

Response of the Law Society to
Reviewing the Design Framework – Call for Views

1. The Law Society of England and Wales (The Law Society) is the independent professional body that works globally to support and represent 200,000 solicitors, promoting the highest professional standards.
2. As the body representing solicitors and with a statutory public interest role, part of the Law Society's overarching purpose is to safeguard the rule of law in the best interests of the public and the client. We are driven by our core objectives to promote access to justice, safeguard the rule of law, promote diversity and inclusion, the international practice of law and to support our members businesses.
3. Solicitors play a critical role in advising clients on design rights in the UK and in other countries, from advice and registration to identifying and pursuing actions on infringement activities. The Law Society's members act for a wide range of entities. Our members do, however, have direct experience of the current and historical operation of the design rights system in the United Kingdom, the benefits, legal difficulties and questions that arise as well as wider impacts on businesses large and small, and consumers.
4. The Intellectual Property Law Committee reports to the Law Society about matters of national and international intellectual property. It normally reports on intellectual property matters only were doing so addresses any one or more of these objectives:
 - influencing law reform to achieve a better system of justice
 - supporting solicitors to help them achieve the standards expected of them, and deliver good service
 - regulating and setting standards for solicitors to make sure they deliver a good and ethical service to consumers
 - representing the interests of solicitors as a whole
5. Summary of key positions:
 - I. Any changes to the design right system, should consider how those parties without large financial resources are not deterred from accessing justice because of high costs of litigation, time and/or increased complexity.
 - II. The clarity, speed and low costs of the design rights system are core benefits. Any changes to the design rights framework bring with them, concerns of significant delays to registration of designs and likely

inevitably give rise to increases in design application fees. For example, by introducing opposition periods, it is likely the application period for registering a design would double time to completion.

- III. We would advocate changes in the law to address bad faith registrations.
- IV. Changes in design law in general, and unregistered design law in particular, cannot and should not be considered separately from the issue of the application of copyright to three-dimensional articles. For example, discussions as to the appropriate length of term for unregistered designs are potentially in large part academic if, due to recent changes in the law, a large number of relevant designs also benefit from copyright protection as works of artistic craftsmanship.
- V. Having two different unregistered design right regimes gives rise to unnecessary complexity and perhaps lacunae in designs deserving protection. It would be desirable if in the longer-term, the UK eventually moved to having a single unregistered design right system. This could have a longer period of protection than the supplementary unregistered design, perhaps 7 years (or even different periods for different business sectors), but be available from the first disclosure worldwide of a design, without any residency requirement.
- VI. Whilst we welcome reforms designed to make it easier for both registered and unregistered design right holders to enforce their rights, we are sceptical that it would be advantageous to permit registered design claims to be pursued in the small claims track of Intellectual Property Enterprise Court (IPEC). We are also not in favour of introducing a criminal offence of unregistered design infringement.

NEW OPPORTUNITIES - REGISTERED DESIGNS - SEARCH AND EXAMINATION

Q1. Do you have views on whether the IPO should change examination practice for designs? Do you think it would be useful to introduce any of the options outlined? These include prior art searching, a two-tier system, use of AI tools, bad faith and opposition periods. Are there other options not outlined?

6. The Intellectual Property Law Committee (IPLC) notes some of the key advantages of the current UK registered design system are the speed with which registered rights may be obtained and the low costs for obtaining design protection. These advantages are particularly important for certain business sectors (such as fashion, toys), where there is a greater turnover of products, especially for SMEs, and provides an attractive environment for people to do business.
7. While the IPLC considers that making available more advanced (AI-based) search tools for registered and, potentially unregistered, designs should be a high priority for the IPO as a free service to customers generally, it has concerns about the introduction of ex officio novelty searching or examination on individual character. In particular, those searches would likely be inconclusive, introduce significant delays to registration of designs and give rise to increases in design application fees. If the UKIPO adopted use of the Locarno classification, this could further help in making searching easier.
8. The IPLC considers that some sort of post-registration search or opinion service from the UKIPO could be provided, which could have benefits in enforcement, without being obligatory. In particular, if registrants seeking to enforce their rights or potential defendants facing the threats of an infringement claim had the option of submitting the relevant design registration for a paid-for non-binding and confidential (as between the parties) validity opinion, it could speed up the resolution of disputes on an amicable basis. The opinion could be shared on a without prejudice save as to costs basis by the party relying on it to try to reduce the debate around validity that an unexamined right will necessarily have. Using AI-based search tools, the opinion would need to be available within a reasonably short period, e.g. two weeks.

Oppositions

9. The IPLC does not consider it necessary or appropriate to introduce an opposition procedure for registered designs. Very few IP Offices worldwide have such a procedure. Design watching is currently extremely expensive

and available to few, so it may be difficult for impacted parties to become aware of the publication of designs for opposition purposes in a timely manner unless the UKIPO undertakes the watching and notifies potential opponents of possibly conflicting applications. Even then, the system would disadvantage SME designers that will not be able or willing to pay the costs of professional watching services.

10. The introduction of opposition periods would delay all applications for registered designs, at least doubling the time to registration. There could also be abuse from an opposition system: designs could be strategically opposed in order to delay them becoming enforceable rights. That could, for certain business sectors, mean the difference between effective design protection and no real protection at all.
11. In the IPLC's view, the possibility to invalidate registered designs that are improperly granted is adequate in practice and is widely understood by all involved in the UK design legal ecosystem. It also has the advantage that the issue of validity is being considered by designers with direct experience of the relevant design field (and their advisers), rather than examiners that may have no such experience.

Q3. Are there inconsistencies between the design rights that need to be addressed e.g. qualification requirements, spare parts exemption? Are there terms in the Registered Designs Act which would benefit from clarification or guidance e.g. "get up"?

Bad faith and anti-competitive applications

12. The IPLC agrees that there are evidently bad faith or anti-competitive design applications being filed in numerous jurisdictions around the world. A particular issue is the registration in the UK (and historically the EU) of designs that pre-exist elsewhere in the world by entities that are not economically linked to the creator of those designs with a view to seeking by registration an unfair monopoly in respect of those designs in the UK.
13. Care should be taken not to unnecessarily harm all design registrations due to a small number of bad actors. Further, in some cases the original design may be sufficiently well known in the EEA or the UK in the relevant sector to

mean that the validity of the designs can be successfully challenged. It is also open to the true proprietor of the original design to challenge validity¹.

14. Nevertheless, demonstrating that a design is sufficiently well known is difficult, and the true proprietor (who is likely to be based overseas) will frequently have no interest in pursuing such a challenge.
15. There are a number of ways in which this issue could be addressed. One would be to allow persons other than the original proprietor to raise this ground of invalidity. Another would be the introduction of a bad faith ground for invalidating designs. The advantage of a general “bad faith” ground is that it would be wide enough to cover other potential misuses of the registration system and there is also already an extensive body of case law on bad faith in the area of trademarks that could likely be applied by analogy.
16. Consideration should also be given to requiring an applicant to make a declaration in the application (such as that in trade mark filing forms) which could include wording such as “I confirm that I am either the proprietor of the design or have acquired rights in the design such that I believe I am entitled to file it”. We would caution against using terminology such as “novelty” or “individual character” in such a declaration as these would likely not be understood by all declarants.
17. We are not aware of any terms which require clarification or guidance. Specifically, we do not think get-up would need to be defined and doing so may run the risk of excluding certain types of designs.”

NEW OPPORTUNITIES - SIMPLIFYING THE DESIGNS SYSTEM

18. We would welcome proposals to simplify the designs system. However, we do not think that designs law can properly be considered in isolation without also considering the scope of copyright protection applicable to three-dimensional articles
19. It is now clear at least at an EU level that copyright is capable of extending to three dimensional articles that are the result of the author’s own intellectual creation.² This is retained EU law post Brexit and therefore reflects current UK law unless overturned by a court with the power to do so.³ Although this

¹ Section 11ZA (2)
ZA

² *Cofemel – Sociedade de Vestuário SA v G-Star Raw CV*. ECLI:EU:C:2019:721

³ It is possible that the decision in *Cofemel* might be challenged domestically upon the grounds advanced by the United Kingdom in that case as to the effect of Article 96(2) of Reg 6/2002, notwithstanding that this argument was rejected by the CJEU in that case.

broad definition of copyright does not fit well with categories of copyright work set out in the Copyright Designs and Patents Act 1988, to date the English courts have sought to interpret the Act in a manner that is consistent with European law, and in particular by adopting a broad definition of “works of artistic craftsmanship”⁴

20. Further, not only has the scope of design protected by copyright effectively increased but, with the revocation of section 52 of the Copyright Designs and Patents Act 1988, in many cases the length of protection for articles has also increased from 25 years to life of the author plus 70 years.
21. UK *sui generis* unregistered design right was introduced following a broad policy review as to the appropriate scope of copyright protection in the case of three-dimensional articles. Since then, changes have been driven by EU law rather than a domestic policy analysis. Therefore, if design law is to be independently critically examined, the same should also be true of the application of copyright law to designs.
22. Without that broader analysis and review, discussion as to aspects of design law risk in large part being academic. For example, if three-dimensional works that are the author’s own creation are protected as works of artistic craftsmanship under UK copyright law for life of the author plus 70 years, arguments as to whether unregistered design right should be simplified by way of a single right and the length of term of that right are of limited practical significance.⁵
23. With this important caveat in mind, we now address the question of possible changes to design law.
24. There are pros and cons to each of the different design rights currently available in the UK. Further, the government has committed, in the Trade and Cooperation Agreement, to continue to make available something akin to the “supplementary unregistered design”.
25. As a matter of practice, often the supplementary unregistered design and its EU equivalent, the unregistered Community design, lack teeth due to the short nature of those rights, three-years from first disclosure. Some design owners decide not to litigate on the basis of those rights since remedies

⁴ Although not a three-dimensional article case, see for example the approach of the court in *Clothing Ltd v The Edinburgh Woollen Mill Ltd* [2020] EWHC 148 (IPEC)

⁵ Anecdotal evidence from IPLC members would suggest that this is already something of real practical consequence. It has now become common place save in the case of the most utilitarian of designs (and sometimes even then) for claimants to advance copyright arguments either in addition to or as an alternative to unregistered design claims.

available may be short-lived. Similarly, the limitations around the qualifications for the UK unregistered design right make this particular right more complex to advise on and, ultimately, more expensive to enforce. Furthermore, in view of the desire of the government to provide strong IP protection to all businesses operating in the UK, whatever their origin or residency, and to take advantage of the strong enforcement environment in the UK, it is questionable whether the residency/first marketing qualification is really appropriate.

26. In the view of the IPLC, having two different unregistered design right regimes gives rise to unnecessary complexity and perhaps lacunae in designs deserving protection. We consider it desirable that the UK eventually move to having a single unregistered design right. This could have a longer period of protection than the supplementary unregistered design, perhaps 7 years (or even different periods for different business sectors), but be available from the first disclosure worldwide of a design, without any residency requirement.
27. It should also cover the types of designs currently protected by **both** the supplementary design right and the UK unregistered design right. The test of infringement should likewise preferably be aligned. The IPLC is of the view that the same overall impression on an informed user test is easier to understand and apply than the made substantially to the same design test.

Q4. 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). 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.

NEW OPPORTUNITIES – DISCLOSURE OF SUPPLEMENTARY UNREGISTERED DESIGNS

28. The expressed view of a number of institutions (including the EUIPO) has been that first disclosure of a work outside of the EU, is capable of destroying the novelty of an unregistered community design right. It is a position that has found favour with at least one UK court.⁶ As the law of Supplementary Unregistered Design (“SUD”) essentially replicates the pre-existing European

⁶ *Beverly Hills Teddy Bear Company v PMS International Group Plc* [2019] EWHC 2419 (IPEC) (17 September 2019). The fundamental question of whether this approach is correct was referred in this case to the CJEU, but the matter settled before the CJEU ruled on this issue.

legislation, many have argued that it follows that first disclosure outside of the UK can similarly destroy the novelty of that right.⁷

29. Whether this is a correct exposition of either European and UK law is debatable. Nevertheless, the lack of certainty here is problematic. Also, we do not believe the rule has any good policy justification. On the contrary, it is fundamentally unreasonable for the law to expect businesses that operate internationally artificially to alter when they would ordinarily disclose their designs, because what otherwise makes good commercial sense might destroy those rights. It is also particularly invidious that businesses might be forced to choose by reason of the place of first disclosure between an unregistered community design right and a SUD.
30. The optimal solution would be if the law were clarified or an agreement could be reached between the UK and the EU, to the effect that first disclosure outside of the UK or EU would not destroy the novelty of the relevant unregistered rights and that the term of those rights would simply run from the date when the first became known to relevant persons in the UK or EU (even if that was as a result of a disclosure elsewhere). Less satisfactory but acceptable would be if it was agreed that (regardless of the position outside of the UK and EU) disclosure in the UK or EU would not destroy the novelty of community unregistered design rights and SUD's respectively.
31. However, we recognise that clarification of EU law and/or the agreement of EU institutions is not within the gift of the UK government. In the circumstances consideration should be given as to whether the UK should unilaterally change the law to this effect so far as the SUD is concerned (although we appreciate that this might be said to provide an unfair advantage to trade fairs or shows taking place in the EU).
32. A further factor here is that in practice some businesses have attempted to address these issues by arranging for simultaneous disclosure online of events. The argument is that disclosure online that is accessible in either the EU or the UK is sufficient publication in those territories to create rights and will not destroy novelty. Consideration should therefore be given as to whether these mechanisms be given statutory foundation in UK law and to ensure that minor delays in publication of a few seconds or minutes due to the technical limitations of the internet should not prevent such publications being deemed simultaneous.

⁷ This possibility is for example recorded in the UKIPO's Guidance as to changes in design law to be found at <https://www.gov.uk/guidance/changes-to-unregistered-designs>

FUTURE TECHNOLOGIES

Q5. How can the current system better meet the needs of a digital environment and future technologies? Are areas such as digital designs and 4D printed products adequately protected by the current system?

Q6. 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. What are your views on the protection of computer-generated designs?

33. The IPLC agrees that it is desirable to future proof UK design law and to make it a modern system that encourages and attracts design innovation in all fields, including 4D designs, animated designs and GUIs. As indicated above, the IPLC does not believe there is a need to retain the residency or similar qualifications of UK unregistered design right. Without that, there would also be no need to treat AI or computer-generated designs differently to designs created by a human designer.
34. To the extent any design can be embodied in a specimen, it ought to be possible to represent it digitally with 3D imagery that can be made available on the register. This would be preferable to specimens. It means accepting digital files embodying 3D and dynamic designs.
35. One of the intentions of design rights law is to control unauthorised use of the work, with the aim of stimulating and protecting the fixation of original expression. The owner enjoys exclusive rights to carry out specified actions in relation to the work. The proliferation of web 2.0 and the development of the platform economy, have seen an increase in the use of the right to communicate work to the public.
36. Distributed Ledger Technologies, Artificial Intelligence and IOT, so called Web 3.0, provide a new environment in which works can be published and a new frontier of issues. Some of these issues are:
- I. Whether placing an original “work” on a DLT would constitute a relevant communication to the public as set out in Section 20(2) of the Copyright, Designs and Patents Act 1988,
 - II. The handling of AI authorship,
 - III. Overlapping jurisdictional issues,
 - IV. How remedies will be made available to owners in platforms supported by DLT.

37. Article 11 of the IP Enforcement Directive imposes an obligation on EU member states to ensure IP rights-holders can apply for an injunction against intermediaries whose services are used by a third party to infringe an IP right. In the case of peer-to-peer sharing and DApps, it remains open to interpretation whether a distributed ledger itself could be considered as a form of intermediary (given its decentralised structure) with responsibility falling on the core developers.
38. Technology blurs jurisdictional lines by nature. Given the distributed and decentralised nature of Web 3.0, and the different approaches to enforcement and infringement across jurisdictions, the IPO should consider identifying and publishing channels where those seeking to enforce their design rights can access remedy.
39. It would also be beneficial to work with Web 3.0 industry to see how a finding of infringement in one jurisdiction could be enforceable worldwide, for example where copies of the infringing work are stored on-chain in various jurisdictions, has not yet been tested.

BETTER REGULATION

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

8. What information, if any, should be published in relation to a deferred design? Is there a need for specific provisions for prior use or to deal with co-pending applications?

40. The current cap of 12 months on deferment of designs is significantly lower than a number of other jurisdictions, and could give rise to designs having to be made public in the UK before other jurisdictions, possibly making the UK a less desirable filing jurisdiction as a result. We would not recommend lowering the deferment period, since that could lead to encouraging users to delay filing in the UK as long as possible (with the possible consequence of missing deadlines) so as not to disclose the design. Particularly since the UK is a contracting party to the Hague Agreement, it would seem appropriate to align with the 30 month deferment period in that system. This would provide maximum flexibility to users of the system with little or no impact on the IPO. The IPO could consider scaled fees for different deferment periods.

41. In any event, we would recommend that the law include an express deferment provision, in order to put it on a firm legal footing.
42. In terms of publication of basic information as to deferred designs, there is some value for the market, competitors etc, to see that a design has been filed and deferment requested. However, ultimately this is not a critical point since only the representation of the design itself, once deferment has ended, discloses the design.
43. We do consider that, in the interests of legal certainty, there should be provisions dealing with prior use and for dealing with co-pending applications.
44. The existing national IPR structure appears to be well suited to dealing with applications of DLT that result in copyright infringement, with various cases relating to the platform economy and peer-to-peer file sharing seemingly highly applicable. If this is substantiated in practice, there appears to be no need for bespoke legislation relating to the enforcement of IPRs on DLT, specifically with regards to copyright, and practitioners will be able to advise based on existing case law. In fact, the national (and European) copyright regime appears well suited to adapt to business (and infringement) conducted via DLT, however, it remains to be seen which actors will be considered liable for infringing activity. With the CJEU perhaps moving towards a form of accessory liability in its decisions on digital copyright, the various actors in the DLT ecosystem will want to monitor decisions on copyright. Users will remain in a similar position. Operators of applications may find themselves treated in the same way as operators of websites whilst there is scope for miners and core developers to avoid liability dependent on the nature of their interventions.

ENFORCEMENT - IPEC

9. What are your views on the effectiveness of the UK's enforcement framework? How could it be improved to help small businesses and individual designers enforce their rights?

10. What has been your experience of the introduction of criminal revision for registered designs? What are your thoughts on extending criminal sanctions to unregistered designs and what economic evidence do you have to support your view?

42 We have already expressed scepticism as to whether it is appropriate for registered design right claims to be determined in the small claims track of IPEC in our response to the UKIPO's call for evidence on this issue in late 2020. Our views on this have not changed and repeat our comments then below:

"We are highly sceptical that it would be appropriate to include registered design claims in the small claims track. Prior art will have a significant impact on questions of infringement and invalidity, and we doubt that this could be sensibly assessed in a SCT case. There is perhaps an argument that the SCT could deal with a simple identical reproduction case where no invalidity defence has been advanced. But what a claimant may characterise as identical, is frequently seen as nothing of the sort by a defendant.

We are conscious that under the current rules, claims of community unregistered design right infringement can already be theoretically advanced in the SCT and that our expressed reservations are also applicable to those claims. Nevertheless, we are not aware of any community unregistered design right claim having advanced significantly under the SCT, let alone proceeding to determination. This experience is consistent with the fact that in the table of SCT determinations published by UK IPO, not a single design right case was identified...

Although the lack of cases may in part be due to a lack of understanding of the differences between different design rights among those who are not legally trained, we suspect that this is in large part due to lack of suitability of this track for these claims.

It may be said that any concerns about the inclusion of registered design cases within the SCT can be addressed by the fact that if the defendant objects to the SCT, the suitability of this track can be determined by the court at the case preliminary management stage.⁸ However, we do not think this is satisfactory. If, as we contend, registered design right cases are generally unsuitable for the SCT, it would be unfair to potential claimants to suggest through a change in the rules that the SCT was suitable and available. There is a danger that claimants will be lured into attempting to commence proceedings in the SCT, when there is at least a high probability that the case will actually proceed under multi-track with the very different cost consequences that then follow.

⁸ CPR 63.27 (3).

We note that by Q1 in this part of the [call for evidence], the UK IPO asks for examples, and details of the experience, of unregistered design cases being brought in the SCT. It would be interesting to learn of the response to that question; particularly if the respondents distinguish in their answers between cases involving UK sui generis unregistered design right and community unregistered design right.

However, we would respectfully suggest that even if substantive responses are forthcoming to that question, they are unlikely to provide a sound basis for policy making. We contend that what is instead required is for a proper analysis to be conducted of IP claims filed over a suitable period that sought allocation to the SCT with a view to establishing:

- (a) the number of such cases that advanced unregistered design right claims;*
- (b) the number of such cases that expressly alleged community unregistered design right infringement;*
- (c) what the numbers (a) and (b) represent as a percentage of SCT claims filed in the relevant period; and*
- (d) in how many of those cases (i) the defendant objected to the SCT, and (ii) notwithstanding the defendant's objection, the court allocated the case to the SCT.*

ENFORCEMENT – POSSIBLE CRIMINAL PROVISIONS

45. Absent a more convincing description of the benefits it would provide, we are not in favour of the extension of the criminal law to unregistered design infringement.

46. Criminal provisions in the context of registered designs are relatively new.⁹ We are aware of no solid evidence that this has made it material easier for business to enforce their rights. There are no statistics of which we are aware as to the extent to which criminal prosecutions have been successfully pursued and we doubt (particularly given the current difficulties with searching the register) that this has a material deterrent effect on infringers. Also in cases of out and out counterfeiting the criminal provisions of the Trade

⁹ Section 35ZA of the Registered Design Act 1949, as introduced in October 2014 by the UK Intellectual Property Act 2014.

Marks Act 1994 and the common law offence of conspiracy to defraud, are likely to provide adequate criminal protection already.

47. Given this we suspect that the new criminal provisions have at most provided a further potential point of leverage to those who have rights and are primarily interested not in pursuing a claim under the criminal law but in seeking a civil remedy. By bringing the design to the attention of the alleged infringer then that person “knows or has reason to believe” that the registered design exists and it will then be incumbent on that person to show that he reasonably believed the design was invalid or not infringed. In such a case a defendant may feel even though he has been advised that there is a good arguable case of invalidity or non-infringement, that the “threat” of criminal infringement proceedings means he should settle the civil claim.
48. We query whether this is a legitimate use of the criminal law. Also in many cases this will be counterproductive. Allegations of criminal infringement will often result in potential defendant’s taking a more defensive and entrenched position than would be the case if the allegations were of civil infringement alone.¹⁰
49. These concerns are even more acute if the law were not to provide for a criminal act of unregistered design infringement.
50. In the case of registered designs to commit the offence the defendant must copy a registered design to make a product exactly to the design or with features that differ only in immaterial details. The fact that the design is registered means that at least there is a definitive document which is at least theoretically publicly available in which the design is recorded and where the design comprises the entirety of what is claimed in that document.
51. The position in the case of unregistered designs is very different. Unregistered design right of some sort may be said to subsist in merely a part or combinations of an article. Further, there are particular problems of qualification and first publication that we have already identified in this response. Therefore, the circumstances in which a defendant has reason to believe that the rights exist are far more likely to arise only after a rights holder has already advanced a civil claim.
52. Further, recent case law developments and in particular the decisions in *Original Beauty Technology & ors v Oh Polly & ors* [2021] EWHC 294 and *Original Beauty Technology Co. Ltd & Ors v G4K Fashion Ltd & Ors* [2021] EWHC

¹⁰ Anecdotally this appears to have been the experience of many solicitors where, as is more common, claimants have asserted that there is criminal copyright infringement

3439 would suggest that in the case of flagrant acts of unregistered design infringement the civil law is now more than capable of awarding a rights holder with additional damages that are designed in part to punish and deter an infringer.