unless either—

(a) the topography has been commercially exploited on a previous occasion (whether or not subject to an obligation of confidence), or

(b) the obligation is imposed at the behest of the Crown, or of the government of any country outside the United Kingdom, for the protection of security in connection with the production of arms, munitions or war material.

(5) For the purposes of these Regulations, no account shall be taken of any offer for sale or hire the acceptance of which would lead to an agreement to sell or hire but not yet an actual sale or hire.

3.—(1) Where a topography is original and its creator is a qualified person or, in the case of a topography created in the course of employment or pursuant to commission, the employer or commissioner is a qualified person, topography right shall, subject to Regulation 8 below, subsist in the topography in favour of the creator, employer or commissioner, as the case may be.

(2) If paragraph (1) above does not apply, topography right shall subsist where—

(a) the topography is original;

(b) the first commercial exploitation of the topography in the world occurs within the territory of a member state;

(c) the person so exploiting the topography is a qualified person; and

(d) that person at the time of that exploitation has been exclusively authorised to exploit the topography commercially in every member state by, as the case may be, the creator, his employer or the commissioner of the topography or, as the case may be, by a person lawfully claiming through the creator, employer or commissioner;

and in such a case topography right shall, subject to regulation 8 below, subsist in the topography in favour of that person.

(3) A topography is original if it satisfies the requirements of being—

(a) the result of the creator’s own intellectual effort (or of the combined intellectual efforts of the creators if there are more than one), and

(b) not commonplace among creators of topographies or manufacturers of semiconductor products,

or if it consists of a combination of elements in which the combination itself satisfies those requirements, irrespective of whether the several elements do.

(4) For the purposes of this regulation, a person is a qualified person if—

(a) being an individual he is a British citizen or a citizen or subject of another member state or has his habitual residence in the United Kingdom, Gibraltar or another member state, or

(b) being a firm or a body corporate it has a place of business within the United Kingdom, Gibraltar or another member state at which substantial business activity is carried on,
or if he falls within one of the additional classes of qualified persons set out in Part I of Schedule 1 to these Regulations.

(5) In determining whether, for the purposes of paragraph (4)(b) above or Schedule 1 below, a person has a place of business within any territory at which substantial business activity is carried on, no account shall be taken of dealings in goods which are at all material times outside that territory.

(6) For the purposes of this regulation, a topography is created in the course of employment or pursuant to commission if it is created in the course of the creator’s employment under a contract of service or apprenticeship or pursuant to a contract (other than a contract of service or apprenticeship) under which a person other than the creator commissions the creation of the topography and pays or agrees to pay for it in money or money’s worth, unless in either case the contract provides to the contrary; and “employer” and “commissioner” shall be construed accordingly.

4.—(1) Topography right is, subject to paragraph (2) below, the exclusive right to make a reproduction of the whole or a substantial part of the topography or deal in such a reproduction or a semiconductor product incorporating such a reproduction; and a person deals in a reproduction or a semiconductor product if he sells or hires it, offers or exposes it for sale or hire or imports it into the United Kingdom for the purpose of selling or hiring it.

(2) Paragraph (1) above shall not apply in respect of—

(a) the making of any reproduction privately for non-commercial purposes;

(b) the making of any reproduction for the purpose of analysing or evaluating the topography or analysing, evaluating or teaching the concepts, processes, systems or techniques embodied in it;

(c) dealing in any reproduction or product after it has been sold or hired within—

(i) the United Kingdom by or with the licence of the owner of topography right in the topography, or

(ii) the territory of any other member state or of Gibraltar by or with the consent of the person, or one of the persons, for the time being entitled to import it into or sell or hire it within that territory;

(d) any act restricted by copyright in the topography as an artistic work within the meaning of the Copyright Act 1956(3).

5. Topography right shall commence upon the creation of the topography or, in a case falling within regulation 3(2) above, upon its first commercial exploitation, and shall cease—

(a) at the end of the tenth year after the end of the year in which it was first commercially exploited anywhere in the world, or

(b) if it is not commercially exploited anywhere in the world within a period of fifteen years commencing with its creation, at the end of that period.

6.—(1) Topography right is infringed, subject to paragraphs (2) and (3) below, by any person who, in the United Kingdom, during the subsistence of the right and without the licence of the owner of the right, does or authorises any other person to do any act within the exclusive right provided for in regulation 4(1) above.

(2) Topography right in one original topography is not infringed by creating another original topography as a result of an analysis or evaluation falling within regulation 4(2)(b) above, making a reproduction of that other topography or dealing in such a reproduction or a semiconductor product incorporating such a reproduction.

(3) 1956 c. 74; section 3(5) was amended by the Cable and Broadcasting Act 1984 (c. 46), Schedule 5, paragraph 6(3), and is restricted by regulation 9(1) below.
(3) Topography right is not infringed by dealing in a reproduction or a semiconductor product if the person dealing in it does not know, and has no reasonable grounds to believe, that the dealing is an infringement.

7.—(1) Infringement of topography right shall be actionable at the suit of the owner of the right and, subject to paragraphs (2) and (3) below, in any action for such an infringement all such relief, by way of damages, injunction, accounts or otherwise, shall be available to the plaintiff as is available in any corresponding proceedings in respect of infringement of other proprietary rights.

(2) Where in an action for infringement of topography right it is proved or admitted that an infringement was committed (other than by dealing in a reproduction or a semiconductor product) but that at the time of the infringement the defendant did not know, and had no reasonable grounds to believe, that topography right subsisted in the topography, the plaintiff shall not be entitled to any damages against the defendant in respect of the infringement, but shall be entitled to an account of profits in respect of the infringement whether any other relief is granted or not.

(3) Where in an action for infringement of topography right it is proved or admitted that an infringement was committed by dealing in a reproduction or a semiconductor product but that the defendant’s acquisition of the reproduction or product was innocent, the plaintiff shall not be entitled to any relief against the defendant in respect of the infringement other than damages, and any damages awarded shall be limited to an amount which, in the opinion of the court, would have been a reasonable royalty payment under a licence had one been granted by the plaintiff to the defendant in respect of the acts constituting the infringement.

(4) For the purposes of paragraph (3) above, the defendant’s acquisition was innocent if at the time of acquiring the reproduction or product he did not know, and had no reasonable grounds to believe, that dealing in it in the United Kingdom would be an infringement, or if—

(a) his title to the reproduction or product was derived, directly or indirectly, from a person who, at the time that he acquired it, did not know, and had no reasonable grounds to believe, that dealing in it in the United Kingdom would be an infringement, and

(b) the disposal of the reproduction or product by that person either—

(i) would have been an infringement of topography right but for regulation 6(3) above, or

(ii) was an infringement in respect of which paragraph (3) above applied, or

(iii) occurred within the territory of a member state other than the United Kingdom or in Gibraltar and could not have been prevented because of Article 5(6) of Council Directive 87/54/EEC on the legal protection of topographies of semiconductor products(4).

(5) In this regulation, “action” includes a counterclaim, and references to the plaintiff and to the defendant in an action shall be construed accordingly; and in the application of this regulation to Scotland, “injunction” means an interdict, “accounts” means count, reckoning and payment, “an account of profits” means an accounting and payment of profits, “plaintiff” means pursuer and “defendant” means defender.

8.—(1) For the purposes of these Regulations, the owner of topography right is the person who for the time being is actually entitled to it or will become entitled to it upon the creation of the topography (where the topography has not yet been created) or upon the subsistence of topography right in the topography (where the right does not yet subsist in it).

(2) The owner of topography right may assign it (or his prospective entitlement to it) by instrument in writing signed by him or on his behalf; and topography right (and the prospective entitlement to it) is transmissible by testamentary disposition or operation of law as personal or moveable property.

(3) A licence granted by the owner in respect of topography right shall be binding upon all his successors in title in respect of it except for subsequent purchasers in good faith for valuable consideration without actual or constructive notice of the licence and persons deriving title from such purchasers; and where the owner of topography right is not such a purchaser in good faith and does not derive title from such a purchaser, references in these Regulations to the licence of the owner include the licence of a predecessor in title of the owner.

9.—(1) The acts restricted by the copyright in an artistic work in accordance with section 3(5) of the Copyright Act 1956 shall exclude—

(a) the reproduction of a topography in three dimensions;

(b) the reproduction of a topography in two dimensions—

(i) in the course of, and for the purposes of, the manufacture of a semiconductor product, or

(ii) where the making of the thing from which the reproduction is immediately taken is, by virtue of this paragraph, not an act restricted by copyright; and

(c) the publication of any such reproduction as is mentioned in subparagraph (a) or (b) above or its inclusion in a television broadcast or a cable programme.

(2) Schedule 2 to these Regulations shall have effect for the purpose of modifying other legislation.

10.—(1) These Regulations shall not apply in respect of any topography created before 7th November 1987.

(2) Regulation 9(1) above shall not apply in respect of any artistic work made before 7th November 1987.

Robert Atkins
Parliamentary Under Secretary of State,
Department of Trade and Industry

20th August 1987
SCHEDULE 1

ADDITIONAL CLASSES OF QUALIFIED PERSONS

PART I
descriptions of additional classes

1. British Dependent Territory citizens.
2. Citizens and subjects of any country specified in Part II below.
3. Habitual residents of any country specified in Part II below, the Isle of Man, the Channel Islands or any colony.
4. Firms and bodies corporate formed under the law of, or of any part of, the United Kingdom, Gibraltar, another member state or any country specified in Part II below with a place of business within any country so specified at which substantial business activity is carried on.

PART II
specified countries

United States of America.

SCHEDULE 2

CONSEQUENTIAL MODIFICATION OF LEGISLATION

1. The provisions specified in Table A below shall apply as if references therein to copyright, or to copyright in a work, extended to topography right, and as if references therein to a work in which copyright subsists extended to a topography in which topography right subsists.

Table A

<table>
<thead>
<tr>
<th>Act</th>
<th>Section or Schedule</th>
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<tbody>
<tr>
<td>Patents, Designs, Copyright and Trade Marks (Emergency) Act 1939(5)</td>
<td>Sections 1 and 2</td>
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<td>Crown Proceedings Act 1947(6)</td>
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<td>Unfair Contract Terms Act 1977(9)</td>
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<tr>
<td>Judicature (Northern Ireland) Act 1978(10)</td>
<td>Section 94A(5)</td>
</tr>
</tbody>
</table>

(5) 1939 c. 107.
(6) 1947 c. 44.
(7) 1958 c. 38.
(8) 1976 c. 34; paragraph 5A of Schedule 3 was inserted by the Competition Act 1980 (c. 21), section 30(1).
(9) 1977 c. 50.
(10) 1978 c. 23; section 94A was inserted by the Administration of Justice Act 1982 (c. 53), Schedule 8, paragraph 11.
2. The provisions specified in Table B below shall apply as if there were inserted at the end of each thereof the words, “or of any topography right”.

Table B

<table>
<thead>
<tr>
<th>Act</th>
<th>Section or Schedule</th>
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<tbody>
<tr>
<td>Patents Act 1949(15)</td>
<td>Section 47(1)</td>
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<td>Registered Designs Act 1949(16)</td>
<td>Schedule 1, paragraph 2(1)</td>
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<td>Post Office Act 1969(17)</td>
<td>Schedule 10, paragraphs 8(1) and 18(1)</td>
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<tr>
<td>Patents Act 1977(18)</td>
<td>Section 57(1)</td>
</tr>
<tr>
<td>British Telecommunications Act 1981(19)</td>
<td>Schedule 5, paragraphs 9(1) and 19(1)</td>
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</tbody>
</table>

3. Subject to any Order made by virtue of subsection (1)(a) of section 3 of the Northern Ireland Constitution Act 1973(20) after the making of these Regulations, topography right shall not be a transferred matter for the purposes of that Act but shall for the purposes of subsection (2) of that section be treated as specified in Schedule 3 to that Act.

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations implement Council Directive 87/54/EEC (O.J. No. L 24, 27.1.1987, p. 36) on the legal protection of topographies of semiconductor products. Topography right will subsist in such topographies where they are original and their creators are citizens or residents of member states and in certain other circumstances (reg. 3 and Schedule 1). The right consists of the exclusive right to reproduce and exploit the topographies (subject to certain exceptions) (reg. 4), and runs from

(11) 1978 c. 33.
(12) 1981 c. 54.
(13) 1985 c. 6.
(14) 1985 c. 73.
(15) 1949 c. 87.
(16) 1949 c. 88.
(17) 1969 c. 48.
(18) 1977 c. 37.
(19) 1981 c. 38.
(20) 1973 c. 36.
creation until ten years after first commercial exploitation or fifteen years after creation (reg. 5). It is infringed by unlicensed reproduction or exploitation (subject to certain exceptions, including a limited exception for reverse engineering) (reg. 6), and civil remedies are available for infringement (reg. 7).