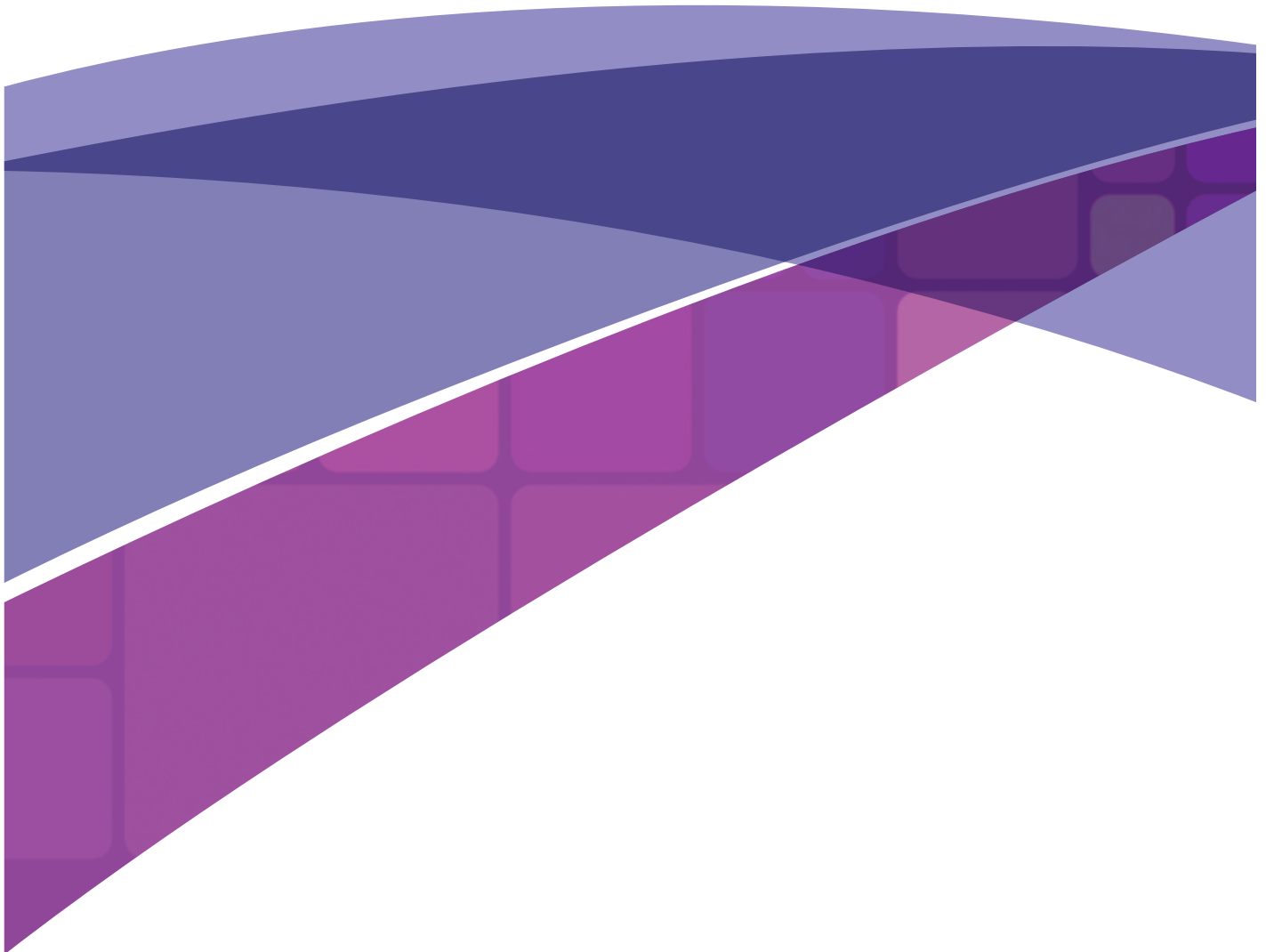




Intellectual
Property
Office

Proposed changes to the Registered Designs Act 1949

Government response to the call for evidence: 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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Ministerial foreword



The UK is rightly known worldwide as home to some of the world's best designers and design-led businesses. These innovative industries support economic growth and provide quality products, services and jobs.

As Minister for Intellectual Property (IP) getting the IP framework right is key to supporting business, the economy and society. I believe it fits well with our commitment to make Britain the best place in Europe to do business. Making changes such as these that have a clear practical benefit are firmly part of that commitment.

Having considered carefully the views of those who responded to the call for evidence, I am pleased to announce that the measure has received wide support and we will be looking for a way to take this proposal forward.

This measure should allow businesses greater choice and flexibility and have a quickly realisable tangible benefit. I am pleased to note that the views of the respondents are clear: businesses choosing to avail themselves of the new option to provide notice of registered design rights by webmarking will be able to realise benefits in terms of time and cost savings. Third parties should also benefit from increased transparency and ease of access to the most up to date information.

This measure will also bring registered design rights in line with patents, and allows a similar approach to that successfully taken in the USA. I therefore believe that this is a good outcome, supporting UK enterprise in whatever markets they operate.

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

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

Introduction

Design plays a significant role in the economy. The most recent figures show that 10% of investment in intangible assets relates to design.¹ Design can make a big difference to the success of a product in the market. The legal framework, and the systems for protecting designs, need to support the innovation and creativity that will fuel economic growth.

As part of the UK government designs modernisation programme, we are working with existing and potential IPO customers to ensure that our processes and services meet their needs. As well as making changes to the law, such as introducing a new route of appeal against the IPO's decisions, we are introducing a new electronic application and overhauling the back-office systems that support the registered design service.

In keeping with this work, the Government has reviewed how registered design owners can mark their products, to help them better enforce their rights in a digital world. This follows a change that was introduced for patents in the Intellectual Property Act 2014.

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 countering a defence that any infringement action was 'innocent'.² Innocent infringers are not liable for damages, so marking the product could bring real benefits to design owners. However, the current arrangements are cumbersome and do not easily allow for updating when details of registrations change. The Government now proposes 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 designs. This would also require minor amendments to the Community Design Regulations 2005.

¹P Goodridge, J Haskel and G Wallis (2014), Estimating UK Investment in Intangible Assets and Intellectual Property Rights,

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/355140/ipresearch-intangible.pdf

²Section 24B of the Registered Designs Act 1949 and Section 1A of the Community Design Regulations 2005 (SI 2005/2339) (as amended).

Call for Evidence response and next steps

This call for evidence was open from 17 July 2015 to 10 August 2015. The Government sought views on providing public notice of registered designs by marking relevant products with a website address.

The Government thanks all those who responded to the call for evidence, and those who have taken part in discussions regarding its contents and their responses.

The Government received 10 responses to the call for evidence, including responses from design right and IP owners, lawyers, company and industry representatives and users. All responses were supportive of the measure, with a range of issues highlighted as worthy of further consideration.

This document summarises the responses received, and sets out the Government's response and intended approach. We will continue to engage with stakeholders throughout the process to bring this measure forward.

Proposal

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. In such cases of ‘innocent’ infringement, the design owner cannot be awarded damages (only an account of profit). 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.³ Rights owners told 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 therefore proposed that the relevant UK registered 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).

We asked interested parties the following 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?

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

Responses

General:

All respondents expressed support for the proposal; some very strongly. In general, most commented that they saw the benefit of allowing webmarking in terms of both time and cost savings.

Almost a third of respondents stressed the urgency of getting this change made quickly to maximise the ease and cost-saving benefits of the measure, asking for it “ASAP” or commenting that it was “overdue”. It was also commented that swift implementation would also help to realise the full benefit of the change made for patents in the IP Act 2014.

Some responses provided comments on how businesses might react to the proposed change. One law firm respondent thought that only the most IP-sophisticated clients regularly mark their products with the relevant design details. A representative body commented that some businesses dispense with marking altogether simply because it is too administratively complex to get right. Therefore they felt that introducing the proposed change will help.

The scheme proposed is more attractive than the current options: it was commented that the company IP or legal department is more likely to be able to organise changes to a website rather than to the tooling of a product. The costs involved in maintaining registered design details on a website are likely to be minimal, especially across multiple territories and legal jurisdictions.

Another firm commented that they update the physical marking labels on their range of goods once every 3 months. However they cannot update or correct the information once the product has left the manufacturing facility.

One respondent discussed their views that the current system is outdated. In their view the proposed change would have benefits for both large and smaller enterprises. They thought that the burden would be more often felt by larger businesses, who are more likely to use registered design rights, and also more likely to have multiple design rights within a single product. They also commented that the current arrangements have a heavier impact on those smaller businesses who did use it and for whom the cost implications of re-marking are greater. Therefore, in their view, this policy could support the uptake of registered design rights amongst smaller design businesses, where design rights are currently underused.

Government response:

The proposal was strongly supported. We will therefore take steps to bring forward suitable measures, when there is an appropriate legislative vehicle, to amend the relevant UK designs legislation 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.

Patents and designs:

Most respondents said that they saw value in this measure for both patents and registered design rights. Many specifically commented to support consistent drafting between the patents measure and that for registered designs.

A number of responses highlighted the importance that the law be changed for registered designs, in order to realise the benefits of the equivalent patents measure. One response welcomed the change to introduce the patent web marking provisions, but stressed the point that it was imperative to also extend webmarking to registered designs. In their view the benefits to IP owners and third parties could not be realised while manufacturers still need to mark their products with respect to registered designs, and third parties need to look for information in separate places. The economic benefits of virtual marking would not be realised until the burden of physical marking is completely removed. Another response described how a manufacturing firm had to continue to apply stickers on the production line in order to mark their products for registered designs, even they now do not have to for patents.

Respondents recognised that this proposal is in line with the US virtual marking provisions, and is the same approach as was introduced for patents by the Intellectual Property Act 2014. They felt that consistency in the proposed approach would be valuable, especially for products marketed across different markets and therefore making it easier to operate across different territories.

Two respondents commented on the value in having a single internet link associated with a product, listing details of all the relevant patents and/or registered designs, as appropriate.

One respondent also saw value in marking products, both industrial and creative, with internet links giving details of the IP rights covering them, including other rights beyond registered designs and patents. They would be happy to see the provisions extended to other IP rights.

Government response:

When launching the call for evidence, we believed that the proposed change to design law allowing marking with a web address was complementary to the changes already introduced for patent marking. Respondents agreed.

We take on board the comments relating to the benefit of a of a consistent approach to drafting, and the perceived utility of allowing a single internet link to carry the relevant constructive notice information relating to both patents and registered design rights.

Webpage:

A number of respondents made specific comments on the webpage used to provide notice. One thought that the absence of space restrictions on a website would be a clear benefit of the proposal.

One respondent drew attention to the importance of keeping the webpage up-to-date. If it were moved or renamed, a user might be presented with page errors, and

that some IP owners were already using systems of tags and URLs to inform third parties of their rights.

One response noted the importance of monitoring the impact, giving the example that would be important to measure the effect on users with web accessibility needs, to ensure that they too can easily find information on the status of the registered design rights that protect a product. They also believe that the word 'accessible' is important in the wording, and should be maintained from the 2014 patent drafting.

Government response:

The webpage should be accessible to the public free of charge and clearly associate the product with the number of the registered design right(s). The government believes that this is appropriate to bring forward the anticipated benefits in terms of transparency and ease of access to information in order to provide safeguards for third parties.

The webpage should also be accessible. This means that when the user clicks on, or enters, the marked link, he or she should see the information on the IP rights, rather than receive a 'page not found' or similar error.

The policy will be monitored and its impact evaluated as part of the standard policy review cycle. If the proposed legislative change were to be introduced, it is likely that that the review point would be at about 5 years from introduction.

Unregistered design rights:

Two respondents additionally commented on whether or not the proposal could also be extended to cover unregistered design rights. They did not support webmarking for unregistered design rights. The legislation for unregistered design rights does not provide for marking to prevent the defence of innocent infringement, therefore there is no benefit in marking products with unregistered design rights.

The complexity of unregistered design rights was also remarked upon. One respondent noted that there was much less information available about unregistered design rights and therefore too much potential confusion about what rights actually exist, what is excluded and when the rights expire. They believed that provision of webmarking would encourage false claims, which could act to stifle legitimate competition and innovation.

Government response:

This proposal concerns registered design rights. The legislation covering unregistered design rights⁴ does not provide for the marking of an article to prevent a third party establishing a defence of innocent infringement. The government has no plans to introduce the concept of constructive notice for this type of unregistered right. As such the government will apply the provisions to registered designs only.

⁴Copyright, Designs and Patents Act 1988, Part III

Government response conclusions

The proposal to introduce webmarking for registered designs was strongly supported.

This would allow registered design owners 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.

The government will therefore take steps to bring forward suitable measure to allow that the relevant UK designs legislation be amended to add this provision. We will look for an appropriate legislative vehicle to bring about this change as soon as possible.

Regulatory Impact

The regulatory impact will be assessed and published, as the Government proceeds with the proposed change.

Annex A: List of respondents

Responses to the Call for Evidence - Webmarking for Designs

- Appleyard Lees
- Creative Barcode
- Dean International IP Limited (t/a Dean International Patent and Trade Mark Consultants)
- Design Council
- Dyson Technology Limited
- Fieldfisher
- IP Federation
- Institute of Trade Mark Attorneys
- Intellectual Property Lawyers' Association

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