

Response ID ANON-6TNE-VMWF-W

Submitted to Reviewing the designs framework: Call for views
Submitted on 2022-03-02 17:00:12

Introduction

1 What is your name?

Name:

[REDACTED]

2 What is your organisation?

Organisation:

[REDACTED]

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?

A legal professional

If you have selected other please specify:

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

Not Answered

If you selected other please specify:

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

Other

If you selected other please specify:

Patent attorneys

8 How many people does your business employ?

10-49

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:

As the question seems to recognise, anti-competitive, indeed fraudulent, registrations, have become a big problem. Yes this should be tackled, and changing examination practice is one tool to do this. On its own it will have some positive effect but I believe it needs to be considered alongside other measures.

A pre-application AI search tool would not help on its own, although perhaps it would highlight to applicants that they were not going to get away with registering something that is not new. Unlike trade marks, registrations of a non-novel design do not tend to happen by accident or coincidence - they happen because bad actors register designs for things they do not own, as recognised in the question. A pre-application tool for applicants therefore ONLY helps if it is backed by the ability of the UKIPO to raise and sustain objections to registration for non-novel designs.

Whether the search is for novelty only or includes individual character is something of a false dichotomy. Note that by s. 1B(2) RDA things are deemed identical if they differ only in immaterial details. And two pictures of the same product may look quite different. The search, either way, will have to go

beyond an "exact match" image search. In any serious dispute as to individual character, I would expect the applicant to be given the benefit of the doubt at the application stage, as happens with inventive step for patents.

A two-tier system has some benefit in that the "best of both worlds" could be retained, with low filing charges allowing multiple filings at an early stage to get a priority date, but with a proper examination system before enforcement is allowed.

In a two-tier system, any documents / certificates / websites from the UKIPO should make it crystal clear very prominently that the non-examined version cannot be enforced. It should not be called a "registered design" at all. It should be clear to as many people as possible, including the non-legally-trained and non-English-speaking, that this is not an enforceable IP right.

It is difficult to understand how a bad faith provision would help. If a design filed in bad faith is a design filed to keep the true owner out of his pre-existing design, then the design is already clearly invalid for lack of novelty. It is enough to invalidate the design to prove that it was disclosed before the registration date, and for the design applicant to fail to prove that he is the designer (e.g. see appointed persons' decision O-062-20 and the various European case law cited). Even in the case that there was no pre-disclosure (e.g. a design registered in breach of confidence), s. 11ZA(2) already provides a remedy. I cannot envisage a scenario where a bad faith provision helps. The reason it is necessary in trade mark law is that there is no "natural owner" of a trade mark arising out of authorship/design/invention, as there is for other IP rights.

It is possible (but I am no expert) that a compulsory requirement to declare an honest belief that the design is novel and the applicant is entitled to it, would help support a fraud charge where such declaration was made dishonestly.

An opposition period may help a little bit, but to be effective the UKIPO would need to provide a reliable datasource of applications for registration, including images, which can be processed by third-party searching and watching companies. That way others can develop technology to spot problematic registrations and ensure they get objected to.

Further changes which could help address the problem include:

1. Develop the design database so that, on viewing a registered design, one can easily see whether the proprietor of the design has other designs, and whether any of those other designs have been subject to invalidity proceedings, with links to the decision.
2. The UKIPO's power to award costs, and to require for security for costs, could be used to deal more robustly with the problem of bad-faith / fraudulent registrations. The law probably already gives the UKIPO the power, although the publication of a Tribunal Practice Note would be desirable to ensure fair warning and ensure consistent application. The UKIPO's practice of awarding only a token "contribution" amount should be disappplied where it is shown that the whole enterprise of registering a design in the first place was fraudulent. Perhaps it is already possible to argue this by saying the proprietor has behaved unreasonably in defending the application for invalidity, but it is not clear enough because the unreasonableness in dishonestly registering the design in the first place needs to be brought into it.

Applying for security for costs in invalidity proceedings against a design proprietor could also be subject to some published policy and the process could be streamlined. An automatic requirement for security to be given by any proprietor outside the jurisdiction, or possibly by any proprietor wherever they are located, could probably be justified and could be awarded by a hearing officer with a minimum of argument (e.g. checking the applicant for invalidity had a prima facie arguable case).

The UKIPO handling payments mirroring the "payment into court" system (but in an efficient modern way, with online payment) would be an advantage and allow security to be given easily by those lacking legal representation.

3. Finally, I suggest that those who register designs knowing full well that they are not novel and do not belong to them are committing fraud by false representation. They represent, dishonestly, that they believe the design is novel and that it was designed by them or their predecessor in title. They do so in order to obtain a commercial advantage and to cause loss to their competitors.

If the UKIPO worked with other agencies to take the initiative to prosecute the most egregious cases of this abuse of the design system, it might provide a good deterrent. At the moment rogue traders just see the registered design system as a tool to be used in the rough and tumble of their trade. They see low costs and no risks. Prosecutions would inevitably catch only a small number of offenders, but if well-publicized (and mentioned on the online design application form!) a small number of prosecutions could deter a large number of bad faith registrations. A compulsory declaration that the applicant has an honest belief that the design is novel and that they are the proprietor, may support this approach.

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

Prior art searching, Two-tier system, Use of AI tools, Bad faith and opposition periods, Other

Please provide more detail below:

database improvements, use of costs jurisdiction, use of fraud prosecutions, availability of data - see above

Simplifying the designs system

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

Please add your views here:

The form of protection which works best is the one which is still in force and which best arguably captures the particular infringement concern the client is faced with.

But by far the biggest current problem is the scope of copyright, whether under the banner of "artistic craftsmanship" or otherwise, following the utterly daft EU decision in Cofemel C-683/17. We are seeing allegations of copyright infringement of all kinds of industrial products. The law seems to be heading back to the bad old days of *British Leyland v Armstrong*. First priority is to sort this out.

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:

As IP lawyers we are by now used to the different types of unregistered designs but it cannot be said that the system makes a lot of coherent sense. It is tempting to say that there should be a single unregistered design right covering most (but perhaps not absolutely all) things currently covered by UK UDR and/or supplementary unregistered designs.

However there might be room to retain a distinction between protection for functional designs and protection for pure appearance. Both can be important.

The three year term of supplementary unregistered designs is too short to be useful very often. The ten year term of UK UDR in my opinion is probably about right, though I would probably support the abolition or reduction of the licence of right period. The 70 year after death term of copyright is obviously ludicrous when copyright is applied to industrial products.

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:

Like you I have no idea what "get up" means, and there are certainly other unclarities.

One example is the qualification "other than a computer program" in 1(3). It seems to be accepted that registered designs to graphical user interfaces are OK, but it is difficult to see what a GUI is if not "what a computer program looks like".

Carefully revising the law to clear up uncertainty on the face of it is a good idea. If by publishing "guidance", you mean "what the government thinks the unclear law means" then it is of questionable value and could be harmful. The courts will not be bound by the government's guidance so it has the potential to simply hide the uncertainty from those who need to know about it rather than solve the problem.

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:

The main issue seems to be that nobody, including the UKIPO, knows what the law actually is.

In *Beverly Hills Teddy Bear Company v PMS International* [2019] EWHC 2419 (IPEC) questions were referred to the CJEU to try to clarify what the disclosure requirements actually are in EU law. These questions were not answered because the parties settled. They cannot now be referred by a UK court, whether similar questions will one day be asked by another court in another EU country, and whether the CJEU will give us a coherent answer, is anybody's guess.

So we do not know what the EU law actually is, although I think there have been hints from EUIPO that they think it requires disclosure in the EU.

UK domestic law on supplementary designs is currently in The Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Apart from replacing "EU" with "UK" the relevant parts exactly follow the wording of the EU regulation, so they are exactly as unclear as the EU regulation was.

So we do not know, despite the UKIPO's confident assertions, whether UK supplementary design law actually requires disclosure in the UK.

We have not had any specific issues, although at this stage a regime which ties qualification to unregistered designs to the country of first disclosure is not looking very different from a regime which ties qualification to unregistered designs to good luck or to hair colour - it is arbitrary.

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:

I think the way to do it is to look at the qualification regime as a whole in both UK UDR and supplementary designs, and come up with something that makes sense as useful and workable criteria for qualification. There seems to be no reason for differences between UK UDR and supplementary designs, and qualification purely based on country of first disclosure makes little sense.

That is not to say that the UKUDR qualification regime is perfect - the changes to section 220 of the CDPA made in 2014 certainly made it simpler, but also made it rather arbitrary. The old law was not easy to understand but once you did understand it, it made some sense.

Future technologies

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

Please add your views here:

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

Please add your views here:

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:

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

Please add your views here:

Better regulation

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

Please add your views here:

In my experience the current deferred publication regime is not normally required but when it is needed, the 12 months is useful. I am not sure what the practical difference between this and an "express deferment provision" would be.

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

Please add your views here:

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

Please add your views here:

Enforcement

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

Please add your views here:

The IPEC and High Court together provide a reasonable range of options for small, medium and large infringement cases. However one difficulty is the "cliff edge" differences between the regimes. From the small claims track with almost no adverse costs liability, the next step is the IPEC multi-track, where the costs cap is £50,000. £50k is a big step up for a case which is "just a little bit too much" for the small claims track, and it is more than many small businesses can afford to risk. At the same time the almost risk-free situation in the small claims track can make cases difficult to settle - a Claimant with a weak case can continue to fight, knowing that the Defendant is not going to get a costs order against them.

Likewise there is then another "cliff edge" between the £50,000 IPEC costs cap and the High Court. There is not even costs budgeting in the Shorter Trials scheme. Costs bills are uncapped. And at the mid- to more complex end of the IPEC multi track, the £50,000 cap is just not high enough.

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

Please add your views here:

Extending the IPEC small claims track to allow registered designs cases would be a good idea. Some registered design cases are no more complex, or even less complex, than unregistered design cases - so kicking the case off the small claims track just because it includes a registered design has never made much sense.

Some provision for a middle ground between small claims and multi track IPEC claims, and some provision to recover reasonable and proportionate amounts for legal advice given in the small claims track (or middle track) would help to produce a more tailored system which can allow more small businesses to enforce their IP, including designs.

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

Please add your views here:

It was pointless and ill-advised. At the very best, the government has a lot of other more important things to do with design law (some of them, rightly, addressed in this consultation) than expand criminal sanctions.

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:

It would be at best pointless and at worst very harmful.