



Future of Design Law in UK

The Federation and other representative organisations were consulted on the future of UK design law at the Marks and Designs Forum of the UK's Intellectual Property Office in March 2010. The IPO had noted the overlap of protection between UK and EU rights, and also had raised the possibility of criminal penalties for infringement of registered and unregistered rights.

The Federation made the following submissions:

(A) *That UK registered designs should be retained, despite the availability of equivalent EU-wide protection via OHIM.*

The Federation's Members are primarily larger companies, but the Federation considers that the interests of SMEs, who are the main users of the UK system, should be given proper weight.

(B1) *That UK unregistered design right (UDR) should "not subsist in features of appearance of a product which are solely dictated by its technical function".*

The words quoted would precisely align the law on UK unregistered design right with the law on -

- UK registered designs,
- EU registered designs, and
- EU unregistered design right -

and would remove or at least reduce UK UDR protection for technically functional items such as aircraft wings, tools, and engines, which then would have to be protected exclusively or primarily by patents or confidentiality. This policy position is consistent with the Federation's long-standing opposition to proposed second-tier patent rights protecting inventions which have lower inventive merit than those protectable by normal patents; these, if introduced, would reward originators disproportionately to their contribution to the art. The Federation disputes the view that UDR for functional items or such second-tier patents benefit, or would benefit, "SMEs who cannot afford patents for their minor innovations": large companies generate even more minor innovations than SMEs and their minor innovations are protected, or would be protected, by such rights; and all rights of third parties inhibit the commercial activities of any company, large or small. All participants in the marketplace and the wider economy are benefited, overall, by protection proportionate to contribution to the art, and are damaged by disproportionate protection.¹

¹ "Balance of the interests of originators and imitators and the wider public" is a continuing feature of Federation policy (see, for instance, *Trends and Events*, 2004/2005, President's Introduction).

(B2) That the term of the UK UDR (not more than 10 years from the end of the calendar year of the first sale of articles made to the design) should continue to exceed that of European Union UDR (up to 3 years from being first made available to the public [as defined]).

In relation to designs falling outside the limitation proposed in (B1), the UK term does not seem to be disproportionate, for alternatives to non-functional design features are technically available. In principle, the current discrepancy of term divides the common market within the EU, but the benefit (especially to SMEs) of the UK UDR system as a backup to registered design protection is considerable and justifiable.

(C) That criminal penalties should not be introduced for infringement of registered or unregistered designs.

Criminal penalties are appropriate, for instance, when someone pirates a CD and its packaging, or counterfeits branded clothing. However, infringement of registered or unregistered designs of itself does not imply counterfeiting or piracy. Analogies with continental jurisdictions on criminal penalties are misleading; some unlike UK have criminal penalties on patent infringement, but the consequences are not what they would be in the aggressive UK system of litigation. With disparate criminal régimes, harmonisation on paper between IP statutes of different countries does not mean harmonisation in practice in the Courts.

(The general issue of criminal penalties recurs, as in 2009 when Trevor Baylis, the inventor of the clockwork radio, prominently urged UK criminal penalties for patent infringement, which the Federation has always strongly opposed. Arguments against such penalties, even if the infringer is aware of the patent, are as follows: (i) patent infringement of itself does not imply counterfeiting or piracy, (ii) valid patent scope is a debatable matter, and (iii) criminal penalties for patent infringement would encourage "troll" activity in UK.)

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