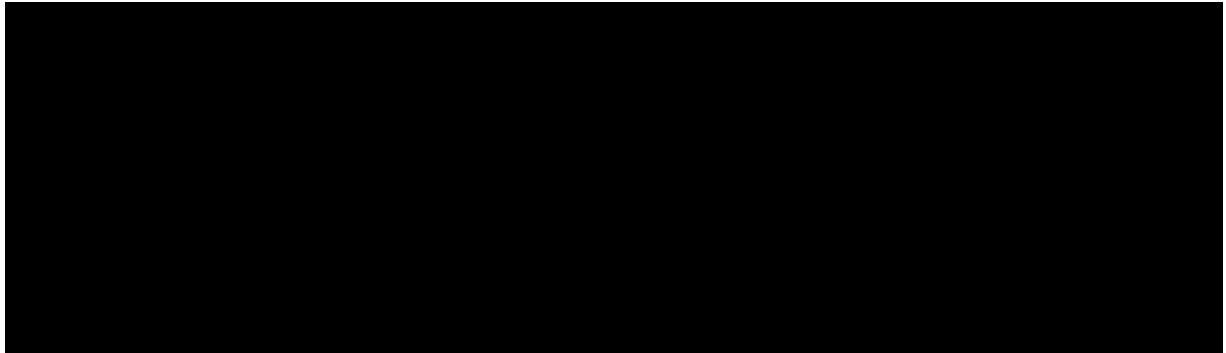


IPO Call for Views on designs

Personal Response [REDACTED]

1. Introduction



2. General Comment

I welcome the IPO initiative in launching this Call for Views. The last systematic review of design law was implemented in 1989. Since 2001, changes have been executed through statutory instruments made under various Acts which limited the scope for reform, and as a result a general tidying-up is long overdue, whether or not fundamental changes are made.

There are currently several rights specifically aimed at protecting designs (sometimes referred to as “sui generis” rights, and as “special protection” within the Berne Convention), but protection is also available for some designs by the law of copyright and, in some cases, trade mark or passing off law. Each system offers some advantages, and I do not think designs are over-protected, but the disjointed nature of protection makes life complicated for designers, competitors and judges. Reform is therefore needed, and our departure from the EU will make it a little easier. At the same time, however, design law internationally is far from harmonised, and businesses will find it easier to operate across borders if our own laws do not diverge far from such international standards as do exist.

3. Suggested Changes

Briefly, I propose the following changes to harmonise the design system without necessarily greatly changing its nature:

1. All special design protection laws to be brought together in a single statute, to be called the Design Protection Act, and consisting of:
 - a. A single chapter establishing common rules for authorship, ownership, property law and licensing, and including Presumptions (based on those currently existing) which tend to keep ownership and licensing of all design rights together in the absence of clear intention to the contrary;
 - b. A single chapter establishing common remedies and defences, and including common rules for IPO Opinion proceedings;
 - c. Separate chapters governing the substantive law applicable to:

- i. Registered Designs;
 - ii. A successor to Supplementary Unregistered Design Right (“SUD”);
 - iii. A successor to UK Unregistered Design Right (“UDR”); and
 - iv. Topography Right.
2. A common start date, and common qualification criteria, for all unregistered design rights (other than perhaps Topography Right);
3. A common term of five years for the successors to Supplementary Unregistered Design Right and UK Unregistered Design Right; and
4. A repair defence matching that currently available for registered designs and SUD should apply also to UDR (with the consequent removal of the “must-match” exclusion) and to copyright.

4. Unregistered Designs - Term of Protection

At present, SUD lasts three years from first disclosure of a design. UDR lasts the shorter of:

- Ten years from first marketing, or
- Fifteen years from creation;

and in either case the protection runs to the end of the calendar year, and in the last five years licences are available as of right.

Within the complex lifetime of UDR, it is rare in the real world for a design to be left on the shelf for five years after creation before it is marketed. And in the “licence of right” period, design owners gain nothing of substance – as is reflected in the very low number of applications for such licences. A single, simple term of five years would in practice not greatly curtail the real lifetime of UDR.

On the other hand, at three years, UCD is too short in many cases for effective enforcement. Litigation eats too deep into the remaining lifetime of a copied design. Within the UK/EU Trade & Cooperation Agreement (“TCA”), the UK is constrained to offer no less than three years of UCD-style protection, but the Agreement poses no upper limit on term.

A single term of five years would therefore be a reasonable fit for both. The term could commence, in accordance with the TCA, with the first disclosure of the design that would come to the attention of the circles specialised in the sector concerned, operating within the UK or a qualifying country or territory. That is a familiar concept from registered design law, and would also not mark a major departure from the current UDR regime, where first disclosure is likely to correspond to first marketing.

Five years may seem short, but it will usually suffice to give innovative companies the lead time essential to recovering their investment in good design, as:

1. Few investors rely on longer terms to recover their investment;
2. IPO research indicates that for many designs, the investment in design is just about recovered by then (a period of 4.6 years of benefit from investment for designs of goods);¹

¹ . Jonathan Haskel & Annarosa Pesole, *Design services, design rights and design life lengths in the UK*, Chapter 1 of *The economics of design rights*, 2011, IPO website.

3. Five years is long enough to allow the public to associate a design with its source, whereas allowing piracy earlier rules out the chance that the design may become distinctive enough for trade mark protection.

As to qualification, the Paris Convention, TRIPs and the TCA all require “national treatment”. It is doubtful whether the current UDR regime is TRIPs-compatible,² and at very least arguable that the current SUD regime is not. After thirty years, no other country has adopted a UDR system to benefit from reciprocity with the UK. Perhaps the time has come to broaden the UDR nationality restrictions to benefit all WTO and Paris Convention parties, to narrow SUD qualification to the same parties, and clarify that the qualifying first disclosures can be anywhere worldwide.

5. Registered designs - search and examination

A **Pre-grant novelty search** – On balance I am against **manual** searches and examination before grant. My experience was that this involved a lot of searches for not much result, and some delay but very few refusals. Statistics from the US PTO, which does search and examine, indicate that their allowance rate is 86%. Only 1.2% are rejected over prior art.³ The delay from filing to first office action is on average 16 months, which must partly be caused by the need to search.

These problems could be mitigated in two ways:

- (a) Search but do not examine – make the search advisory only as EUIPO does for trade marks (and the French used to do for patents);
- (b) Use AI only to do the searches.

Whether the results would justify the expense is still doubtful.

Rapid grant and enforceability are important to certain design sectors, including fashion and toys. The Korean IPO has selectively dropped search and novelty examination in these specific sectors. I think it might be worthwhile to ensure that any legislation allowed a sector- or class-specific application of search and examination.

B **Pre-grant opposition** – I don’t see any benefit in this, since we have post-grant IPO revocation already. The inherent delays in an opposition system would render some designs unenforceable.

C **Post-grant search** – I have experience of the Australian system and it proved effective. It could be a valuable option. I would base this on the existing voluntary search on DF21. Diverging from the Australian model, I would favour allowing litigation to be started prior to the post-grant search, but giving the defendant time enough to see the results before filing their defence.

² The rationale within the *White Paper on Intellectual Property and Innovation* (Cmnd 9712, 1986) at 3.34 & 3.39(c) pp21-23 applies only to purely functional designs – registrable designs protected by UDR ought to have benefitted from national treatment, see Christopher Tootal, *The Law of Industrial Design: Registered Designs, Copyright and Design Right* CCH, 1990 at p200; Christine Fellner, *Industrial Design Law*, Sweet & Maxwell 1995 at 3.006 p125; Herman Cohen Jehoram, *The European Commission pressured into a "dis-harmonising" Directive on chip protection*, EIPR 1987, 9(2), 35-38.

³ Source: Patently-O blog, Professor Dennis Crouch, 2010, <https://patentlyo.com/patent/2010/01/design-patent-rejections.html>

6 Definitions

I have never really known what “get-up” was. It translates into a variety of different terms in the different EU languages. Since it is clear from the definitions that products, their ornamentation and their packaging are all protectable I doubt we need to retain this.

7 Disclosure of supplementary unregistered designs

Having made a study of the issue over the years since 2002, I believe that the German courts have got the issue wrong, and that earlier disclosures worldwide do not invalidate UCD or SUD.

Regardless, I also believe that same-day (not necessarily simultaneous) disclosure is sufficient to create a valid UCD and therefore also SUD. Having said this, I think clarification could be welcome.

From the point of view of British designers, solving the UCD problem in the EU may be more important than solving the SUD problem, as British designers have other options (e.g. UK UDR and copyright) for protection in the UK but less so in the EU. Whilst some EU countries provide alternatives to SUD (e.g. copyright and unfair competition) these tend to be more chancy and less harmonised.

8 Future technologies

There are several linked issues here:

- (1) Should design protection (of all kinds) extend to “virtual designs” – e.g. would reproduction of the shape of a car in a video game infringe?
- (2) Should it be easier to register dynamic designs?
- (3) Should filing CAD or other e-representations of 3D shapes be possible?
- (4) Should specimens be abandoned?
- (5) How should AI authorship be handled?

Taking (4) first, having acted for the applicant in *Hadley v Sloggett*⁴ I believe that physical specimens have a role to play unless it is possible to replace them with a convincing 3D electronic representation. So if (3) is adopted, as I think it should be, it would be possible to stop accepting physical specimens. As so few are filed, it might be possible for the IPO to scan specimens itself rather than putting the burden on applicants. Existing specimens could also be back-scanned.

As for (1), the answer is “yes”, subject to a “scenes a faire” defence protecting against incidental inclusion (as is available in copyright law). (2) is also “yes”.

As for (5), the consultation asks whether SUD should be extended to protect computer generated designs. As indicated above, I think the same definitions of “author” as for UK UDR, UK RD and copyright should be introduced for SUD. That deals adequately with computer-generated works at the present state of technology. Since it is unnecessary to name a designer on filing a UK registered design, the ongoing DABUS debate does not bite.

⁴ *Hadley Industries v Sloggett* [2003] EWHC 2361 (Pat).

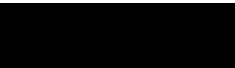
9 Deferment

In my view, a deferment period of a little more than 6 months (the Paris Convention priority period) is a practical feature which allows some protection against loss of priority abroad. I don't see any need for a longer period than the present 12 months, but there would perhaps be some slight advantage to design applicants in aligning with the 30 month Hague Agreement period. No information on designs should be published until deferment ends.

10 Enforcement

The IPEC Small Claims track appears to function for small disputes between small parties. Thought should be given to extending its jurisdiction to all forms of design enforcement. I also favour the introduction of the long-delayed Designs Opinion Service which would offer a form of expert determination without the costs of litigation.

I have advised one individual about criminal design infringement. I understand his experience of use of the Magistrates' courts and the CPS has been unhelpful and frustrating to him. I have seen no evidence that the system is widely used.



25th March 2022