

CITMA Response to UKIPO's Call for Views on Designs

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The Chartered Institute of Trade Mark Attorneys (CITMA) is the professional and examining body for Trade Mark Attorneys in the UK, representing virtually all the registered trade mark attorneys in the UK, whether in industry or private practice. Total membership is larger than this, with members also taken from the ranks of judges, barristers, solicitors, trainee attorneys and other professionals with an interest in intellectual property. CITMA represents the views of the trade mark profession to policy makers at national, European and international level, with representatives sitting on a range of influential policy bodies both in the UK and overseas.

CITMA would like to provide these comments in response to the call for views, and is grateful for the opportunity to do so. This document has been prepared by CITMA's Design and Copyright Working Group, which consists of attorneys, solicitors and barristers with a particular expertise in design and copyright law, having filed a significant number of designs, and having acted on some of the key designs cases in the UK.

1 Do you have views on whether the IPO should change examination practice for designs? Do you think it would be useful to introduce any of the options outlined? These include prior art searching, a two-tier system, use of AI tools, bad faith and opposition periods. Are there other options not outlined?

Our overall position is that the examination process should remain as is: it is quick, easy to use, and affordable. The rapid grant and enforceability are important to certain design sectors, namely fashion and toys. If any searches are introduced, certain sectors should be specifically excluded (akin to the Korean system).

We do not think the UKIPO should reintroduce novelty searching (we note that whilst novelty examination was abandoned in 2006, the searches were actually abandoned some years earlier) or a corresponding examination on novelty and individual character. To do so would defeat how quick, easy and affordable it is. In particular, they would delay matters considerably, be potentially incredibly costly, and provide uncertainty in particular owing to the risk of wrong examination decisions.

We also query how, practically speaking, the UKIPO would be able to review potentially many thousands of results that would be received in a novelty search or in the prior art search (especially considering all unregistered designs, actual products and product literature as well) as part of assessment of individual character. It will be difficult for the examiner to reach conclusions on this basis and the risk of inconsistent and incorrect decisions is high. By way of example, it would be difficult if not possible for the UKIPO to be aware of the relationship between an applicant and the proprietor of earlier designs which might appear in a prior art search. This is likely to make the UK a much less attractive place to file and protect designs – which is to be avoided.

We sought views from designers in preparation of this submission and the consensus is that the examination process should stay the way that it is as it keeps it affordable, especially for individual designers and small businesses.

Prior art searching

Whilst in principle prior art searching appears a sensible option to offer designers increased certainty of validity, we are concerned that any option that the increase in cost and/or the length of time will make the UK a much less attractive place to file and protect designs. We note:

- In our experience, designers often require protection quickly ahead of launching products – so any delay to registration would be impractical to designers.
- An increased cost of filing in order to cover the extra examination may lead to designers simply choosing not to file their designs. For many individual designers or small businesses, having increased costs – especially when starting their business – would be a deterrent to registering a design. We also saw a significant increase in registrations when the cost was decreased and are concerned that the converse would also be true.

We would, however, support the introduction of powerful and user-friendly, publicly-available search tools to enable businesses and designers to conduct reliable searches prior to filing.

We also believe that the UK IPO's design registration process is not transparent as applicants do not have access to online files. It would be desirable to make online files accessible to potential applicants and others to view. Further, we note that designs filed through the Hague system and designating the UK are not readily searchable on the UKIPO's website, meaning a search of the UK IPO database is incomplete.

AI tools

In relation to AI tools, we think they could be useful provided there is no impact on the time between filing and registration (and the AI checks are going on in the background whilst the rest of the application is being carried out). We would also raise the following queries:

- Would the AI only be able to detect identical registrations (which can happen), but not *similar* registrations. For example, would a slight difference in angle mean a previous design isn't caught?
- Would AI only be able to search registered designs? Which registers would it search? Our concern is that this would miss a significant number of designs.

If so, AI is unlikely to provide any real certainty of validity and lack of infringement of a design filing. We would therefore, query whether the additional cost / time would be sacrificed unnecessarily.

Two-tier system

We have considered whether a two-tier system would be a viable option in the UK. We are aware that the Australian system is considered positively (although uncomfortable on occasions): the vast majority of designs are not enforced so would not need this second tier. However, we note:

- There are a number of consequences that would need to be considered – e.g. how would this work in terms of interim injunctions? Injunctions are the most significant remedy for design infringement but need to be sought immediately, a designer simply cannot wait for the design to be tested before seeking an injunction. If the most significant remedy can be sought prior to the second stage validity test, this feels counter-intuitive.
- There is a risk with a two-tier system that it may act to disincentivise rights holders from enforcing their designs.
- Given the complexity of the laws and factual circumstances surrounding an assessment of 'individual character' and the training that would be required for IPO examiners there is an increased risk of wrong decisions being made and delays caused to the enforcement process, resulting in potential additional damages to the rights holder while the allegedly infringing rights continue. We consider that cancellation proceedings (whether filed in the High Court or at the UKIPO) are the appropriate fora for assessments of individual character and novelty.
- It is also unclear how unregistered designs would feature in any such system, and it is very common for these to be relevant to the issue of validity.

Bad faith

We would, in theory, support the introduction of a bad faith provision for designs (which could, for example, be limited to identical filings). However, we consider designs filed in bad faith (which in our experience are rare and very limited in number) are adequately addressed by the current invalidation system which allows a design to be invalidated by citing the earlier design owner by the invalidity applicant. We do not consider this would justify an overhaul of the examination procedure as a whole. Care would need to be taken in relation to how any further bad faith provisions were implemented; bad faith is often the cause of much debate in subsequent case-law, which can cause issues for users of the system.

Opposition period(s)

We do not consider that opposition periods would be of significant benefit to the registration process. We note the following:

- Registered designs are filed because of the ease with they are applied and associated cost savings compared to other IP rights. An opposition period is appropriate for trade marks (which can be renewed indefinitely and in respect of which clearance searches before filing are regularly undertaken). Whereas, design rights have a more limited shelf life, we consider that adding an opposition stage would simply add uncertainty, delay matters and increase costs
- Whilst we are aware of instances of bad faith filings, in our experience these are rare and do not justify introducing an opposition period. Issues of bad faith are better dealt with at the enforcement stage, in respect of which legal practitioners and the judicial system are equipped to deal with such issues. Third parties can seek to invalidate designs through the Court where appropriate: so there is a route to remove designs from the register.

- For the reasons set out above, we would advise against any increase to the length of time of registration.

2 Do the different and overlapping ways of protecting the appearance of a product present any issues to creators and users of the system? If you think the system could be simplified, we would like your views on how to do this.

There is a general desire for there to be international harmonisation and a simplification of design rights in the UK. However, the area which currently is attracting the calls for simplification/consolidation is unregistered design right protection. Following Brexit, there are three types of unregistered design right currently available in the, being UK Unregistered Design Rights (UDRs), Continuing Unregistered Community Design Rights (CUCDRs), and Supplementary Unregistered Design Rights (SUDs).

Our view is that whilst superficially complicated, we do not consider there should be an overhaul of unregistered designs:

- The unregistered design regime in the UK is no different now (save in terms of nomenclature and qualification) than it was pre-Brexit. The number of differently named design rights available is simply a symptom of Brexit. Further we note, CUCDRs will eventually disappear over time as they expire post-Brexit, but there is a call for harmonisation between UDRs and SUDs. There were few, if any, calls for simplification pre-Brexit, and there was a general consensus that the package of rights served users well.
- The current system provides businesses with a variety of rights to rely on which is of benefit to brand owners looking to innovate. For example:
 - the most successful design right enforced in the UK courts is unregistered UK design right under the 1988 Act, so any changes to that right are likely to be met with much concern by designers, especially if they risked losing medium-term protection for shape only designs.
 - The fashion industry in particular values the legacy EU unregistered design rights (continuing and supplementary) as these include the additional features of the products. The additional scope of protection afforded by these types of design right are counter-balanced by a stricter invalidation regime (it is easier to invalidate under the overall impression test than under the commonplace test, which makes sense given what is being protected, so there is a strong argument for retaining both regimes).
 - **However**, we consider a three year term is far too short when considered against the reality of enforcing the right against a potential infringer (given most infringements happen the following season and the length of time it takes to bring a claim to trial). Because of this, rightsholders typically avoid relying on SUDs at trial. We consider a term of five years would be far more reasonable.

- Unless we wish to resile from the Future Trade and Cooperation Agreement, we are obliged to provide something similar to the UCD and some level of copyright protection.

Intersection between design law and copyright

There is also some overlap with copyright law and unregistered design rights, which can cause confusion and a lack of understanding for rights holders. There is something of a lack of clarity (although we believe that the law in relation to the intersection between design law and copyright has been clarified to some extent by the Court of Justice of the EU (CJEU) in its decisions in *Flos v Semeraro* (Case C-168/09, *Flos SpA v Semeraro Casa e Famiglia SpA.*) and more recently *Cofemel* (Case C-683/17, *Cofemel v. G-Star*) and *Brompton* (Case C-833/18, *SI, Brompton Bicycle Ltd. v. Chedech / Get2Get*)) this does not impact designers in the choices they make actively for protection – as a rule they are unaware of the options on the table.

Cumulative protection of a design through design law and copyright law is and should be possible provided that the requirements are met in relation to each right. Indeed, in order to spur innovation and creativity, intellectual property rights owners should be free to pursue any and all available sources of protection, both limited-term protection in the form of designs, and unlimited-term protection in the form of trademark and other intellectual property and related rights (such as passing off). Accordingly, we are comfortable that, design and copyright (and trade mark and patent) law have each their particular reasoning, aim and legislative basis.

That said, legislative clarification of the meaning of a work of artistic craftsmanship, and the extent to which works of applied art can be protected by copyright, would be helpful, as the direction of travel in the EU cases referred to above appears to depart from the UK's traditional closed list approach to copyright protection. This is not necessarily a bad thing; copyright is a powerful tool for designers on the Continent and there is no reason why it could not also be in the UK, but the direction on this should come from government, rather than interpretation by the courts.

3 Are there inconsistencies between the design rights that need to be addressed e.g. qualification requirements, spare parts exemption? Are there terms in the Registered Designs Act which would benefit from clarification or guidance e.g. “get up”?

Qualification

We consider the qualification requirements should be reconsidered and perhaps universal qualification introduced:

- The first marketing requirement does not sufficiently "save" unregistered designs that would not otherwise qualify. As the location of first marketing may not be a choice of the UK design business – it may depend where that particular industry launches new products, for example at a particular trade show. We have been told numerous times by clients that they do not plan a launch around unregistered design rights as there are other commercial factors that take precedence.

- The qualification requirements were changed to exclude commissioners in 2014, and this has caused difficulties with designer clients. For example, where, as often happens, a UK business commissions a Chinese factory to design products (or identifiable parts of products) on its behalf, UK unregistered design right simply does not exist, unless the product is then first marketed in the UK. The business cannot correct the position through an assignment, as there is no right to assign. This makes the position different to copyright (consistency with copyright was one of the key rationales for the changes in 2014, as we recall), and causes a disadvantage to designers.

Further, consideration needs to be given to simultaneous marketing (*as to which please see question 4*). Acknowledging that this is a controversial issue, we consider the UKIPO should legislate on this issue rather than leaving it for the Courts to decide. We would also urge the UKIPO to continue to seek reciprocity with the EU on this issue to provide designers with the greatest protection, but should clarify the position regardless.

Spare parts

We urge the UK IPO to seek alignment with the EUIPO on the issue of spare parts. Acknowledging that the issue is of high controversy, we urge that any failure to progress on this topic shall not delay the UK IPO designs reform agenda.

Definitions

We have no comments on definitions – although we note that "get up" is unclear and translates into a variety of different terms in different EU languages. Since it is clear from the definitions that products, their ornamentation and packaging are all protectable we would query whether "get up" should be included.

4D Designs

It would be useful for there to be clarification around a 4D file containing a design, which, if printed, would infringe a registered design, is an infringing file. Copying and distributing such files should be considered as infringing the design right.

- 4 Please share any issues you or your clients have experienced in relation to the changes to disclosure requirements for unregistered designs since the end of the transition period (31 December 2020). Would any of the options outlined, such as simultaneous disclosure, address this issue? Are there any other ways of addressing the lack of reciprocal recognition for unregistered designs in the UK and EU? If so, please provide details on how they may work in practice.**

There is a controversial issue for designers in relation to disclosure:

- First disclosure of a design in the EU will provide EU-wide protection for unregistered designs (excluding the UK)
- First disclosure of a design in the UK will only provide protection in the UK for unregistered designs (and other qualifying countries)

Launching a product in the UK could remove the ability to have EU-wide protection. Similarly to the issue relating to qualification for registered design rights, these decisions do not often form part of designers' product launch strategies even in companies where design protection is front of mind.

Many designers are trying to use untested methods of simultaneous disclosure in a bid to obtain rights in both the UK and EU. This environment of complexity, cost and uncertainty does not drive innovation or investment into the UK. Suggesting that design filings can deal with this gap places a burden on businesses trading in the UK in terms of cost and administration, and some products are better suited to unregistered protection in any event. It is unreasonable to ask businesses to wait for the position to be clarified in the courts when brand owners are left with uncertainty and with potentially fewer rights than they would have had pre-Brexit.

We urge the UKIPO to:

- Clarify: the law around simultaneous disclosure should be clarified (i.e. would it need to be the exact same time, or within 24 hours, and does it matter where the discloser is physically based).
- Lead: by saying that if there is simultaneous disclosure in the UK and EU then that design is protected by the UK's Supplementary unregistered design right regime in addition to Community unregistered design right. At least in this scenario designers can disclose in the EU safe with the knowledge that their designs are protected and can be enforced in the UK as well. To not do so risks driving significant business away from the UK.
- Reciprocity: we would hope the EU will follow, and would urge the UKIPO to seek reciprocity on this issue.

5 How can the current system better meet the needs of a digital environment and future technologies? Are areas such as digital designs and 4D printed products adequately protected by the current system?

Generally, introducing the ability to file digital representations would be beneficial and welcomed by designers and practitioners.

"Computer designs"

Animated designs and other designs (including GUIs, animated designs, fonts and icons) derived from computer code should be considered designs and not "computer programs". There have been vast progressions and developments to technology, and the design legislation and policies should be amended to keep up with this.

Moving Designs

The system in relation to designs with moving parts or which change shape is also still unclear. Some designs have a moving element that is aesthetic and should be able to be protected. For trade marks, there is the ability to support moving marks in MP4 files on the UKIPO along with other multimedia files for different types of marks. This should be the

same for designs in relation to uploading more than just images showing the different stages of the design.

Multiple configurations

Similarly, clients have noted that there are some instances where products have multiple different configurations which are all suitable for use. It is currently not possible to easily cover the various ways in which the product can appear.

Complex products

Some designers have said to us that protection should be afforded to designs that are a subset of a complex product wherein the subset is not visible in normal use.

Infringement

We recommend that the law clarifies that a 4D printing file containing a design in computerized means, and which will create an object that will infringe a registered design, is infringing and there is no need for the design to actually be printed for infringement to arise.

6 Do you think it would be useful to introduce any of the options outlined? These include extending supplementary unregistered design to cover computer generated designs, filing of digital representations and ceasing accepting physical specimens. What are your views on the protection of computer-generated designs?

As outlined above, introducing the ability to file digital representations would be beneficial and welcomed by designers and practitioners.

Computer generated designs are becoming more and more common, and should be protected as other designs. This should be an additional way of filing for design protection, or for reliance in relation to unregistered design protection, and not the sole format for designers.

7 Should UK law have an express deferment provision and how long should it be?

A deferment provision is important and useful to clients who seek to protect their designs but are not yet ready to launch their designs to the public. We consider that harmonisation with the EU, including a deferment period of 30 months is preferable. We further urge the UKIPO to seek wider harmonisation with other territories too.

Indeed, differences in the time period of the deferment of publication may cause legal uncertainty as there may arise confusion on the date of first disclosure of a design and this directly affects the user's strategy in this regard. For designers and undertakings managing their designs, differences in the availability of deferment of publication and in the deferment period are burdensome and potentially give rise to inadvertent disclosure of a design. These differences can also entail significant increases in portfolio management costs and seriously obstruct cross-border activities.

However, we note that there is an unintended consequence of a deferment period. We have experience of a matter where a client deferred publication of their design, and a third party registered a very similar design in that period. There is then a different procedure when seeking invalidity of that third party design and this should potentially be simplified as it creates increased risks for the earlier rightsholder.

8 What information, if any, should be published in relation to a deferred design? Is there a need for specific provisions for prior use or to deal with co-pending applications?

The position is that harmonisation with the EU would be the best approach, such as not including any representations as this would undermine the designer's intentions of deferment. Specific provisions are not necessarily needed, but simply following a similar model to the EU.

9 What are your views on the effectiveness of the UK's enforcement framework? How could it be improved to help small businesses and individual designers enforce their rights?

Enforcement

The UK system is still costly when it comes to the enforcement of design rights. While it has taken steps over the last 12 years to reduce the cost of IP enforcement through the introduction of the Intellectual Property Enterprise Court for smaller claims, the costs can still be high.

If there could be a more streamlined process, similar to the takedown process but monitored by UKIPO examiners, this could be a way to speed up enforcement of UK rights and also potentially keep costs down for smaller businesses and individual designers.

Otherwise, our concern is that designers will move away from Court enforcement and rely primarily on online takedowns through the major companies such as Amazon and eBay (on the basis that if the infringing design is removed from the main marketplaces this is sufficient). Particularly as it is rare for a design to ultimately be found to be both valid and infringed by an English court, so the risks of bringing design right enforcement proceedings are high and a platform take-down might be seen as a more attractive and immediate option. An issue with many infringement actions being dealt with almost solely through takedowns means that justice is being left to large tech companies or website owners. These companies do their best, but they are not courts. There is a risk that rights holders, or potentially innocent other parties, are not protected against misuse of the system or incorrect decision-making as the safeguards seen in the court system are not present.

Either alternatively or additionally, the system around interim injunctions should also be sought to be improved as enforcement of design rights can often be very time-sensitive and designers hope to prevent the infringing action with as little impact on themselves – and their designs – as possible.

Abuse of process

We would also note that there is a concern from clients that there are actors who have been found to be abusing the registration system by registering designs in bad faith that they do not own. Serious penalties for such infringers and a quick (and inexpensive) way of resolving this would be very beneficial to designers.

10 What has been your experience of the introduction of criminal revision for registered designs? What are your thoughts on extending criminal sanctions to unregistered designs and what economic evidence do you have to support your view?

There have been very few prosecutions in relation to the criminal offence related to registered designs. It was introduced as a way for smaller business or individual designers to enforce their rights with less cost to them. However, public authorities do not have the time or resources to act as enforcers in relation to such rights, which can require a high level of knowledge of the function of design legislation.

Bringing such sanctions to unregistered designs would only place even more pressure on public authorities and would cause delays, making the process take longer, which would not be beneficial to small businesses or individual designers who will be hoping for cost-effective but quick resolution. It is a symptom of the design process that it is perfectly acceptable for designers to take inspiration from third parties, and the nature of design is that it is generally an evolution rather than a revolution. As a result, designers sometimes fall the right side of the line, and sometimes not.

We feel very strongly that criminal offences for design rights, be they registered or unregistered, are inappropriate, especially given that a lot of designs are likely to be invalid, and a number of major cases before the UK courts have seen judges disagree about whether something is infringing or not. In such circumstances, it seems wrong to put the burden of making the right decision in a criminal case on a judge or jury that have no experience of design matters, and putting the burden on companies (big and small) clearing designs to be sure that their product design is not going to fall foul of criminal offences.

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