

Joint Paper of ECTA, INTA and MARQUES on the Legal Review on Industrial Design Protection in Europe

July 2018

The signatories of this joint paper welcome the opportunity to contribute to an evaluation of the European industrial design protection system following the Legal Review on Industrial Design Protection in Europe (“**the Review**”) under the contract with the Directorate General Internal Market, Industry, Entrepreneurship and SMEs (MARKT2014/083/D).

It is now some 15 years since the Registered Community Design (“**RCD**”) and Unregistered Community Design Right (“**UCDR**”) were introduced into law by Council Regulation (EC) 6/2002 of 12 December 2001 on Community designs (“**the Regulation**” or “**the (Designs) Regulation**”), and 15 years since harmonized law on designs was required by the Council Directive (EC) 98/71 of 13 October 1998 on the legal protection of designs (“**the Directive**” or “**the (Designs) Directive**”) to be implemented into the national law of the member states of the European Union (EU).

Now is therefore a timely point at which to celebrate the many successes of the Regulation and the Directive, and to look to the issues that require some reflection and correction.

We therefore respectfully offer the following comments to assist in that process. We do not comment on every paragraph of the Review, but have adopted the paragraph numbering from the Review for ease of reference.

The signatory organisations may reserve the submission of further remarks on the Review either on a separate basis or in the next steps of the legislative review process.

Summary

Since users of the system continue to struggle with the changes from Office for Harmonization in the Internal Market (“OHIM”) to European Union Intellectual Property Office (“EUIPO”) and from Community Trade Mark (“CTM”) to European Union Trade Mark (“EUTM”), we advise aligning the terminology with EU trade mark terminology and using the terms “**EU Registered Design**” and “**EU Unregistered Design**” by way of changing the Regulation. For details, please refer to point 1.3.3.

We would prefer **greater emphasis on the “design approach”** as explained under point 2.1 below. Therefore, we request amending the recitals of the Regulation and the Directive in order to emphasize the protection of the marketing value of a design as a rationale for EU design legislation.

We are in favor of an EUIPO that is modern, efficient and effective. In our opinion **fee structures** at the EUIPO and within the EU should aim at facilitating the parallel existing protection levels at national, EU and international level. For details, please refer to point 2.3.6.

In our opinion an increase of protection requirements is against the interests of designers, the design industry and design holders. We therefore support an amendment to the recitals specifically to note that, other than for component parts of complex products, a design **does not need to be visible at any particular time or in a particular situation** in order to attract design protection.

The confusion caused by the General Court decision *Biscuits Poult* (Case T-494/12, *Biscuits Poult v OHIM - Banketbakkerij Merba [Biscuit]*) led us to agree that clarity with regard to the specific visibility requirement of component parts of complex products is required. We support a clarification in the recitals that the **concept of component parts**

of complex products is aimed at dealing with the spare parts market, specifically for complex machinery. For details, please refer to point 3.1.

Although the Review kept silent on the exclusion of computer programs from the definition of “products”, we would welcome a clarification (be it by way of recitals or by amending the law) to ensure that **graphical user interfaces** and parts thereof are not “computer programs” in the sense of Article 1 (b) of the Directive/Article 3 (b) of the Regulation. For details, please refer to page 16.

The relevant courts should be given the time to develop the concepts of informed user, individual character and different overall impression and provide guidance for member state courts. Contrary to the Review, we do not see a need to introduce into the law clarifications on **how to determine the individual character** of a design. Particularly, there should be no amendment that reference should be made to factors such as the nature of the product concerned or the sector to which the product belongs. For details, please refer to point 3.2.

Since the Review was concluded, the Court of Justice of the European Union (“CJEU” or “Court of Justice”) has decided *DOCERAM* (Case C-395/16, *DOCERAM GmbH v CeramTec GmbH*) concerning technical function. We are concerned that courts and tribunals are construing the technical function exception too broadly. We recommend an amendment to the recitals to the Regulation and the Directive to clarify that functional designs remain protected. For details, please refer to point 3.5.

Harmonisation is most important towards a quick and inexpensive design invalidity system in all member states. Thus, we request that office **proceedings for invalidity** should be made mandatory at national level by amending the Directive accordingly. For details, please refer to point 4.2.

Declarations of non-infringement allow an economic operator who wishes to launch a product and who is uncertain whether a third party design right may thereby be infringed,

to apply for a court order. Therewith, we recommend introducing such action as an EU law under the Regulation. Moreover, we recommend introducing an action against threatened infringement, so that design owners do not have to wait until infringement has commenced before taking action. For details, please refer to point 4.4.

Substantial cost benefits can be achieved by multiple applications, which clearly lessen the burden on applicants, whereas in practice, the same class requirement works as means to reduce otherwise beneficial multiple applications. Accordingly, we **request deleting 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. For details, please refer to point 5.6.

Differences in the availability of deferment of publication and in the deferment period are burdensome for designers and undertakings managing their designs. Because of that, we request to make **the possibility of deferred publication mandatory at Member State level** by way of amending the Directive. In our opinion, the deferment period should be set at 30 months, in line with the Regulation. For details, please refer to point 5.8.

Well knowing that the **issue of Spare Parts** is of high controversy, we urge that any failure to progress in this issue shall not delay the reform agenda triggered by the Review and advocated for in this joint paper. For details, please refer to Chapter 6.

Chapter 1 – Introduction

1.2 Methodology

We support generally the methodology applied for the purpose of the Review. Of course, the number of member states, experts and stakeholders consulted was limited and broader consultation, especially with industry representations, would have been preferred. Also, we would have preferred that the interim reports be made accessible, such as the

“aggregate interview report” (cf. page 21 of the Review) and “country reports” (cf. page 22 of the Review).

We are concerned to note the comments on page 21 of the Review relating to apparent attempts by 3 organizations to skew the results of the survey conducted of stakeholders. However, the approach to those survey results seems to us to have been appropriate.

That said, there are occasions in which it appears that the interests of that one sector have been privileged above those of other sectors (for example, the discussion of definition of a design). This may be because interviewees from that sector were more forthcoming in their views. We believe that the EU Design System is aimed at designers in all sectors – see also Recital 15 of the Regulation: “A Community design should, as far as possible, serve the needs of all sectors of industry in the Community”.

1.3.3 Terminology

The Review adopts the term “Community Design Right” or “CDR” but acknowledges that under the Lisbon Treaty, the appropriate term is European Union Design.

We note that users of the system continue to struggle with the changes from OHIM to EUIPO and from CTM to EUTM. However, with those changes already implemented, it would be incongruous for design rights to retain a title which includes the word “Community”.

We therefore recommend that the terms EU Registered Design (or EURD) and EU Unregistered Design (EUUD) be adopted. Legislation will be required.

As the Review notes, OHIM has already been renamed the EUIPO as a result of the EU Trademark Reform, and hence does not need to be so renamed by further amendment.

Conclusion

We support aligning the terminology with EU trademark terminology and employing “EU Registered Design” and “EU Unregistered Design” by way of amendments to the Regulation.

Chapter 2 – Genesis of the current EU legal and institutional framework

Chapter 2 of the Review seeks to give a contextual basis to the critical discussion of key issues in the chapters of the Review which follow. There is significant information set out in the chapter which students of the workings of the EU Design System will find interesting. We would be interested in further data on litigation/enforcement costs in different member states.

2.1 Community design rationale

The Review mentions the use of design as a “marketing tool”. Whilst aware of the debates at the time of implementation of the Directive and the Regulation, we would prefer greater emphasis were put on the so-called “design approach”. The design approach advocates the *sui generis* protection of designs, independent from copyright, trademark or other rules and doctrines. It facilitates the protection of designers and the design industry as it acknowledges the marketing value of designs as a reason for its protection (e.g. recital 15 of the Directive). The design approach could and should be referred to when interpreting the Regulation and the Directive.

Conclusion

We request emphasising the protection of the marketing value of a design as a rationale for EU design legislation by way of amending the recitals to the Regulation and the Directive.

2.3.2 Litigation/enforcement costs

We advocate further investigation of litigation and enforcement costs, as these differ widely between member states. We consider such differential costs provide a significant obstacle to a “common design market.” High enforcement costs shelter infringers inappropriately from being held liable.

2.3.6. Fees and 2.3.7 Recommendations

We see a major strength of the EU design protection system for applicants in and outside of the EU: applicants can choose between different protection levels in accordance with their individual needs, their budgets and the intended territorial scope of protection. The Review addresses the effects of the parallel existing protection levels (pages 48 et seq of the Review in particular). We strongly support the Review’s position that the system of parallel protection at national, EU and international level (via the Hague System) be preserved. We believe that applicants should have a choice in that regard. The design protection system and its fee structures should be aimed at facilitating that choice and offering effective design protection at low costs.

National design registration systems

We were pleased to see confirmed that the offices of the member states reviewed all offer e-filing of design registrations, and would advocate for e-filing of design applications, as well as invalidity proceedings, to be made available across the EU, whilst also maintaining traditional paper-based means of filing (particularly relevant to individual designers and small and medium-sized enterprises (SMEs)). We do not support higher fees for paper-based applications.

The Hague System

The Review recommends that the current parallel systems of registration via national offices (and the Benelux Office of Intellectual Property), WIPO and the EUIPO be retained. However, the Review makes no recommendation urging member states to adhere to the Hague System to provide greater choice to designers.

We consider it axiomatic in relation to user choice, as well as in the interests of the single market, that designers have the maximum number of options for registering designs within the EU. This would provide a level playing field.

Currently, the following EU member states are members of the Hague System: Belgium, Bulgaria, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Slovenia, Spain and the United Kingdom.

Currently, the following EU member states are not members of the Hague System: Austria, Cyprus, Czech Republic, Ireland, Malta, Portugal, Slovakia and Sweden.

We therefore urge the European Commission (the “Commission”) to consider requiring EU member states to adhere to the Hague System and domesticate its requirements, perhaps by way of amendment to the Directive. This would ensure, for example, that a designer in Slovakia would be in the same position as a fellow designer across the border in Hungary.

We therefore also urge the Commission, and the member states, to continue efforts at international harmonization, including through the Hague System. Although not discussed in the Review, the EU and its member states have a strong presence in international organizations (such as the World Intellectual Property Organization (WIPO) and ID5) and the ability to influence international harmonization, and adherence and domestication of the Hague System. We urge the EU and its member states to continue these efforts in the

interests of users. For example, users of the design protection system should be able to use the same set of design representations within all EU member states, and around the world.

Conclusion

We urge the Commission to require all member states to adhere to the Hague System, and to continue efforts at international harmonization.

Fees

We support the Review's recommendation that a Fee Review Study be commissioned to recommend new fee levels and structures that take account of the goal of budget balance, and that those fee levels are reviewed periodically.

We agree that any fee reforms should not put at risk the EUIPO's high level of performance. We support a EUIPO which is modern, efficient and effective. For that matter, we support national offices which are also modern, efficient and effective. The terms of the further Fee Review Study should therefore include examining the "headline" filing fee of €350 for RCD applications, including reviewing any likely impact on the national offices (and the Benelux Office for Intellectual Property (BOIP)) were that fee to be reduced. The Fee Review Study should also look at the cost to the EUIPO of registering a design, so as to determine which aspects of the system might be cross-subsidizing other aspects. Setting the RCD application fee by reference to the costs of using three or more of the "top 5" offices requires further, empirical, economic justification.

Of course, lower RCD fees and lower filing fees at national level are in the interests of users of the design protection system. Fee schemes should aim to be at least balanced, without any undue disproportion and, certainly, any unjustified increase. At the same time, we are aware that providing a national design protection infrastructure is a resource intensive burden for some (smaller) member states. Therefore, cost reductions should not result in a dangerous imbalance between RCD and national fee structures; national design

filings must remain attractive for applicants. That could put the parallel existing protection levels at risk, and ultimately encroach upon the freedom of choice of users between national, EU and international protection levels. Therefore, we agree with the Review's finding that even a permanent surplus at EUIPO level does not in itself justify a fee reduction for RCDs.

The Fee Review Study should also examine the fees charged for multiple filings. We support the current principle of "bulk discounts" for multiple filings. We do not accept (and the Study offers no evidence) that the "bulk discount" benefits only larger enterprises, nor that larger enterprises are being cross-subsidized by individual designers or SMEs.

We support the alignment of the fee regime for RCDs and for EU designations under the Hague System, so as not to distort filing behavior.

We agree with the Review that renewal fees are too high, and see no logical reason why the renewal fee should increase each time an RCD is renewed. The cost to the EUIPO of renewing an RCD does not depend on whether it is a first, second, third or fourth renewal. The increase in fees serves only to discourage further renewal of design rights, a notion unaligned with an innovation economy.

We also ask that the Fee Review Study examine the absence of a "bulk discount" for renewals. Currently, a filing of 9 designs in a single application costs €1750. There is no discount for the 2nd to 9th designs come renewal time – a total fee of €810. For the second renewal, that rises to €1080, and by the fourth renewal, the total is €1620.

Conclusion

Fee structures at EUIPO and within the EU should aim at facilitating the parallel existing protection levels at national, EU and international level. We support commissioning a Fee Review study.

Independent from that study, “bulk discounts” by way of multiple applications should be maintained. Also, we request a substantial reduction of renewal fees at EUIPO level.

Chapter 3

3.1 Definition of a design – visibility

Generally, we take the view that amendments to definitions of essential notions such as “design” and to the wording of what can be protected and relating to the scope of protection should be minimal. Such amendments should only be introduced when a clarification is necessary. Otherwise, there is a high risk of introducing uncertainties, ambiguities and new questions which might not have been foreseen in the Review.

The Review deals in some detail with the notion of visibility, but appears to conflate two issues:

- (a) can non-visible features be protected by design law? and
- (b) does a design have to be visible at a certain time or in a certain situation in order to be protected?

These questions result, in our view, from various misunderstandings that have arisen, including as a result of incorrect court and tribunal decisions. However, the answers to them are, in our view, comparatively simple if the Regulation and Directive are given a purposive construction, as required by EU jurisprudence.

Put simply, in our view, the current state of the law is correct: design law protects the appearance (only) of a product or part of a product, but the design does not need to be visible at any particular point in time or in any particular situation (other than component parts of complex products, which must be visible whilst in normal use).

This understanding of the law is imperiled for two reasons: (1) the Review seeks to expand design protection to non-visible features, such as tactile aspects; and (2) case law reveals a strong tendency to create an extra-legal general visibility requirement for design protection. We see the need to address both such issues by way of legislative action.

In more detail:

(a) Can non-visible features be protected by design law?

Dealing first with non-visible features, it is clear from the Regulation and the Directive that only the sense of sight is relevant to design law. Article 3(a) of the Regulation defines design as “the appearance of” the product – appearance is a visual stimulus. Although texture and materials are mentioned in the features which can constitute a design, it is the *appearance* of texture and material that is relevant, not the feel of it.

Article 4 of the Regulation requires a component part to be “visible” (not touchable) whilst in normal use. Recital 14 of the Regulation refers to the informed user “viewing” (not touching) the design. Recital 11 of the Directive mentions features of a design “shown visible in an application”. Whilst specimens are allowed to be filed, they are limited in their scope, and it is not possible to file, for example, a pillow, to demonstrate how “soft” it feels.

Clearly, the eye can perceive different textures – the texture of carpet is visible to the eye, and visibly different to the texture of linoleum. Similarly, as the Review notes, a toy may be shown in an RCD with a visible wooden texture (or, in fact, wooden material).

In each case, for EU design purposes, what matters is what the design looks like – not what it feels like. So, a vase that looks as if it is made of glass will be protected by a design registration if novel and of individual character, and will be infringed by an identical looking vase, even though that later vase is made of rubber, but is made to look like glass. What matters is what the RCD looks like – not how it feels. What matters is what the allegedly infringing design looks like, not how it feels. Therefore, it is, in our view, clear that EU design law protects visible features of a design – that is, the features that can be perceived by the eye, not some other organ.

Further, we are unaware of any other jurisdiction that provides design protection for how something feels – all the jurisdictions of which we are aware apply design law only to visual aspects of a product or part of a product. Introducing tactile protection into the European design regime (even introducing the notion of tactile aspects of designs in the recitals of the Directive) would mean introducing a major rift between Europe’s and the rest of the world’s design laws. While design law may be partly harmonized in Europe, it remains one of the IP rights for which worldwide alignment is still strongly required. Efforts being made towards such convergence should not be hampered by extending design protection to aspects beyond visual aspects.

We cannot see the added value for applicants or right holders of extending design protection to tactile aspects (apart from their appearance). If there might be benefits for right holders, they would, in our view, not justify the disadvantages. Expanding the design definition – by way of amending the recitals – in order to include tactile aspects as being a subject matter of design protection may result in fundamental difficulties: the most important one is related to the function of the Designs Register for third parties. Moreover, how should the tactile aspect of a design be registered and published in a fashion which enables third parties clearly, reliably and objectively to understand the subject-matter of protection? The difficulty in accessing such information – provided it can ever be properly entered in the records of the Register – may give rise to legal uncertainty for third parties.

For these reasons we do not see any necessity for amending the definition of “design”. The definition of “design” already explicitly refers to “the appearance” of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colors, shape, texture and/or materials of the product itself and/or its ornamentation.

The general yet simple rule of design protection is and should remain: What you see is what you get. Not: What you feel is what you get. This rule should be maintained unchanged. We even see need to strengthen that principle by way of recital amendments, as it is not always reflected in European case law. For example, the General Court referred

to a tactile aspect in its decision of 4 February 2014 in Case T-339/12. It reasoned at paragraph 30 that “[s]ince an inclined backrest and seat will give rise to a different [level of] comfort from that of a straight back and seat, the use that will be made of that armchair by the circumspet user is liable to be affected thereby”. That decision is wrong as it relates to what sitting in a chair feels like rather than what the chair looks like.

Conclusion

Contrary to the Review’s recommendation, we see no reason to expand design protection to non-visible features or tactile features or to amend the definition of “design” in the Regulation or the Directive. On the contrary: we request amending the recitals of the Regulation and the Directive noting that only visually perceivable design features are within the subject-matter of design protection.

(b) Does a design have to be visible at a certain time or in a certain situation in order to be protected?

We turn now to the issue of visibility at some point in time or in a specific situation. This issue has nothing to do with the fundamental principle governing the protection of registered designs that only design features which are disclosed by way of design representations can be protected; this issue relates to the subject matter of protection.

With regard to visibility, the Regulation and the Directive are clear that there is no general requirement that a design or a design feature must be visible at any point in time or in a certain situation in order to attract design protection. There is only one exception: the design of a component part of a complex product must be visible whilst the product is in normal use on order to attract design protection.

The Review favours the introduction of a general visibility requirement (page 77 of the Review). We strongly oppose this. The special component parts visibility requirement should not be extended into a general requirement for designs relating to other types of products. Such an extension increases hurdles for design protection of other products than component parts. We cannot see any justification for increasing the hurdles for

protection. It is contrary to the interests of designers, the design industry and design holders. Accordingly, we oppose the Review’s conclusion that the definition of “design” should signify that all designs should be “visible” in order to be protected.

Conclusion

We therefore support an amendment to the recitals specifically to note that, other than for component parts of complex products, a design does not need to be visible at any particular time or in a particular situation in order to attract design protection.

The Review also elaborates on the (exceptional) specific visibility requirement for component parts of complex products. In this context, the Review refers to the *Biscuits Poult* case (page 74 et seq of the Review), which many commentators believe to have been wrongly decided. It should be ignored – it does not represent a sensible or even valid interpretation of the law. However, *Biscuits Poult* has caused confusion, and, therefore, looking at the recommendation proposed in the Review, we agree that clarity is required.

We consider that this position is backed by an important observation of the Review (pages 74 et seq of the Review): courts have misapplied the notion of “complex product” in finding that building structures, clothing and even food products are “complex products”. Thereby, the protection of parts of these products is reduced as these parts must meet the stricter test for “component parts” in order to attract design protection. The specific protection requirements for component parts of complex products result from economic and policy considerations relating to specific product markets, namely products where a primary market (purchase of the product) and a secondary market (accessories, spare parts, maintaining/repair services) can be defined and where these markets are closely interlinked. In fact, that is primarily the case where complex machinery products are concerned. Therefore, the rationale of stricter protection requirements does not apply to other products than primarily complex machinery. In relation to other products, the application of the stricter complex product regime leads to unjust and unintended gaps of design protection. To make that clear by way of an example: as there is no – at least no

significant – secondary product market for food products, the protection of food products and parts of food products should not be restricted.

Conclusion

With regard to the specific visibility requirement of component parts of complex products, we support a clarification in the recitals that the concept of component parts of complex products is aimed at dealing with the spare parts market, specifically for complex machinery.

(c) Further issues

We have no objection to the recitals noting that one of the purposes of design law is the protection of the economic and/or market value of designs. This ought already to be obvious, but is worth emphasizing (see above).

The third bullet point of the Review's recommendation, that only features which are shown visibly in an application, and can be represented in a clear, precise and objective manner are protectable, is in our view already the law. No amendment is required in that regard. It is an issue of disclosure of a design by way of design representations which must not be confused with general or specific visibility requirements, as discussed above.

Exclusion of computer programs

The Review is silent on the exclusion of computer programs from the definition of "products". On the basis of that wording, it has been argued in legal doctrine that graphical user interfaces are parts of computer programs and therefore not eligible for design protection at all. Bearing in mind the marketing value of design and its protection as a goal of the European design regime, such denial of design protection would be, in our view, unacceptable.

Conclusion

We would welcome a clarification (be it by way of recitals or by amending the law) to ensure that graphical user interfaces and parts thereof are not “computer programs” in the sense of Article 1 (b) of the Directive/Article 3 (b) of the Regulation.

3.2 Informed user/individual character/product sector

We agree with the Review that the concepts of informed user, individual character and different overall impression are largely satisfactory. The relevant courts, including the Court of Justice, will continue to develop these concepts and to provide guidance for courts in member states, the EUIPO and national offices (and the BOIP), and should be given the time to do so.

We therefore disagree that amendments to the Directive are required at this stage. Such amendments would be premature. Instead, the better approach is to allow case law to continue to develop. In this regard, we point out the judgment handed down by the CJEU subsequent to the Review *Easy Sanitary/Nivelles* (joined Cases C-361/15 P and C-405/15 P, *Easy Sanitary Solutions BV and European Union Intellectual Property Office v Group Nivelles*, at paras 88, 92, 111) which rightfully emphasised that the nature of the product or the sector concerned do not directly affect the assessment of novelty and individual character of a design. We support that understanding of the law as it strengthens the protection of the design creation as such and not the creation of a product bearing a specific design.

Before that background, we do not share the position on page 71 of the Review on factors such as the nature of the product or the relevant sector which can be relevant to the determination of the individual character of a design. Such factors can have, if at all, only an indirect effect (cf. recital 13 of the Directive).

Conclusion

Contrary to the Review, we do not see a need to introduce into the law clarifications on how to determine the individual character of a design. Particularly, there should be no amendment that reference should be made to factors such as the nature of the product concerned or the sector to which the product belongs.

Visibility and normal use

As set out above, it appears that the confusion around visibility has arisen because of a misunderstanding, rather than any lack of clarity in the legislation. We agree that the concept of a component part of a complex product was never intended to apply to sausage packaging or ice creams. As is clear from the historical development of the Directive and the Regulation, the notion of “component part of complex product” was developed only to deal with car spare parts.

We fundamentally disagree with the recommendations at page 77 of the Review. For the reasons set out above, we disagree with the approach taken by the Court of Justice in case *Biscuits Poult*. Faced with an application for invalidity of a design of part of a cookie, the General Court upheld the Board of Appeal’s decision that the representation filed by the RCD owner and set out in the RCD should be ignored, and instead, the tribunal should imagine that it is dealing with a whole cookie. The decision of the Invalidity Division is to be preferred.

We do not see the need for the definition of “design” to “signify” (whatever that means) that all designs should be “visible” in order to be protected (see above).

Further, we consider that having visibility assessed by the informed user makes no sense. The role of the informed user in design law is quite limited – the informed user is relevant only to the determination of individual character. Many significant decisions within the scheme of the legislation are made without reference to the informed user, including, importantly, novelty.

Finally, we do not consider that linking visibility to either when the purchase decision is made, or when the product is used fulfills the aims of the legislation. Design law is aimed at protecting designers. Hence, it provides exclusive use of the design in a range of contexts, including the right to prevent making, offering, putting on the market, importing, exporting or using a design, or, importantly, stocking a design for those purposes. Arbitrarily choosing two of these exclusive rights as the times at which a design must be visible is inconsistent with the aims of the legislation. It should also be recalled that design law does not require that a design be used at all, such that validity can subsist for up to 25 years without the design ever having been used.

3.3 Component parts/complex product

This is dealt with below in relation to Chapter 6.

3.4 Disclosure rules

Disclosure provisions must not overly affect the enforceability of an otherwise valid design. We are concerned about cases where the current practice results in a universal novelty test which is too restrictive. The restrictiveness of that approach is illustrated in EUIPO's *Kirschenhofer* decision (BoA, decision of 11.07.2007, case R0377/2006-3- *Kirschenhofer GmbH v WS Teleshop International Handels GmbH*, para. 15; referred to on page 80 of the Review, footnote 172). In that decision, the BoA suggested that a prior publication of a kitchen mixer design in any Chinese specialised press would “reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community” in the sense of Art. 7 (1) of the Regulation or Art. 6 (1) of the Directive). This makes an invalidity attack too easy.

We in principle support the two-step test as incorporated in Art. 7 of the Regulation and Art. 6 of the Directive: the first step is to assess whether there has been a prior disclosure act (burden of proof lies with the party asserting invalidity); the second step provides a

sort of relevancy test of that disclosure act (burden of proof lies with the design owner), i.e. only if that disclosure act was not too obscure that the prior design could be held against the validity of the design. We are however convinced that the relevancy test should be taken more seriously in practice, to the effect that it is a true relevancy filter. In that regard, we consider the language of the law quite clear (e.g. “reasonably”, “normal course of business”, “circles ... operating within the EU”) and beneficial for the right holder. Nonetheless, the CJEU paved the way for a far weaker relevancy test, as became clear in its *H. Gautzsch Großhandel* decision (C-479/12 - H. Gautzsch Großhandel GmbH & Co. KG v Münchener Boulevard Möbel Joseph Duna GmbH). We therefore advocate for a clarification in the recitals, emphasising that it should not be too easy for prior designs to pass the second step and to become potentially novelty/individual character destroying.

Conclusion

We support a clarification by way of recital amendment to the effect that too obscure prior disclosures should not be held against the design; there must be a true relevancy hurdle. We suggest introducing a recital into the Regulation and the Directive such as the following:

“Whereas in principle prior designs, which have been made available to the public, form part of the prior design corpus, such prior designs shall not be eligible to be held against a later design when assessing novelty and individual character if their making available took place under circumstances too obscure to be noticed by the circles concerned, operating within the EU, and thus did not reach a sufficient degree of relevancy. In this assessment, account should be taken of factors such as the normal course of events, the obscurity or public accessibility of the events leading to the making available as well as the reasonable and common practices in industrial and commercial matters.”

3.5 Designs solely dictated by technical function

The issue of technical function is of utmost importance for the functioning of the design protection system. A broad interpretation of the notion of “technical function” encroaches

upon the strength of design protection. Design enforcement and the achievement of the aim of European design legislation, namely protection of design as a marketing value, is obstructed. We are concerned that in the current design law practice, the notion of “technical function” actually is construed too broadly; in practice, it is often interpreted as if it was “functionality”. Notably, a design feature which solely serves a technical function (in the sense that the design of that feature enables the solution of a technical problem) is very different from a design feature which is merely functional. The “technicality” aspect of the notion is decisive as it is the justification for denying monopolisation under design standards (rather than patent standards). However, that technicality threshold is often simply ignored.

Since the review was published, the Court of Justice has decided *DOCERAM*. The CJEU held that Article 8 (1) of the Regulation excludes protection for features of appearance of a product where considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features, even if other designs fulfilling the same function exist.

We are concerned that courts and tribunals have been interpreting the technical function exclusion too broadly, and thereby excluding from protection designs that should be protected. Users of the system are entitled to broad design protection – and in accordance with Court of Justice case law, exclusions to that broad protection should be narrowly construed. Features of a design should rarely be excluded from protection for being solely dictated by technical function. And it should be very rare for whole designs to be invalidated because every feature of that design is solely dictated by technical function. Good design is the meeting of form and function – the fact that a design is functional does not exclude it from protection.

Conclusion

We request an amendment to the Recitals of the Regulation and the Directive to express that functional designs are still protected by EU design law. The exclusion for features of a design solely dictated by technical function should be narrowly construed – and that the

threshold of “solely dictated by technical function” is not met in case of mere functionality of a design.

3.6 Relationship between Design Law and copyright

We agree that the law in relation to the overlap between design law and copyright has been clarified by the Court of Justice in *Flos v Semeraro* (Case C-168/09, *Flos SpA v Semeraro Casa e Famiglia SpA.*). Cumulative protection of a design through design law and copyright law is and should be possible provided that the requirements are met.

We agree with the conclusion of the Review, i.e. that it is recommended that any member state which has not yet altered their laws should now do so.

4. Key procedural issues within the EU design framework

4.1 Representation of a design

We consider that harmonisation as between the EUIPO and the national offices (and the BOIP) is an essential valid goal in and of itself. We support the European Cooperation project CP6 ‘Convergence on graphic representations of Designs’ and its adoption and implementation by all relevant offices to enhance transparency and predictability, and thus user friendliness. For designers, especially individual designers and SMEs, having a single set of requirements across the EU will aid design filing, and should lead to more designs being filed.

We therefore support the first recommendation of the Review on page 102, i.e. that national offices should attempt to align their practices, where this is feasible in economic and institutional perspectives, with the Cooperation Programme run by the EUIPO. A harmonised approach to, for example, dotted and broken lines should be one potential outcome of that harmonisation.

We see the value of incorporating the cooperation requirement into law, similarly to the position with respect to trademarks.

We also agree with the second recommendation on page 102 of the Review that the current approach in relation to the number of representations under the EUIPO procedure be changed to allow a higher number of representations, or as some member states maintain, an unlimited number of representations. This promotes user choice, and enables designers properly to capture, as they wish, the design they wish to protect. Indeed, for moving designs, it may be that a video file better captures the design than does a series of static representations. Technology now allows it and therefore we consider that video files should be acceptable across the EUIPO and national offices (including the BOIP).

Conclusion

We support the Review's recommendation to allow a higher number than the current 7 views or to lift the number restriction altogether.

Further, we agree that 3D animated representations are helpful, and increasingly common, and advocate for their acceptance by the EUIPO and the national offices (including the BOIP). The technology is now available, and has been trialled by the EUIPO. We suggest it should be made available to all national offices (and the BOIP) through the co-operation projects. Although it is not expressly suggested by the Review, for the avoidance of doubt, we would not countenance a mandatory requirement that all designers file 3D representations of their designs: it should be an optional representation tool.

The harmonisation of administrative practices in the member states is essential for the implementation, functioning and acceptance of the EU Design System. Whilst we support harmonisation of practice between Community Design Courts, we do not agree that the convergence exercise should be extended to judges sitting in Community Design Courts.

Currently, the Cooperation Programs are co-ordinated by the EUIPO (which has no responsibility for design enforcement) working together with the national offices (and the BOIP) which have no responsibility for design enforcement, and some of which do not have responsibility for design validity. Without that experience, the EUIPO and the national offices are not well placed to attempt to converge issues more properly left for the courts to develop. We support a dedicated forum for judges to exchange views and share best practices on issues regarding design proceedings.

(As noted above, we also support the EUIPO and national offices continuing to advocate for international harmonisation, for example through the Design Law Treaty, ID5, WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications and the Hague Working Groups.)

4.2 Invalidity proceedings

The Review notes that the member states have introduced a procedure for invalidating a design right. The major distinction which exists is between those member states where invalidity proceedings can be brought before the national office (e.g. Austria, Czech Republic, Germany) and those in which they may only be brought before a judicial body (e.g. the Netherlands and Sweden).

We agree with the Review that the position should be harmonised across the EU, and that harmonisation is most important towards a quick and inexpensive design invalidity system in all member states. This has already been decided with respect to trademarks, and there is no reason why designs should differ.

We therefore agree with the recommendations set out on page 104 and 105 of the Review that it be made mandatory for national offices to offer a quick and inexpensive invalidation procedure. Given that national offices (and the BOIP) are currently implementing this change with respect to trademarks, we do not see any reason why the implementation period for designs should not be coterminous with that for trademarks.

We also recommend amending the Design Directive and introducing the possibility of a counterclaim to invalidate a national design in infringement actions before the courts, as Art. 84 et seq of the Regulation provides for Community designs.

In relation to member states without the requisite expertise, we see a role for the co-operation projects to assist in capacity building in this regard, and agree that, as an interim measure, it may be appropriate in some member states to invite special design experts as part of the judicial panel. We also agree that it could be further recommended that cooperation between the EUIPO and national offices (and the BOIP) be increased on this point.

Conclusion

We request that office proceedings for invalidity should be made mandatory at national level by amending the Directive accordingly.

4.3 Ex parte injunction

We agree that this issue is of high relevance and importance, but we also agree that any difficulties encountered with member states' laws should be dealt with under the Enforcement Directive. Amending the position with respect to designs without doing so with respect to other IP rights makes no sense.

4.4 Non-availability of certain actions in all Member States

The Review concluded that any changes to remedies under national law would be best directed under the revisions planned for the Enforcement Directive and that it is recommended that there be no changes in the Design Regulation.

We agree that the changes would be better directed under the revisions planned for the Enforcement Directive, but we note already at this point that the declaration of non-

infringement would be a useful tool in the European Design System. Declarations of non-infringement allow an economic operator who wishes to launch a product and who is uncertain whether a third party design right may thereby be infringed, to apply for a court order. This could be achieved by either an amendment to the Design Regulation to provide for declarations of non-infringement as a matter of EU law, or, alternatively, to require through the Enforcement Directive that they be available as a matter of national law. In any event, the words “if they are permitted under national law” in Article 81(b) of the Regulation should be deleted. This absence of harmonisation has a negative impact on the unitary character of the Community design. We feel supported in that position by the CJEU decision handed down after the Review *BMW v Acacia* (Case C-433/16 – Bayerische Motorenwerke AG v Acacia Srl).

At page 107 there is an oblique reference to the number of designated Community design courts. It is clear that there is an imbalance, with Germany and Italy having more than all the 26 other member states put together. In such a circumstance, even the best judges will obtain less experience in design law than if design cases were concentrated in a smaller number of courts. The Regulation is clear – there is a request to designate as small a number of Community design courts as possible.

The Review does not comment on the issue of actions against threatened infringements (ie, *quia timet* orders). We would suggest a two-fold approach to overcome discrepancies in the member states concerning actions with respect to threatened infringements of designs. First, such actions should be made part of the Regulation-provided legal instruments of the right holder by deleting the parenthesis “if they are permitted under national law” from Art. 81 lit. a of the Regulation. Secondly, such actions should be made mandatory under the Enforcement Directive.

Conclusion

We recommend introducing a declaratory action for non-infringement as an EU law action under the Regulation, by way of deleting the words “if they are permitted under national law” in Art. 81 lit. b of the Regulation. We likewise recommend introducing an action

against threatened infringement by deleting the same wording in Art. 81 lit. a of the Regulation.

5. Other issues arising in design law

5.1 Novelty

We agree with the conclusion of the Review, i.e. that the current provisions on novelty in both the Directive and the Regulation are satisfactory, and no change is recommended.

5.2 Designs of interconnections

We agree with the conclusion of the Review, i.e. that the exception concerning interconnections is clear and unproblematic, and it is recommended that no change is needed.

5.3 Designs contrary to public policy/morality

Practices on rejection of design applications for being contrary to public policy/morality differ widely between member states. This is exacerbated by the dearth of decisions in this area, and the paucity of access granted to practitioners and academics to those designs which have been rejected on this ground.

The basis for denying access is usually given that the designs would thereby be disclosed, and novelty potentially destroyed for a later filing.

It must be possible to identify designs which have been rejected on this ground which are in the public domain, and which could be provided to practitioners and academics to assist in the understanding of how this requirement is being interpreted across the EU.

For now, we agree that no change is required to the law.

5.4 Rights conferred by a design and limitations

We note with alarm the comment at page 116 of the Review that in Poland, the scope of protection of a registered design is expressed as extending only to the types of products in respect of which protection has been applied for. This is a clear failure to comply with the Directive, and should be remedied.

Generally, it is not appropriate to introduce a principle of specialty for designs similar to the one existing for trademarks. According to Art. 36(6) CDR the indication of the product does not affect the scope of protection of the design as such. The indication mainly serves administrative purposes, particularly with respect to the classification of the design, which is to enable third parties to do effective research on existing RCDs. A trademark shall indicate a product and enable a differentiation between the products (indication of origin). In contrast, a design protects the appearance of a product. Therefore, it is appropriate to grant protection to a design irrespective of product sectors. That position is backed by the CJEU decision, subsequent to the Review, *Easy Sanitary/Nivelles* (see above).

Member states should be encouraged properly and fully to implement the Directive, by “copy out” rather than by “paraphrase” where possible. Whilst EU law requires that courts interpret national law consistently with the Directive, it is preferably that the words of the statutes reflect EU law.

5.5 Other forms of protection: national unregistered design right, unfair competition and passing off

On this topic, the Review somewhat avoids the question. We support the cumulation of rights, and hence do not advocate amendments to Article 16 of the Directive. However, the terms of the Review went wider than this, and requested an analysis of these other areas of law, and whether the differences at national level ought to be maintained. The Review has not examined these.

We support the general aim of aligning all relevant legislation in order to eliminate country-by-country assessments on the protect-ability and marketability of design products. We would encourage the Commission to engage in a deeper analysis of this field.

5.6 Multiple applications

As above, we advocate harmonisation as between the national offices (including the BOIP) and the EUIPO in relation to filing practices, including multiple applications.

We do not see any reason why the designs contained in a multiple application have to fall within the same Locarno class. That is hard to reconcile with Recital 18 of the Regulation, as the Review rightfully suggests (on page 119).

It is uncertain whether the administrative burden of multiple applications for designs falling within the same Locarno class but designating different products within that class (which is permissible) may prove significantly different from the burden resulting from multiple applications with different Locarno classes. Clearly, multiple applications lessen the burden on applicants and can bring substantial cost benefits, whereas, in practice, the same class requirement works as means to reduce otherwise beneficial multiple applications.

We suggest deleting the requirement for the same Locarno class in Art. 37 of the Regulation. Should this lead to a significant drop in application fee revenues at the EUIPO that should be dealt with at a fee level, not at a classification level. This is also a matter of transparency.

With a view to facilitating multi-jurisdictional filings, we support harmonization in the member states: all member states should offer multiple applications and there should not be the same Locarno class condition. Ultimately, it should be possible for users to use the same set of application materials at the EUIPO and any of the member states IP offices

(and the BOIP). Therefore, we suggest introducing into the Directive provisions which render these procedural standards mandatory at member state level.

Conclusion

We request deleting 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.

5.7 Exhibition priority

The EUIPO itself designates very few exhibitions as granting exhibition priority. Overall, exhibition priority does not appear to be a major issue for most users of the system.

5.8 Deferred publication

For designers and undertakings managing their designs, differences in the availability of deferment of publication and in the deferment period are burdensome. These differences can entail significant increases in portfolio management costs and seriously obstruct cross-border activities. Particularly for the interests of individual designers and SMEs, we consider this unacceptable.

Therefore, we advocate for harmonisation, through amendments to the Directive, to ensure that deferment is available in all EU member states, and to ensure that the deferment period is the same i.e., 30 months.

Conclusion

We request make the possibility of deferred publication mandatory at member state level by way of amending the Directive. The deferment period should be set at a mandatory 30 months, in line with the Regulation.

Tables 11, 12, 13 and 14

We support alignment with the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (“EUTM Regulation”) where appropriate, to make it easier for users of the system including individual designers, SMEs and design law practitioners. We also support harmonisation with the important work done at the international level in relation to the proposed Design Law Treaty.

Many of the suggested amendments are therefore likely to be appropriate. There are likely to be a few where the different law as between trademarks and designs makes a difference – for example, trademark specifications are an essential element of the scope of protection, whereas an indication of product for a design does not affect the scope of protection “as such”. For these, it will be important to review the proposed amendment language, and comment at that time.

Chapter 6

Optimization of the EU design regime

Generally, we wonder why the “optimization” of the EU design regime under chapter 6 of the Review has been limited to 3-D printing and spare parts only. There are various other issues where the EU design regime can be optimized, such as

- Interconnection with the Hague System and better international protection
- Representation of designs

While some of these issues have been mentioned in the Review prior to chapter 6, chapter 6 itself is silent on these and does not outline innovative ideas or proposals.

6.1 3D-Printing

We note that the Review does not address this emerging technological issue in great detail and also reflects on more general topics which are not exclusively related to 3D-printing, such as indirect infringement (pages 128 et seq.). We agree with the Review that a comprehensive review of 3D printing is appropriate and that on-going monitoring of the situation, and education of consumers and rights owners, is useful.

6.2 Spare Parts

This issue is highly controversial. Importantly, we urge that any failure to progress this topic not delay the reform agenda set out elsewhere in the Review. Much can be achieved even without harmonisation of the protection of spare parts. Importantly, we consider that the other reforms advocated by the Review and set out above should not be held up by ongoing disagreement on how to resolve the issue of spare parts. We therefore advocate for political agreement on spare parts, but if that cannot be reached, it should not be an impediment to the successful conclusion of appropriate amendments to deal with other issues.

Conclusion

We urge that any failure to progress in the highly controversial and political spare parts issue shall not delay the reform agenda triggered by the Review and advocated for in this joint paper.

ECTA, the European Communities Trade Mark Association, was founded in 1980. **ECTA** has over 1,500 members, covering – among others - all EU Member States. At the same time, **ECTA** is proud to have associate members from more than 50 countries globally outside of the EU. **ECTA** brings together IPR professionals who practice in the field of trade marks, designs, geographical indications, copyrights and related matters. These professionals are lawyers, trade mark and patent attorneys, in-house counsels focusing on IPR matters, and also other specialists in these fields. The extensive work carried out by the Association, following the above guidelines, combined with the high degree of professionalism and recognised technical capabilities of its members, has established **ECTA** at the highest level and has allowed the Association to achieve the status of a broadly recognised expert body on all questions related to the protection and use of trade marks, designs, geographical indications, copyrights and domain names in and throughout the European Union. For more information, please visit: www.ecta.eu

INTA is the International Trademark Association, a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. INTA's members are more than 7,200 organizations from 191 countries. The Association's member organizations represent some 31,000 trademark professionals and include brand owners from major corporations as well as small- and medium-sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members. As a not-for-profit association, INTA's role is to serve its members and society as a trusted and influential advocate for the economic and social value of brands. Headquartered in New York City, INTA also has offices in Brussels, Santiago, Shanghai, Singapore and Washington D.C. and representatives in Geneva and New Delhi.

MARQUES is the European association representing brand owners' interests. **MARQUES'** mission is to be the trusted voice for brand owners.

MARQUES unites European and international brand owners across all product sectors to address issues associated with the use, protection and value of IP rights, as these are vital to innovation, growth and job creation, which ultimately enhance internal markets. Its currently corporate membership crosses all industry lines and its members include IPR owners and legal practitioners representing IPR owners in more than 80 countries.

MARQUES is an accredited organisation before the European Union Intellectual Property Office (EU IPO), appointed observer at the EU IPO's Management Board and Budget Committee, an official non-governmental observer at the World Intellectual Property Organisation and a registered interest representative organisation (ID 97131823590-44)

in the Transparency Register set up by the European Parliament and the European Commission, which extends and replaces the former Register of Interest Representatives, opened by the Commission in 2008. More information about **MARQUES** can be found on its website: www.marques.org.