

Response ID ANON-6TNE-VM6N-4

Submitted to Reviewing the designs framework: Call for views
Submitted on 2022-03-25 14:24:53

Introduction

1 What is your name?

Name:

[REDACTED]

2 What is your organisation?

Organisation:
Marques

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?

An industry body

If you selected other please specify:

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

Other

If you selected other please specify:
Law

8 How many people does your business employ?

0-1

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:

We do not think the UKIPO should reintroduce novelty searching or a corresponding examination on novelty and individual character.

The benefit to the current designs system is that it is easy to use, quick and economical. Reintroducing novelty searching or an examination of novelty and individual character would defeat these objective; in particular, they would delay matters considerably, be potentially incredibly costly, and provide much uncertainty in particular owing to the risk of wrong examination decisions. This is so particularly owing to the legal complexities surrounding an assessment of individual character (not to mention the factual matrix involved). By way of example, it would be difficult if not impossible for the UKIPO to be aware of the relationship between an applicant and the proprietor of earlier designs which might appear in a prior art search. This is likely to make the UK a much less attractive place to file and protect designs. Even if such checks were limited to a search report and not a relative ground examination such that it causes no delay, it is likely to lead to increased application costs and applicants may feel compelled to seek advice about the impact of the search report on the validity of their new right. Incurring such costs on a regular basis, or even just receiving such reports, may dissuade applicants with smaller budgets, e.g. SMEs, from seeking design protection.

Similarly, we do not consider the introduction of an opposition period for registered designs to be appropriate. As above, registered designs are filed because of the ease with which they are applied and associated cost savings compared to other IP rights. An opposition period is appropriate for trade marks (which can be renewed indefinitely and in respect of which clearance searches before filing are regularly undertaken). Whereas, in circumstances where prior art searches are less frequently undertaken prior to filing design rights (often due to practical barriers and/or cost), we consider that adding an opposition stage would simply add uncertainty, delay matters and increase costs. This is both in respect of portfolio management and also cross-border filing and enforcement activities. Such issues are better dealt with at the enforcement stage, since legal practitioners and the judicial system are well-equipped to deal with them.

We would also make the general point that, whilst there is no longer a legal requirement for harmonisation with the EU post-Brexit, we consider that practically-speaking the need for harmonisation remains great; we consider there is a great risk that designers and companies may lose interest in filing in the UK in circumstances where, because of Brexit, we now need to file separately. It is therefore of the utmost importance that the UK's design system is quick, economical, harmonised as much as possible, easy to understand and the processes currently in place that support these goals are maintained and improved. Many European businesses have commented that the post-Brexit situation is already unclear.

We would, in theory, support the introduction of a bad faith provision for registered design rights (which could, for example, be limited to identical filings). However, we consider that designs filed in bad faith are adequately addressed by the current invalidation system which allows a design to be invalidated by citing the earlier design owner by the invalidity applicant. We do not consider this would justify an overhaul of the examination procedure as a whole. Care would need to be taken in relation to how any further bad faith provisions were implemented; bad faith is often the cause of much debate in subsequent case-law, which can cause issues for users of the system. Consideration could be given to including a tick box option in the application form in which the applicant confirms that they do not know of an identical design having been made available before (other than as part of the grace period provisions). This would be equivalent to the section 32(3) Trade Marks Act 1994 declaration. If a cancellation applicant can show that declaration to have been made falsely, there could be adverse cost consequences for the registrant.

We would support the introduction of powerful (AI-driven) and user-friendly, publicly-available search tools to enable businesses and designers to conduct reliable searches prior to filing, bringing enforcement action or if themselves facing a design infringement claim. We also believe that the UK IPO's design registration process is not transparent as applicants do not have access to online files. It would be desirable to make online files accessible to potential applicants and others to view. Further, we note that designs filed through the Hague system and designating the UK are not readily searchable on the UKIPO's website, meaning a search of the UK IPO database is incomplete.

We consider that cancellation proceedings (whether filed in the High Court or at the UKIPO) are the appropriate forum for assessments of individual character and novelty. To aid this, we would support an easier and more streamlined invalidation process in particular for identical designs, to ensure such proceedings can be dealt with very quickly. As above, if the registrant knew of the prior identical design but applied nevertheless, there could be an option for a higher award of costs against them when the registration is cancelled.

The risk with a two-tier system is that it may act to disincentivise rights holders from enforcing their designs. Given the complexity of the laws and factual circumstances surrounding an assessment of 'individual character' and the training that would be required for IPO examiners there is an increased risk of wrong decisions being made and delays caused to the enforcement process, resulting in potential additional damages to the rights-holder while the alleged infringement continues.

The validity of a registered design is most often addressed in court proceedings by way of counter-attack (or by filing an invalidity action with the registry). We consider a two-tier system would simply bring forward this assessment to the detriment of the rights holder. It is also unclear how unregistered designs would feature in any such system, and it is very common for these to be relevant to the issue of validity.

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

Use of AI tools

Please provide more detail below:

Simplifying the designs system

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

Please add your views here:

In order to spur innovation and creativity, intellectual property rights owners should be free to pursue any and all available sources of protection, both limited-term protection in the form of designs, and unlimited-term protection in the form of trademark and other intellectual property and related rights (such as unfair competition).

Accordingly, and as mentioned in this response, design and copyright (and trademark and patent) law have each their particular reasoning, aim and legislative basis.

Cumulation under different IP rights, should be preserved.

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:

We urge the UK IPO to continue efforts to aim at international harmonization, including through the Hague System. The UK IPO has a strong presence in international organizations (such as the World Intellectual Property Organization (WIPO)) and the ability to influence international harmonization, and adherence and domestication of the Hague System. For example, users of the design protection system should be able to use the same set of design representations around the world.

We also urge consideration of the draft provisions of the Design Law Treaty (DLT) and that with respect to many draft provisions of the DLT. This matter therefore requires further thorough consideration for the purposes of a potential ratification of the DLT. It will be important to review the proposed amendment language, and comment at that time.

We think the area which may attract simplification/consolidation is unregistered design right protection. However, the current system, whilst difficult to understand, provides businesses with a variety of rights to rely on which is of benefit to brand owners looking to innovate. For example, the most successful design right enforced in the UK courts is unregistered UK design right under the 1988 Act, so any changes to that right are likely to be met with much concern by designers, especially if they risked losing medium-term protection for shape only designs. That said, MARQUES questions the ongoing justification for the residency and first marketing qualifications for this right (originally to encourage reciprocity in other countries but that has long since not happened). In addition the fashion industry in particular values the legacy EU unregistered design rights (continuing and supplementary) as these include the additional features of the products. The additional scope of protection afforded by these types of design right are counter-balanced by a stricter invalidation regime (it is easier to invalidate under the overall impression test than under the commonplace test, which makes sense given what is being protected, so there is a strong argument for retaining both regimes).

Whilst superficially complicated, the unregistered design regime in the UK is no different now (save in terms of nomenclature and qualification) than it was pre-Brexit. The number of differently named design rights available is simply a symptom of Brexit, and if there were a better level of mutual recognition of unregistered rights between the EU and the UK (something that MARQUES, as an EU-based representative body, is lobbying for on both sides of the Channel) then the position would be no different to what went before, which suited both UK and EU based designers well. There were few calls for simplification pre-Brexit, and there was a general consensus that the package of rights served users well.

It is also worth noting that the consultation assumes that the Community unregistered design and the UK's supplementary/continuing unregistered design only arise upon first disclosure in, respectively, the EU or UK. The legislation for these tests uses largely identical wording. However, the CJEU and senior UK courts have yet to definitively rule on their meaning. Accordingly, to presume a lack of reciprocity may be premature and certainly MARQUES would wish to see such reciprocity.

Intersection between design law and copyright.

We believe that the law in relation to the intersection between design law and copyright has been clarified to some extent by the Court of Justice of the EU (CJEU) in its decisions in *Flos v Semeraro* (Case C-168/09, *Flos SpA v Semeraro Casa e Famiglia SpA.*) and more recently *Cofemel* (Case C-683/17, *Cofemel v. G-Star*) and *Brompton* (Case C 833/18, *SI, Brompton Bicycle Ltd. v. Chedech / Get2Get*). Cumulative protection of a design through design law and copyright law is and should be possible provided that the requirements are met in relation to each right. Indeed, in order to spur innovation and creativity, intellectual property rights owners should be free to pursue any and all available sources of protection, both limited-term protection in the form of designs, and unlimited-term protection in the form of trademark and other intellectual property and related rights (such as passing off). Accordingly, we are comfortable that, design and copyright (and trade mark and patent) law have each their particular reasoning, aim and legislative basis.

That said, legislative clarification of the meaning of a work of artistic craftsmanship, and the extent to which works of applied art can be protected by copyright, would be helpful, as the direction of travel in the EU cases referred to above appears to depart from the UK's traditional interpretation of copyright. This is not necessarily a bad thing; copyright is a powerful tool for designers on the Continent and there is no reason why it could not also be in the UK, but the direction on this should come from government, rather than interpretation by the courts.

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:

The qualification requirements were changed to exclude commissioners in 2014, and this has caused difficulties for designers. For example, where, as often happens, a UK business commissions a Chinese factory to design products (or identifiable parts of products) on its behalf, UK unregistered design right does not exist, unless the product is then first marketed in the UK (which may not be a choice of the UK design business – it may depend where that particular industry launches new products, for example at a particular trade show). The business cannot correct the position through an assignment, as there is no right to assign. This makes the position different to copyright (consistency with copyright was one of the key rationales for the changes in 2014, as we recall), and causes a disadvantage to designers.

We urge the UK IPO to seek alignment with the EUIPO on the issue of spare parts. Acknowledging that the issue is of high controversy, we urge that any failure to progress on this topic shall not delay the UK IPO designs reform agenda. It would be preferable to see the defences for all infringement of the various UK designs rights to be more aligned and, if possible, harmonised. It would likewise be preferable to align, as much as possible, how each of the rights come into existence and the date from which duration starts.

We consider that definitions can sometimes confuse and hinder a uniform interpretation of design legislation rather than improve it. This is often the case where that definition does not take into consideration all eventualities or ambiguities. Instead of adding definitions we would instead welcome worked, non-binding examples, for example in the form of guidance notes from the UKIPO.

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:

Currently it is an open question whether brand owners disclosing designs in the EU will acquire unregistered design rights in the UK and, vice versa, whether brand owners disclosing designs in the UK will acquire unregistered designs in the EU. The consultation assumes not but, as noted above, this is moot. Either way, it is unreasonable to ask businesses to wait for the position to be clarified in the courts when brand owners are left with uncertainty and with potentially fewer rights than they would have had pre-Brexit. Many brand owners are trying to use untested methods of simultaneous disclosure in a bid to retain rights in both the UK and EU.

This environment of complexity, cost and uncertainty does not drive innovation or investment into the UK. Suggesting that design filings can deal with this gap places a burden on businesses trading in the UK in terms of cost and administration.

However, in the meantime, we think the UK should lead by saying that if there is simultaneous disclosure in the UK and EU then that design is protected by the UK's Supplementary unregistered design right regime in addition to Community unregistered design right. At least in this scenario designers can disclose in the EU safe with the knowledge that their designs are protected and can be enforced in the UK as well. To not do so risks driving significant business away from the UK. We would hope the EU will follow.

Also, in some instances, copyright will already be providing some protection to those disclosing in the EU and it is hard to justify to designers why they should benefit from one protection but not another just because of the location of the disclosure.

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:

See response to Question 14 above.

Future technologies

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

Please add your views here:

Please see responses at 17, 18 and 19.

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

Please add your views here:

We recommend that the law clarifies that a 4D printing file containing a design in computerized means, and which will create an object that will infringe a registered design, is infringing and there is no need for the design to actually be printed for infringement to arise.

We believe that the focus from an enforcement perspective should be placed on commercial uses of 3D printing files and resulting products. Any private use exception should be interpreted in a restrictive manner.

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:

We welcome the enhancement of the possibility of filing dynamic views (e.g., 3D digital representations and video files) supported in the Evaluation Report. Similar to trademarks, a design may be represented in any appropriate form using generally available technologies. Indeed, we believe that 4D animated representations are helpful, and increasingly common, and advocate for their acceptance by the UK IPO. For the avoidance of doubt, 4D or dynamic representations of designs should be an optional representation tool. It should be the choice of the applicant whether or not to file static or dynamic views, or both, irrespective of the nature of the design. Search tools and databases should be updated accordingly to reflect video or other acceptable representation forms.

See response at 19 regarding the protection of computer generated designs.

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

Please add your views here:

We consider that design protection of the visual appearance of GUIs, animated designs, fonts and icons (and other designs) should be provided, independently from any other form of protection available, regardless of the technical means of creating it, and whether they are projected onto a screen or otherwise only appear when technology is activated. Because the lifespan of such designs can be very short, to the extent that GUIs, animated designs, fonts and icons may be eligible for overlapping protection, we believe that design law is a good tool to provide short-term protection. Accordingly, we would welcome a clarification to ensure that GUIs, animated designs, fonts and icons (and other designs), although derived from computer code, are eligible for design protection and also recognition that the designs may, in some cases, not be adequately representable in a 2D format.

Better regulation

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

Please add your views here:

We urge the UK IPO to retain a deferment period and recommend 30 months. We strongly believe that harmonization of the rules on and the length of deferred publication with the EU IPO should be the aim, but with the intention of wider consistency across international markets.

Indeed, differences in the time period of the deferment of publication may cause legal uncertainty as there may arise confusion on the date of first disclosure of a design and this directly affects the user's strategy in this regard. For designers and undertakings managing their designs, differences in the availability of deferment of publication and in the deferment period are burdensome and potentially give rise to inadvertent disclosure of a design. These differences can also entail significant increases in portfolio management costs and seriously obstruct cross-border activities.

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

Please add your views here:

We support harmonisation with the EU approach namely, by only including the application number, the applicant details and application date. There should be no representations or other indications; to do so would obstruct the purpose of deferment.

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

Please add your views here:

We do not think there is a need for specific provisions for prior use or to deal with co-pending applications. Again, we support harmonisation with the EU in this respect.

Enforcement

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

Please add your views here:

The UK's enforcement regime is costly. While it has taken steps over the last 12 years to reduce the cost of IP enforcement through the introduction of the Intellectual Property Enterprise Court for smaller claims, the costs can still be high.

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

Please add your views here:

An even more streamlined procedure for claims than is offered in the Intellectual Property Enterprise Court would assist, akin to the platform take-downs that designers file with the likes of Amazon or eBay.

If no such system is introduced, there is a risk that the official, court-based enforcement system will increasingly be ignored in favour of platform take-downs, leading to justice being circumvented. This would need careful thought, but perhaps a better system of interim injunction, coupled with a system of rapid validity analysis, for the clearest cases, could be implemented.

Also, it is very rare for a design to ultimately be found to be both valid and infringed by an English court, so the risks of bringing design right enforcement proceedings are high and a platform take-down might be seen as a more attractive and immediate option.

We encourage the introduction of the Designs Opinion Services which has been in consideration for some years. It could help many claims be resolved without the need for them to go to court.

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

Please add your views here:

Very few prosecutions have been brought for the criminal offences associated with registered design rights. This is probably because the bar to a prosecution is very high, lack of resource on the part of public authorities and possibly due to lack of awareness on the part of the prosecuting authorities about the offences. A big reason why the Government was lobbied so hard to introduce the criminal enforcement of registered designs was because it was seen as a way for small designers to enforce their rights more cheaply. We consider this motivation to have always been misguided, as public authorities were never going to have the time or resources to become enforcers for small businesses.

It is, therefore, perhaps not surprising that the system introduced in connection with the criminal offences for registered designs is rarely used, and it is difficult, verging on the impossible, for anyone to find out any information about those cases that have in fact been brought.

We support the provision of registered designs to border force authorities for the purpose of customs seizures. This is more effective.

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:

The experience of the criminal offences for registered design infringement should warn off any attempt to broaden the net to include unregistered designs. It is often said by those who lobby for the broadening that if there are criminal offences for copyright, another unregistered right, there is no reason not to introduce them for unregistered design rights. We disagree with this. Unregistered designs cover all or part of a product, and are often articulated for the first time when enforcement is being considered.

This is the first difference to copyright. Secondly, the copyright criminal provisions were introduced to tackle piracy – criminals using copy CDs and films to drive money into terrorism and other criminality. This is quite different to introducing criminal sanctions because someone creates a product that sails a little too close to someone else's product. This could be something that should be stopped – civil enforcement affords this opportunity. Thirdly, designs often develop by building on the work of earlier designers – more so than in copyright – and where the line should be drawn is a matter of great debate, even between judges (see, for example, the cases that have been overturned on appeals in recent years including Procter & Gamble v Reckitt Benckiser, and the Trunki case). Criminal offences for such design work would cause great difficulties in clearance and launch of products.