

FEDERATION response to UK-IPO informal paper re DESIGNS

1. The Federation notes the discussion paper on designs.
2. For the Federation, three main issues arise:
 - (a) the close overlap between UK and EU registered designs;
 - (b) the lack of precise overlap between UK and EU unregistered design rights; and
 - (c) the possibility of introducing criminal penalties for infringement of registered and unregistered design rights.
3. The Federation's views on these are as follows:-
 - (a) **the close overlap between UK and EU registered designs**
4. We note that relatively few UK registered design applications are made, and these mostly by unrepresented SMEs. Larger companies tend to use the Community system. The Federation represents primarily larger companies. Nevertheless, the Federation believes that careful consideration of the interests of SMEs should precede any abolition of the UK system.
 - (b1) **the lack of precise overlap between UK and EU unregistered design right - first, in relation to what is protectable**
5. The EU unregistered design right, like the EU and UK *registered* designs, "shall not subsist in features of appearance of a product which are solely dictated by its technical function" (Council Regulation 6/2002/EC, Article 8; Registered Designs Act 1949, as amended, Section 1C (1)). The UK unregistered design right is not so limited, and therefore covers designs for items which are technically functional, such as aircraft wings, tools, and engines. Its protection includes designs which have little or no inventive merit. The Federation has long opposed second-tier patent rights offering protection to inventions which have lower inventive merit than those covered by normal patents; these, if introduced, would have rewarded the originator disproportionately relative to his contribution to the art. The same objection applies to unregistered design right subsisting in technically functional features.
6. Therefore, the Federation recommends that the UK unregistered design right should be brought into line with the other three rights, by excluding protection of features of appearance which are solely dictated by the product's technical function.
 - (b2) **the lack of precise overlap between UK and EU unregistered design right - secondly, in relation to term**
7. The UK right lasts very considerably longer than the EU right. Insofar as the right should in the Federation's view exist (*i.e.* subject to an exclusion as proposed in paragraph



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6), the UK term does not seem to be disproportionate, and the system does act as a useful backup to registration, especially for UK SMEs. Clearly, the effect of the discrepancy is in principle to divide the common market within the EU, but the Federation is not aware of this discrepancy's having caused any problems.

(c) the possibility of introducing criminal penalties for infringement of registered and unregistered designs

8. Criminal penalties are appropriate when some one pirates a CD including the packaging or counterfeits branded clothing, for instance. 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 within IP statutes does not mean harmonisation in practice in the Courts.

9. The Federation therefore opposes the introduction of criminal penalties for infringement of design rights, whether registered or unregistered.

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