



Evaluation of EU legislation on design protection – European Commission consultation

Introduction

The IP Federation¹ welcomes the opportunity to respond to the European Commission's [consultation](#) on design protection in the EU, which remains open until 30 April 2019. We have not commented on all parts of the consultation, nor are our comments intended to be confined to matters strictly in reply to specific questions it raises. Rather, we have commented on some of the underlying themes. Nevertheless, where possible, we have cross-referenced the relevant questions in the consultation.

Commentary

It is remarkable to consider that the EU Design Regime is actually still relatively young. Directive 98/71/EC (hereafter, the Design Directive) and Council Regulation (EC) No 6/2002 (hereafter the Design Regulation) were adopted in 1998 and 2001, respectively. 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. 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.

Term of protection for UCD and RCD (Q14, Q15)

The Federation is not in favour of making changes to the term of protection, whether for UCDs or RCDs.

The term of protection is a key differentiator between UCDs and RCDs: the scope of the right is essentially the same. It follows that increasing the term of protection for UCDs and/or decreasing the term of protection for RCDs would effectively narrow the gap between UCDs and RCDs. This would potentially devalue the RCD and negatively impact the take-up of design registration in favour of relying on unregistered design rights, reducing legal certainty both for rights holders and third parties. We consider any general shift away from registration of designs to be entirely the wrong direction of travel.

¹ The IP Federation aims to improve the IP framework to meet the needs of innovative industry by representing, nationally and internationally, the views of UK-based businesses. Its membership of influential IP-intensive companies has wide experience of how IP works in practice to support the growth of technology-driven industry and generate economic benefit. As a cross-sectoral industry organisation covering all technologies, the IP Federation is able to offer a viewpoint which is authoritative and balanced. Details of the IP Federation membership are given at the end of this paper.

On the other hand, reducing the term of UCDs would in the view of the Federation make it too short for rights holders whilst increasing the term of RCDs would make it too long for third parties.

The existing balance of 3 years for UCDs and 25 years for RCDs seems about right.

Subject Matter and Scope of Protection (Q39)

The Federation view is that any amendments to the Regulation or Directive to definitions of essential concepts such as 'design' and to the wording of what can be protected and relating to the scope of protection should be minimal. In any event, amendments should *only* be introduced when a clarification is necessary. Introducing amendments in any other circumstance will bring the very real risk of increasing uncertainty around the correct interpretation to be applied by the relevant courts.

The concepts of 'informed user', 'individual character' and 'different overall impression' are largely satisfactory and do not in our view require any clarifying amendments to be made to the Regulation or Directive, whether in Recitals or Articles. The relevant courts should be allowed time to continue to develop these concepts.

Similarly, the Federation view is that no clarifying amendment to the Regulation or Directive is necessary in relation to the concept of 'visibility' of designs. The Regulation and Directive is clear on this issue: 'design' means the *appearance* of a product or part of a product, but there is no requirement that the design be visible, whether in normal use or otherwise, *except* where the design relates to a component part of a complex product.

In relation to the definition of a 'complex product' specifically, the Federation takes the view that products such as foodstuffs and clothing - which have been the source of some confusion in the courts - are not complex products in the sense meant in the Regulation and Directive and that this follows straightforwardly from the language of the Directive and Regulation: these products are plainly not products which are composed of multiple components which can be replaced permitting disassembly and re-assembly of the product. Again, no clarifying amendment is necessary.

It is clear that the concept of 'visibility', 'normal use' and 'complex products' has created some judicial confusion. Nevertheless, the Federation urges extreme caution in attempting to resolve this by way of amendments to Articles and/or Recitals in the Directive or the Regulation. It is the view of the Federation that this should be left to the courts to develop and resolve by way of judicial interpretation, without the added challenge of a moving legislative target.

Harmonisation – functionality and unregistered designs (Q48)

The Federation considers that design protection in the EU should **not** be a means of protecting advances in technical function without meeting the requirements of patent law for novelty and inventive step. The patent system

already provides an appropriate and well-tested balance between (1) incentivising research and development leading to advances in technical function and (2) freedom of competition. The design system should **not** offer an easier alternative to those wishing to protect technical function.

Accordingly, the Federation urges 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 of 8 March 2018.

There are also international commercial factors to consider in relation to the protection of technical function by unregistered design. In (for instance) the USA, functional designs are not protected by design patents (indeed, 35 USC 171 requires designs to be 'ornamental'), and there exists no unregistered design right. So, to the extent protection of functional designs were allowed in the EU, US companies would be able to protect in the EU designs of a type which EU companies could not protect in the USA. This would disadvantage the EU against the USA as a location for manufacturing.

Procedural Formalities (Q58)

The Federation supports the lifting of any cap on the number of representations which may be included in an application for a RCD. Some national offices have already relaxed the restriction on the number of representations which may be included in an application for registered design, and many foreign national offices do not have any such restriction at all. 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.

IP Federation
15 April 2019



IP Federation members 2019

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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