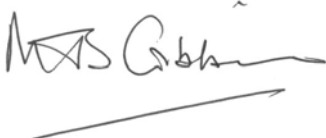
 <b>Regulatory Policy Committee</b>	<b>OPINION</b>	
<b>Impact Assessment (IA)</b>	Introduce a criminal offence for the deliberate infringement of a UK or EU Registered Design	
<b>Lead Department/Agency</b>	Department for Business, Innovation and Skills	
<b>Stage</b>	Final	
<b>Origin</b>	Domestic	
<b>IA Number</b>	BIS 0376	
<b>Date submitted to RPC</b>	18/04/2013	
<b>RPC Opinion date and reference</b>	23/04/2013	RPC13-BIS-1427(3)
<b>Overall Assessment</b>	<b>GREEN</b>	
<p><b>Overall comments on the robustness of the OITO assessment</b></p> <p>The IA explains that the proposal is regulatory and net beneficial to legitimate businesses and is therefore considered to be Zero Net Cost measure. This assessment appears robust.</p> <p>In response to our previous opinion dated 11 April 2013 the Department now accepts that the proposal may have a small ‘chilling effect’ on legitimate designs. The IA explains that the criminal offence has been set out in such a way so as to make sure the cost to business will be minimal and it is clear that they will be exceeded by the benefits.</p>		
<p><b>Overall quality of the analysis and evidence presented in the IA</b></p> <p>The Department has addressed the points raised in our previous opinion.</p> <p><i>Deliberate infringement:</i> The Department has explained that the introduction of criminal sanctions is directed at “...<i>deliberate and blatant “taking” of a design...</i>”. The Department also adds that “<i>It is therefore very unlikely to impose direct or indirect costs on any firm or individual not engaged in deliberate or persistent infringement</i>” (page 14 of the IA). The Department states in its IA that, at consultation, SMEs have been the main advocates for introducing criminal sanctions; the IA could explain better how the relevant enforcement authority would take on such an infringement case to show that the burden on business is less onerous than pursuing a civil sanctions remedy.</p> <p><i>Other European countries:</i> Whilst the Department explains that no more evidence is available, the Department’s observations of other European countries’ use of such criminal sanctions suggest that “...<i>there have been no adverse effects and that a more effective enforcement system fosters design innovation.</i>” (page 15 of the IA).</p>		
<b>Signed</b>		<b>Michael Gibbons, Chairman</b>