



## **Balancing the Unregistered**

### **Developments in design law**

Legal developments in the design arena during 2020 have been predominantly related to unregistered rights. The IP Federation has been active in considering these developments and in advocating a fair balance between protecting the rights of a design owner with legal certainty for third parties.

The year began with publication by the UK Intellectual Property Office of guidance on changes in design law that will come into effect, following the UK's departure from the EU, at the end of the transition period on 1 January 2021. This guidance confirmed the intention to create both a Continuing Unregistered Design (CUD) and a Supplementary Registered Design (SUD). The CUD provides continuation of protection in the UK of existing unregistered Community designs (UCD). The SUD provides a new right that mirrors the UCD but which is limited to the UK, both in terms of territory of protection and location of disclosures giving rise to the right.

The IP Federation welcomed the measures set out in the guidance but advocated both for improved certainty, by ensuring that the SUD mirrors the UCD exactly, and for agreement between the UK and the EU to ensure that disclosures in either territory will attract both SUD and UCD protection. Unfortunately, it has recently been announced that reciprocal recognition of disclosures will not form part of the trade agreement with the EU. Without such provisions, businesses are left with a choice of whether to first disclose a design in the EU and forfeit protection in the UK or *vice versa*. It is possible that simultaneous disclosure in both territories (e.g. through an internet publication) could attract both rights, but this has not been tested in either the EU or the UK, and furthermore adds cost and complexity to the operations of creative businesses trading across both territories. The prospect of clarifying the situation for UCD was briefly on the cards following reference of questions to the Court of Justice of the European Union (CJEU) by the Intellectual Property Enterprise Court in the *Beverly Hills Teddy Bear* case<sup>1</sup>, but that disappeared when the case was settled in 2020. The IP Federation continues to lobby on these matters and a test case may present itself in due course.

With the uncertainty and added complication facing businesses wanting to rely on unregistered design protection across both the UK and the EU, we may well see more reliance on copyright protection. This is even more likely given recent decisions in both the UK (*Response Clothing*) and EU (*Brompton Bicycle*).

The *Response Clothing*<sup>2</sup> decision was the first in the UK to consider the CJEU ruling

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<sup>1</sup> *Beverly Hills Teddy Bear v PMS International Group PLC* (case C-728/19)

<sup>2</sup> *Response Clothing Ltd v The Edinburgh Woollen Mill Ltd* [2020] EWHC 148

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in *Cofemel*<sup>3</sup> which clarified that the only qualification for something to be a “work” attracting copyright protection is the requirement that it is original, in the sense that it reflects the personality of its author as an expression of their free and creative choices. Whilst the court in the *Response Clothing* decision found that the subject matter at issue fell within one of the closed list of categories of copyright work in UK law (a work of artistic craftsmanship), it was noted that previous UK decisions that excluded subject matter not falling within the closed list are at odds with the decision by the CJEU in *Cofemel*.

In the *Brompton Bicycle*<sup>4</sup> decision, the CJEU clarified that shapes of utilitarian objects can attract copyright protection provided that (i) the shape is not dictated *solely* by technical considerations, and (ii) the author is able to express their creativity and personal choice in the shape.

Thus it is clear that, under EU law, many (if not all) designs that attract UCD protection will also be considered copyright works. Whether the UK will choose to follow this line remains to be seen, but it is unlikely that there will be legislative changes to UK copyright law for some time. The IP Federation will look to influence any such changes to ensure that the interests of rights holders and third parties are balanced.

An example of an area where the IP Federation has consistently advocated for such balance is in resisting the expansion of criminal sanctions to infringement of design rights. The Intellectual Property Act 2014 introduced a criminal offence for the intentional infringement of a registered design. A recent government Post-Implementation Review of the measure concluded that this had been a success, despite a severe shortage of evidence – only one successful prosecution was referenced, and even then the offender was also found guilty under the Trade Marks Act 1994. The review even led to calls from some quarters for the introduction of criminal sanctions for infringement of unregistered design rights. This is a measure that the IP Federation has opposed and will continue to actively oppose: there is considerable uncertainty as to scope of protection, validity and even ownership of an unregistered design, each of which makes the application of criminal sanctions for their infringement wholly inappropriate. Furthermore, there are adequate criminal sanctions under trade mark and copyright law that can already be effectively used against counterfeiters.

Turning to international matters, the IP Federation has long been active in advocating for harmonisation and convergence of IP laws to increase certainty and reduce bureaucracy for businesses trading internationally. The Federation is, along with BusinessEurope, currently exploring how it may become more engaged with convergence initiatives in the design field, such as those being led by the Industrial Design 5 Forum of the relevant intellectual property authorities of China, Japan, EU, Korea and the United States.

Danny Keenan, Copyright and Design Committee Chair

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<sup>3</sup> *Cofemel v G-Star Raw* (CJEU case C-683/17)

<sup>4</sup> *Brompton Bicycle Ltd v Chedech / Get2Get* (case C-833/18)