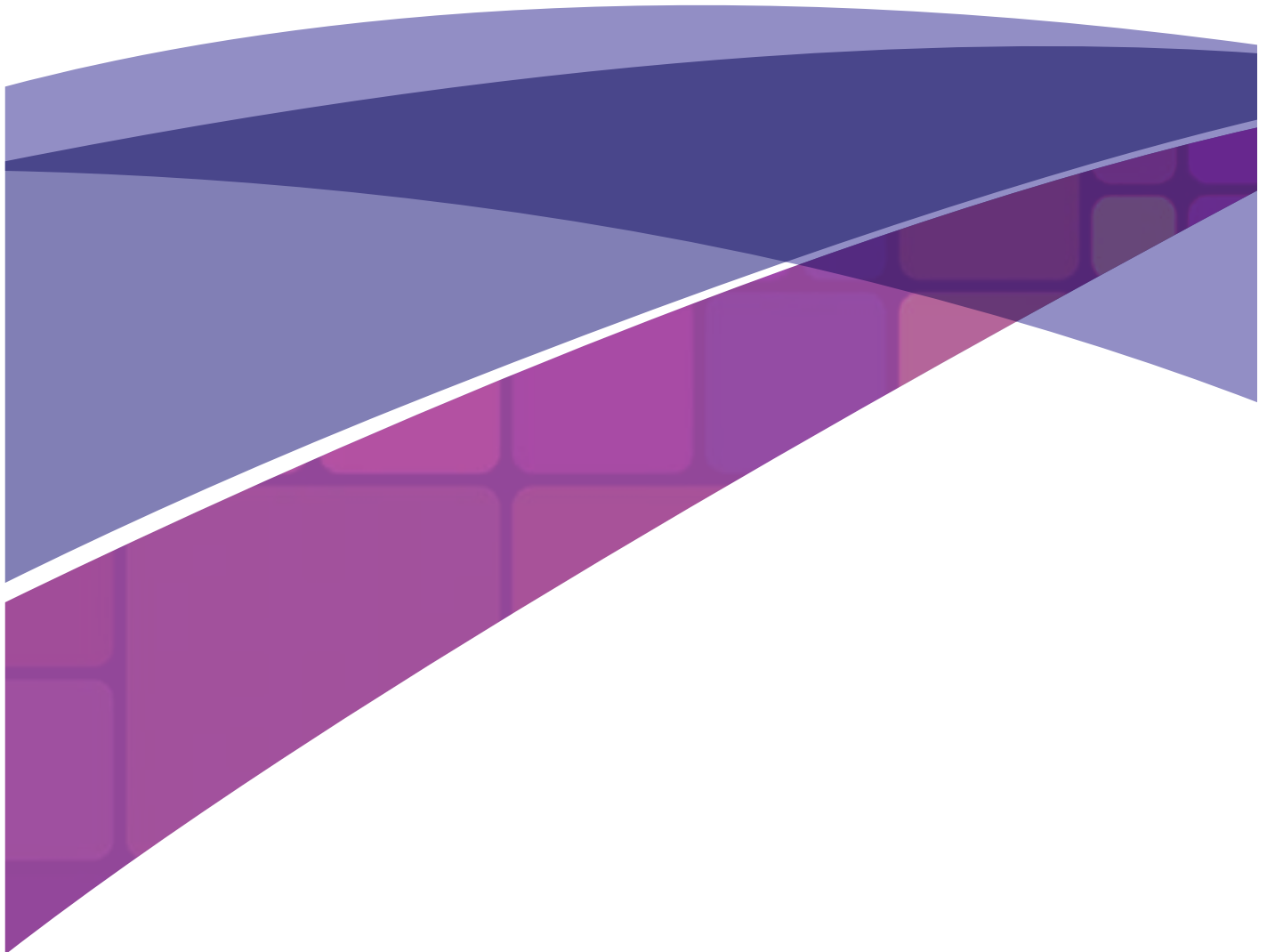




Intellectual
Property
Office

Call for Evidence on proposed changes to the Registered Designs Act 1949

Proposal to introduce an option for design owners to mark their products with a relevant website address as a way of providing public notice of their intellectual property rights





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Foreword



The UK is known worldwide as home to some of world's best designers and design led-businesses. Our cutting edge, innovative industries lead the way in society, providing quality jobs and products as well as their much welcomed contribution to economic growth.

As the Minister for Intellectual Property (IP), I am very much aware of the importance of IP to business. It is particularly pleasing to see the ongoing work to modernise UK design law and practice, given the support it can provide to our creative and industrial sectors. The Intellectual Property Office is working closely with designers and design-based industries to make sure that its services and the legal framework meet their needs.

This call for evidence on webmarking for UK registered designs is part of this package of changes and will inform us in creating a modern framework for IP which will support our creators, designers, manufacturers and users alike.

Making it easier to provide notice should help improve designers' ability to recover damages in any infringement action. We are considering these changes to reduce the burden on businesses, who tell us that remarking takes time and money. Third parties are increasingly turning to digital means, such as the web, to research information about rights in force so it also seems appropriate that we respond to their needs.

Coming from a business background, I am aware how important it is to business to have options which are appropriate to their circumstances. Adding the option to mark products with a web address should allow greater flexibility for all.

I look forward to your views

A handwritten signature in cursive script that reads "Lucy Neville-Rolfe".

Baroness Neville-Rolfe, DBE, CMG
Minister for Intellectual Property

Introduction

The designs framework in the UK is recognised as an important part of the IP system, playing a role in supporting innovation and economic growth. Professor Hargreaves highlighted, in his 2011 review, the need to focus on designs and for IP law to adapt to our changing world, particularly to reflect digital developments. He commented that the role of IP in supporting the design industry had been neglected, and noted that the evidence he had reviewed was predominantly concerned with design protection and enforcement issues.

The UK government has now embarked on a programme of modernisation for design rights, including delivering online applications for designs customers and the introduction of the Appointed Persons for designs as a low-cost alternative to the Courts. It is appropriate now to consider webmarking of products to provide notice of design rights, as a response to our increasingly digitally aware and connected world.

Currently, owners of UK registered designs and Community registered designs have an option to mark or stamp their products with the word 'registered' alongside the relevant registered design number(s) as a way of disproving a defence that any infringement action was 'innocent'.¹ The Government is now proposing that the current designs legislation should be changed to allow design owners to mark their products with a web address as another possible way of providing notice of their UK and Community registered design rights. This would also require small amendments to the Community Design Regulations 2005.

¹ Section 24B of the Registered Designs Act 1949 and Section 1A of the Community Design Regulations 2005 (SI 2005/2339) (as amended).

Proposal in detail

Registered design owners can currently stamp or label their products with the word 'registered' and the relevant registered design numbers in order to ensure that anyone who infringes the design cannot later claim they were unaware of the registration, and so be excused from paying damages to the owner. The optional marking of a product in this way to make others aware of the IP protection afforded to the product is sometimes called providing "constructive notice".

It is common that multiple rights may subsist in a single product, which may lapse or be revoked at different points in time. Under UK law, it is an offence to represent falsely that a design in any product is a UK registered design or Community design right.² Rights owners tell us that re-marking products when the details change in one of these ways is very costly, both in terms of time and money.

We are therefore proposing that the relevant UK designs legislation be amended to provide registered design owners with the option of marking a product with the address of a website which links the product with the relevant registered design numbers as an alternative way of providing constructive notice. In order to provide safeguards for third parties, the website should be accessible to the public free of charge and clearly associate the product with the number of the registered design right(s). This is precedented in the patent area.

The Intellectual Property Act 2014 introduced a similar change for provision of notice relating to patent rights, which came into force 1 October 2014. This enables patent owners to stamp or label their UK products with a web address (next to the word 'patent' or 'patented') in order to provide constructive notice. This was introduced with the aim of reducing the costs associated with product marking and to make it easier for patent owners to provide constructive notice of their patent rights. Stakeholders told us that it is easier and cheaper to adjust the details on a website when the patent details change than it is to re-stamp or re-label the products. The IP Federation published a policy paper in November 2014 noting that this argument also applied to registered designs.³

This followed a change in US law which has already introduced the option of so-called "virtual patent marking". It applies to patent and registered design rights (which in the US are known as "design patents"). The change enabled owners of rights in the US to provide constructive notice to infringers by marking their product with the address of a website containing an up-to-date list of all relevant patents associated with the product, rather than marking the list of numbers directly on the product itself. It is a requirement that the web address is accessible to the public without charge and requires the information provided on the website to associate the product with the number of the patent. An evaluation report⁴ was published in 2014, which concluded that the measure met its intended objectives of reducing manufacturing costs, facilitating making of small articles and improving public access to patent information.

2 Section 35 of the Registered Designs Act 1949 and Regulation 3 of the Community Design Regulations 2005 (SI 2005/2339).

3 Policy Paper 11/14, http://www.ipfederation.com/document_download.php?id=2456

4 http://www.uspto.gov/sites/default/files/aia_implementation/VMreport.pdf

We believe that the proposed change to design law allowing marking with a web address is complementary to the changes already introduced for patent marking. Stakeholders have highlighted that due to the differences in possible ways of providing constructive notice for patents and designs, manufacturers still need to mark their products with respect to registered designs, even though a web address is an option for patents. Consequently third parties may now need to look for information in separate places. It may also be beneficial if proprietors could refer to a single internet link which lists details of all the relevant registered rights, patents and/or registered designs, pertaining to a particular product. With the aim of reducing the costs associated with product marking, and making it easier for third parties to access information relating to notice of rights, we believe that now is the right time to make this change to design law.

We recognise that there is a possibility this proposal could encourage more UK and Community registered design owners to provide constructive notice by marking their products. It may be viewed that this could create an additional administrative burden to third parties as they will have to ensure that they actively check the website indicated rather than potentially relying on a lack of a marking or stamp on a product as a sign of whether that product is protected. However, as any infringer must prove that he was unaware of the existence of relevant design rights, our understanding is that any third party wishing to move into a new market would take all necessary steps to check for the existence of earlier rights. Therefore we think that this change would not be a significant additional burden to third parties.

This proposal concerns registered design rights. The legislation covering unregistered design rights⁵ does not provide for the marking of an article to prevent a third party establishing a defence of innocent infringement.

Questions:

1. Do you have any comments on the proposed changes to allow webmarking for registered design rights?
We are particularly interested in estimates of financial impact of the measure on holders of registered design rights and third parties, but please feel free to offer case studies or comment more generally.
2. Do you currently hold both patent and design rights or intend to do so in the future? If available, would you use webmarking to provide constructive notice for both types of rights?
3. It is likely that the wording will be similar to the patent change introduced in the Intellectual Property Act 2014, as provided at Annex A. Do you have any specific comments on the drafting?

⁵ Copyright, Designs and Patents Act 1988, Part III

Confidentiality

Openness and confidentiality

The results or conclusions of this call for evidence may be published. As such, your response may be made public. If you do not want all or part of your response or name made public, please state this clearly in the response. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.

Information provided in response to this call for evidence, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 ("FOIA"), the Data Protection Act 1998 ("DPA") and the Environmental Information Regulations 2004). If you want other information that you request to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. The IPO will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Regulatory Impact

The regulatory impact will be assessed and published, should the Government decide to proceed with the proposed change.

Responding to the Call for Evidence

Responding to the call for evidence

Please email your responses, including any answers to the above questions and any other views you may have to: webmarketing@ipo.gov.uk.

Alternatively, please use the following postal address:

Elizabeth Grose
Intellectual Property Office
Concept House
Cardiff Road
Newport
NP10 8QQ
Tel: 01633 813707
Fax: 01633 817777

Please let us have your comments by the end of 10th August 2015.

Responses are welcomed from any individual, organisation or company. Copies of this document, including large print versions, are available from the contact address given above. A full list of the organisations and individuals being sent this document is given at Annex B. It is also available on the Intellectual Property Office website at www.gov.uk/ipo.

Annex A

Change introduced to patent law in the IP Act 2014.

Section 15 Infringement: marking product with internet link

1. In section 62 of the Patents Act 1977 (restrictions on recovery of damages for infringement), in subsection (1), after “the number of the patent” insert “or a relevant internet link”.
2. After that subsection insert—
 - 1A. “The reference in subsection (1) to a relevant internet link is a reference to an address of a posting on the internet—
 - a. which is accessible to the public free of charge, and
 - b. which clearly associates the product with the number of the patent.”

Intellectual Property Office
Concept House
Cardiff Road
Newport
NP10 8QQ

Tel: 0300 300 2000

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DPS/002032/July/15

