

Review of EU Design Legislation – Inception Impact Assessment

The IP Federation represents the views of UK industry in intellectual property rights (IPR) policy and practice matters within the UK, Europe and internationally - a list of members is attached. Not only do our companies own considerable numbers of IP rights, both in Europe and elsewhere, but they are affected by the activities and IP rights of competitors. They may be either plaintiffs or defendants in IP related court actions, here and elsewhere. The contents of this document are endorsed by the IP Federation members with the exception of Eli Lilly & Co Ltd which prefers to endorse INTA's submission.

General Comments

The IP Federation welcomes the opportunity to respond to the European Commission's Inception Impact Assessment relating to Review of the Design Directive ("the Directive") and Community Design Regulation ("the Regulation"), which remains open until 12 January 2021. As major users of Unregistered Community Designs (UCDs), Registered Community Designs (RCDs) and national design rights, IP Federation members believe that on very many measures, the EU design regime has been an unqualified success since its relatively recent inception. There has already been a significant convergence between EU member states in the area of designs law, which in combination with the Community Design regime has brought about significant benefits. Thus the IP Federation believes that any changes to the regime to achieve the proposed objectives should, where possible, be achieved by improved guidance and cooperation between the offices rather than legislative interventions. In the commentary below we offer our views on the specific proposed Objectives and Policy Options

Observations on the proposed Objectives and Policy Options

a) Modernisation, clarification and strengthening of design protection.

- The IP Federation does not believe that there is any major unclarity in the existing legislation as to what can be protected as a design (e.g. the protectability of digital graphical user interfaces or interior design). If the Commission sees a need to further clarify the protected subject matter, then we propose this be addressed through improved guidance rather than a change in legislation. The Federation urges caution in attempting to resolve this by way of amendments to Articles and/or Recitals in the Directive or the Regulation to avoid the very real risk of increasing uncertainty around the correct interpretation of already well-established legislative terms.
- We support broadening the scope of design rights conferred to better fight against counterfeit goods in transit and see this as an area where legislative change would be desirable.
- As regards clarifying the interlink between design and copyright protection, the IP Federation is in favour of demarcation between design rights

and copyright to, for example, avoid copyright extending to technical subject matter. The design regime includes important safeguards to ensure that advances in technical function are excluded (and therefore remain in the purview of patent law with all of its requirements such as those of novelty and inventive step). Such safeguards are not necessarily explicit in copyright legislation and recent evolution of EU copyright law through decisions by the CJEU in cases such as *Cofemel* (C-683/17) and *Brompton Bicycle* (C-833/18) have led to questions over whether subject matter that was intended to be protected by UCD would necessarily already be protected by the much longer-lasting copyright. This would be the case if the requirement for originality in copyright law is interpreted to be a lower bar than those of novelty and individual character in design law. The IP Federation believe that it would be desirable to distinguish subject matter protectable by unregistered design and copyright or at least to ensure that copyright law be clarified to include the same exceptions to technical subject matter as contained in design law. Such clarification would, for example, assist in preventing copyright being used to circumvent the changes the Commission is proposing for completing the single market for spare parts (objective (d) below).

b) Improving accessibility and affordability of design protection in the EU.

- The IP Federation fully supports streamlining and simplifying procedures to facilitate the simple filing of all design types, including in multiple form. In particular the Federation supports the lifting of any cap on the number of representations which may be included in an application for a registered community design. We favour a lifting of the restriction entirely, but at the very least the restriction should be relaxed to accommodate 10 views, which would deliver a substantial benefit in practical terms. The Federation also supports deletion of the requirement for the same Locarno class in Art. 37 of the Regulation, and amending the Directive so that Member States may not provide for a same class requirement.
- Any adjusting of fee levels and structure for the Community design rights is welcomed insofar as it reduces costs and administrative burden for users.

c) Ensuring enhanced interoperability of design protection systems in the EU.

- The IP Federation would welcome any streamlining and simplifying of procedures to bring national design systems in greater harmonisation with each other and the Community-level system. We would, however, be strongly opposed to any harmonisation that would lead to protection of technical function by designs and so urge that:
 - (i) Article 7 of the Directive should be retained,
 - (ii) Article 8 of the Regulation should be retained,
 - (iii) in the event that a future Directive is made for harmonisation of national unregistered designs, it should contain provisions exactly corresponding to those cited in (i) and (ii), and
 - (iv) no change should be made in any design legislation (whether in Recitals or Articles) that would move the law in favour of

protection of technical function and away from the decision of the CJEU in *DOCERAM GmbH v CeramTec GmbH* (C-395/16).

d) Completing the single market for spare parts.

- The IP Federation is in favour of further harmonisation of national law in so far as this relates to introducing a repair clause into the Directive. Any changes to bring greater harmonisation should not lead to protection of technical function by designs (see comments under objective (c) above).

IP Federation
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IP Federation members 2021

The IP Federation membership comprises the companies listed below. The UK Confederation of British Industry (CBI), although not a member, is represented on the IP Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. The IP Federation is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

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