

Response ID ANON-6TNE-VM6Y-F

Submitted to Reviewing the designs framework: Call for views
Submitted on 2022-03-25 10:14:49

Introduction

1 What is your name?

Name:

[REDACTED]

2 What is your organisation?

Organisation:

Allen & Overy

3 What is your email address?

Email:

[REDACTED]

4 The Intellectual Property Office may wish to contact you to discuss your response. Would you be happy to be contacted to discuss your response?

Yes

Respondent information

5 If you are an individual, are you?

Not Answered

If you have selected other please specify:

6 If you are responding on behalf of an organisation, are you?

Any other type of organisation

If you selected other please specify:

A global law firm with an international IP practice.

7 In which main industry do you or your business operate?

Other

If you selected other please specify:

Legal Services

8 How many people does your business employ?

250+

Registered designs - search and examination

9 Do you have views on whether the IPO should change examination practice for designs?

Please add your views here:

Introducing any sort of pre-registration novelty and individual character checks would be a retrograde step because this would inevitably slow down the registration process and increase costs. This is likely to prejudice all designers wishing to seek registered protection but would mostly impact individual designers and SMEs. Design registration is still an underused form of IP protection and more designers (particularly individuals and SMEs) should be encouraged to seek protection. There is a real benefit in keeping the system simple, quick and inexpensive and steps should be avoided that would unnecessarily complicate matters. In simple terms, the main benefit of the design system – quick and efficient registration – should not be impaired. All of the suggestions set out above would impair the system – slowing it down, raising unnecessary objections, and adding (perhaps significantly) to the costs of achieving registrations. We do not consider that any of the suggestions above are good ones.

Pre-grant searching should be rejected for the reasons set out above. It is unlikely that design searching and examination would be accurate when considering world-wide prior disclosures – so any sense of security given to design applicants would be a false one. Whilst AI technology is improving,

design and image searching is not yet precise enough to be relied upon in this way. We do not consider that AI, or the examiners at the office, are best placed to consider individual character, particularly without any real knowledge of the design corpus or design freedom. These issues are best dealt with in invalidity proceedings (before the Office or before a Court). Limiting searching to exact matching would still delay the registration process but would fail to provide a complete analysis of the validity of an intended design because individual character would not be considered. It might be possible to have a voluntary pre-application service similar to trade marks but this shouldn't be compulsory and shouldn't delay the registration process for those not wishing to use it.

It is not clear what a bad faith provision would add to the registration process. Designers have to date managed to invalidate bad faith designs on the basis of prior disclosure, or other prior rights. There is currently no use requirement for designs so introducing bad faith may also introduce an unnecessarily element of uncertainty.

A two tier service would also be problematic. Having to undergo examination before a design can be enforced necessarily delays the design owner getting appropriate relief, which is sometimes required on an urgent basis. This type of service also doesn't work for infringements in the digital environment when action often needs to be taken swiftly. For example, having to undergo a validity assessment prior to requesting take down of infringing sales on e-commerce websites would necessarily delay things, particularly because platforms currently take down offending material expeditiously in order to retain their safe harbour protection. There are sufficient checks and balances already in place in the current system to ensure that the invalidity of a design can be raised before relief is granted (for example, it is possible to raise the invalidity of designs in infringement or take-down proceedings).

We do not see anticompetitive designs as an issue in the UK – we are unaware of any meaningful number of such designs. We therefore do not consider that it is a recognised problem that requires a solution.

We also do not consider that an opposition period would be helpful. We consider that the current system is optimised.

10 Do you think it would be useful to introduce any of the options outlined? (please select all that apply)

Please provide more detail below:

No. For the reasons set out above. Further, we suggest that the Office STOPS examining design applications for designs solely dictated by technical function. Again, the office is not well placed to conduct such an examination, which only slows applications down, and increases costs.

Simplifying the designs system

11 What form of designs protection works best for you at present?

Please add your views here:

Registered designs provide quick and cost-effective protection that can complement other rights such as trade marks in an IP portfolio. However, some designers also benefit from the flexibility of unregistered rights when it is clear that copying has taken place. Many designers balance the costs of registering designs with the legal certainty and wider protection provided by a registration. SUDs remain an attractive tool for protecting short-cycle or seasonal products, and are therefore particularly useful in some specific industry sectors (e.g. fashion, textiles and clothing, eyewear, furniture and furnishing).

12 Do the different and overlapping ways of protecting the appearance of a product present any issues to creators and users of the system? If you think the system could be simplified, we would like your views on how to do this.

Please add your views here:

Judges, academics, designers and practitioners have long complained about the complexity of UK design law, and since Brexit it has become more complicated with potentially eight different rights covering the appearance of a product. From one perspective, that's an advantage for designers who have choice in what they can enforce. However, the flipside is that launching a new product can be fraught because it's very challenging for a designer to know with any certainty that a new product is low infringement risk. It would be beneficial to simplify the system but there appears to be little agreement on which parts of the system should be changed or dropped in order to bring about that simplicity.

Obviously, some of the new rights will cease to exist quite soon (for example, CUDs). In our view, SUDs are more effective than UK Unregistered Design Right, because they include surface decoration, and not just product shape/configuration. Our preference would be to abandon UK Unregistered Design Right, and increase, although not by much, the length of SUDs. We do not consider that further copyright provides the answer for protecting the appearance of a product or part of a product.

Differences between unregistered design rights

The UK should avoid introducing a residency requirement for SUDs. As noted, SUDs were introduced in the UK following Brexit in order to prevent all designers, regardless of their residency, from losing the protection in the UK that was previously provided by unregistered Community designs. Introducing a UK residency requirement will effectively remove this right from many global companies. In turn, this may mean that their products are not protected adequately in the UK and, ultimately may deter these companies from operating in the UK when the protection is weaker than in other jurisdictions, such as EU member states.

The UK design right was previously available to EU designers but this was removed after Brexit when the residency requirement was restricted to the UK (and various territories/former colonies). This means that French or German businesses operating in the UK no longer have this type of protection for any new design. UK design right could be considered to be an additional right with no equivalent in other jurisdictions. However, a similar restriction on rights that are available in other jurisdictions may make the UK a less desirable place in which to invest.

Design protection for spare parts is a complex and political area and one with very strong industry views on both sides of the argument. As such, it has proven to be very difficult to reach a consensus across e.g. the EU on the optimal position. A detailed consultation on the issue would be required before taking a position on introducing a comprehensive exception to SUD design protection for spare parts.

Overlapping rights

The overlap between design protection and copyright has been clarified recently by ECJ decisions (*Flos v Semeraro* (C-168/09), *Cofemel v G-Star Raw* (C-683/17) and *Brompton Bicycle v Chedech* (C-833/18)), all of which form a part of EU retained law. These cases make it clear that cumulative protection of a design through design law and copyright law is and should be possible, provided that the requirements are met for each right. It does not appear to be in the best interests of designers working in the UK to re-introduce any element of uncertainty in this area of the law or to diverge from the EU position and make it harder to obtain UK copyright protection than in neighbouring EU member states.

The requirements for copyright protection set out in the above cases do cast some uncertainty on the UK's traditional closed list of categories of works set in s1 CDPA 1988. For example, as was recognised in *Response Clothing v Edinburgh Woollen Mill* [2020] EWHC 148 (IPEC), the UK's test for works of artistic craftsmanship is not fully aligned with the cases above. Clarification in this area would be welcome. However, again, it is unlikely to be beneficial to businesses operating in the UK to insist on aesthetic appeal as a requirement for copyright in certain circumstances when it is clear that other EU countries will not. Similarly, excluding copyright protection from original but partially technical designs would also put the UK at a disadvantage in comparison to other EU member states.

13 Are there terms in the Registered Designs Act which would benefit from clarification or guidance e.g. "get up"?

Please add your views here:

It would be helpful to clarify whether "get-up" in s1(3) RDA '49 covers interior designs.

It would be beneficial to clarify that virtual designs, animated designs and graphical user interfaces are covered by the definitions of "design" and "product" in s1(2) and s1(3) RDA '49. Otherwise, there might be some uncertainty as to whether digital designs can be understood as products. The current definition of "product" as "industrial or handicraft items" does not appear to encompass AI commercial activities or virtual products. Similarly, it would also be useful to clarify that graphical user interfaces and parts thereof are not excluded as "computer programs" in the sense of s1(3) RDA '49.

It might also be helpful to clarify that:

- (1) other than for component parts of complex products, a design does not need to be visible in normal use (or at any other time) in order to attract design protection; and
- (2) the concept of component parts of complex products is aimed at dealing with the spare parts market, specifically for complex machinery.

Unfortunately, some EU cases, which now form part of EU retained law, (e.g. *Biscuits Poult v OHIM* (T-494/12)) wrongly appear to create an extra-legal general visibility requirement. Design law protects the appearance of a product or part of a product, but the design does not need to be visible other than in the specific circumstances of component parts of complex products. The special component parts visibility requirement should not be extended into a general requirement for other types of products. This makes it difficult to obtain design protection without any justification and is contrary to the interests of designers, the design industry and design holders.

14 Please share any issues you or your clients have experienced in relation to the changes to disclosure requirements for unregistered designs since the end of the transition period (31 December 2020).

Please add your views here:

Businesses are uncertain about the status of the law and would welcome clarification. Many design businesses operate on a global scale and want to obtain protection for their designs, not only in the UK but across the EU and elsewhere. Forcing designers to choose where to disclose and to obtain protection is not ideal. As the UK market is smaller than the EU, companies may choose to disclose their designs first in the EU rather than in the UK, which is concerning for the future of events such as London Fashion Week.

15 Would any of the options outlined, such as simultaneous disclosure, address this issue? Are there any other ways of addressing the lack of reciprocal recognition for unregistered designs in the UK and EU? If so, please provide details on how they may work in practice.

Please add your views here:

It is recommended that the UK tries to agree a joint approach with the EU in relation to simultaneous disclosure and unregistered design protection in the UK and EU. If the UK unilaterally creates unregistered design rights following internet disclosures, it needs to be aware that it could be providing rights to the rest of the world without any guarantee of reciprocity. It is agreed that it would be helpful to evaluate carefully the impact of this on UK industries before any changes are introduced. The EU's Evaluation of EU legislation on design protection (page 30) implies that there is some support in the EU for a more restrictive approach in order to protect the EU design industry.

It is agreed practice that designs can be disclosed via the Internet (websites, apps, emails, file sharing) and that this includes vlogs and instant messaging (see e.g. the EUIPO Common Communication CP10: Criteria for Assessing Disclosure of Designs on the Internet). Currently evidence of disclosure is recommended via time stamping, screenshots, print-outs etc. but it may be necessary to consider how to evidence and to timestamp newer forms of disclosure e.g. live streams, disclosures in virtual environments.

Future technologies

16 How can the current system better meet the needs of a digital environment and future technologies?

Please add your views here:

Many designers embraced technology years ago so it makes absolute sense that registration facilities for designs do as well. Anything that makes it easier for a design to get from studio to register is to be encouraged. As stated above, definitions should be amended to ensure that it is clear that virtual and digital designs are covered and this will become more important as more designs are used in virtual environments such as the Metaverse. As also stated below, digital representations should be allowed during the application process to make it easier to protect dynamic designs.

17 Are areas such as digital designs and 4D printed products adequately protected by the current system?

Please add your views here:

Digital and transformable designs with a number of different configurations should be protectable, provided that no product parts are added or removed and the representation adequately shows each view of the design. As stated below, the filing of video or other forms of digital files should assist with this. The current requirement to file a separate image for every alternative view of a moving design is limiting, particularly when there is a maximum number of 12 images. This works for simple “open/ shut” configurations but designs covering 4D printed products are likely to be more complicated and will not be accurately reflected in a series of static images. If transformable designs are acceptable in principle, then this should include complex transformable designs such as 4D printed products and technical limitations in the registration process should not prevent this.

More generally, 3D and 4D printing are new disruptive technologies that raise a whole range of IP issues. As they become more widely available, they have the potential to increase and decentralise IP infringements. Continued monitoring of the situation, and education of consumers and rights owners, is advisable.

18 Do you think it would be useful to introduce any of the options outlined? These include extending supplementary unregistered design to cover computer generated designs, filing of digital representations and ceasing accepting physical specimens.

Please add your views here:

The ability to file digital files (e.g. video files or 3D digital representations) would make it much easier to protect moving designs (e.g. a design with a sequence of movement or different configurations). The current requirement to file a series of 2D static images of a moving animation is antiquated and doesn't accurately represent dynamic designs. Allowing the filing of dynamic views would also allow certain qualities of these designs to be illustrated, which might not be visible in e.g. a line drawing. This would help with the clarity of subject-matter of protection and could also encourage more designers to seek protection in the digital economy.

On the other hand, it isn't necessary or desirable to cease accepting physical specimens. Very occasionally there are designs that don't show up well digitally, and it would be a shame if a change in practice meant that they couldn't be registered. It should remain a voluntary option to file physical specimens if it would be helpful in relation to a particular design.

19 What are your views on the protection of computer-generated designs?

Please add your views here:

Currently the language used in the RDA and CDPA may suggest that only a legal person can own a design. If the design is generated by a computer, the person who made the arrangements necessary for the creation of the design is considered the author. This isn't replicated in legislation relating to SUDs. However, this language isn't necessarily fit to deal with the current uncertainty surrounding the ownership of AI created works or computer-generated designs. It was drafted at a time when computer systems were much simpler and were only capable of operating on the specific instructions of a person. AI systems are now much more sophisticated and involve complex input arrangements, involving the creator of the system itself but also those who input the training data. Accordingly, it may not be appropriate at this time to replicate this outdated wording in relation to SUDs.

Instead, it may be more appropriate to continue with the UKIPO's overall review of AI systems and IP and to keep the system under review as AI technology develops and becomes fully autonomous. The issue is controversial. There are some who believe that investment in AI systems creating designs or other original works will be hampered if the results can be copied without compensation. On the other hand, others argue that IP rights might present barriers to the development of AI and there is no need for IP rights to extend to AI systems because computers don't need rewarding for innovation. As the UKIPO has recognised, there are also other options between these two extremes e.g. new rights for AI systems with a reduced scope or duration. All of these options should be considered fully, bearing in mind that creating any additional design rights has the potential for making a complex system even more complicated.

Better regulation

20 Should UK law have an express deferment provision and how long should it be?

Please add your views here:

Although the UK has now left the EU design system, it remains a part of the international design registration process administered through WIPO (the Hague system).

It would be preferable for global companies if the period of deferment for registered designs could be harmonised across the international design network. This would help to improve legal certainty and to reduce costs in managing design portfolios, which work best when the systems of the member states are consistent. For designers and undertakings managing their designs, differences in the availability of deferment of publication and in the

deferment period are burdensome. These differences can entail significant increases in portfolio management costs and seriously obstruct cross-border activities. This particularly affects individual designers and SMEs.

For these reasons, it would be preferable if the period of deferment aligns as much as possible with other design systems around the world. Currently the majority of countries offering deferment have a period of 30 months. The UK should do likewise.

21 What information, if any, should be published in relation to a deferred design?

Please add your views here:

The two main reasons why owners choose to defer publication of designs are because corresponding patent protection is being pursued or the product has not yet been formally launched. Deferment should therefore keep secret details of the design or the product (including any design drawings or physical specimens) because these may inform competitors of pending product launches or form prior art in any patent filings. This reasoning doesn't apply to the basic details such as the date of filing, name and address of holder, which should be published for the reasons given.

22 Is there a need for specific provisions for prior use or to deal with co-pending applications?

Please add your views here:

The UK already has a prior use provision in relation to use before the application date. Other countries that have a longer deferment period (e.g. 30 months) do not have wider prior use provisions.

Enforcement

23 What are your views on the effectiveness of the UK's enforcement framework?

Please add your views here:

The UK's court system is well-renowned for its effective IP enforcement with specialist IP judges and respected decisions. A wide range of remedies are available to stop infringements, including on an urgent basis, and the courts have demonstrated a willingness to be innovative and flexible in the remedies granted to prohibit new types of offending conduct. One obvious example is the pioneering role that the High Court of England & Wales has taken on blocking injunctions.

Progress is also being made to streamline IP litigation and to manage costs to ensure that court proceedings are run in a cost-effective and proportionate manner. The apotheosis of IP case management in England & Wales is the IPEC, which has encouraged a notable increase in IP case filings by SMEs and individuals. Its caps on costs and damages, heavily streamlined procedures and active judicial case management have all combined to improve access to justice for all rights holders but particularly for SMEs and entrepreneurs. Whilst the IPEC is designed to hear claims of a comparatively modest value and complexity, it has nevertheless also demonstrated a clear willingness to issue judgments that are of real commercial and legal value.

That said, the costs of design infringement cases, particularly unregistered design right infringement cases, remains significantly ahead of other nearby nations, which means that designers instead choose to enforce their rights in, say, Germany, for a tenth of the cost of High Court proceedings in the UK. Greater efforts need to be made to reduce costs.

24 How could it be improved to help small businesses and individual designers enforce their rights?

Please add your views here:

Continued streamlining of IP court proceedings. Examples are ensuring witness statements only address necessary issues, liming expert evidence and surveys to where there is real value and using exemplars.

Unfortunately, IP owners do complain that budget restraints prevent all IP complaints from being investigated by e.g. UK trading standards, Action Fraud and PIPCU. Private prosecutions are sometimes used to pursue criminal complaints but the costs often bar SMEs or individuals from doing this. Greater enforcement budget for government entities would help alleviate the enforcement burden placed on SMEs.

25 What has been your experience of the introduction of criminal sanctions for registered designs?

Please add your views here:

It is rare that registered design infringement is punished by criminal sanctions. However, the very existence of these sanctions is a welcome deterrent to intentional copying and forms an important part of counterfeiting strategies, along with similar measures available under trade mark law.

26 What are your thoughts on extending criminal sanctions to unregistered designs and what economic evidence do you have to support your view?

Please add your views here:

Criminal sanctions for intentional unregistered design infringement have been debated for a long time and remain highly contentious. The concern is that unregistered rights can be uncertain or unknown, and adding criminal sanctions could unjustly penalise some-one. The retort to that is that the requirement that the infringement be "intentional" ought to protect the unintentional from criminal sanctions, and that designers need additional tools to tackle intentional infringement. Further analysis on the subject would be welcome to provide a more detailed picture.