

Europe

The importance of Community designs for EU IP rights

Consumer goods are often distinguishable from other products as a result of their appearance or the appearance of their packaging, including shape, pattern, colour or any combination of these. This makes it possible for consumers to make a well-founded choice without having to compare the actual goods themselves.

Exterior features are important marketing tools, in particular for repeat purchases, as they allow consumers to recognise easily the products they wish to acquire and use, sometimes without even needing to look at the written brand. The appearance of goods or their packaging can therefore become part of the product's image, with considerable goodwill and reputation attached.

In order to prevent others from benefiting from the design, advertising and marketing activities surrounding a successful product, it is therefore important to protect the appearance of a product and/or its packaging.

While such protection may sometimes be achieved through trademark registrations, this can be difficult in the case of three-dimensional (3D) trademarks, which are almost impossible to register, since many exterior features are not *per se* distinctive. They become recognised and recognisable only as the result of considerable advertising expenditure and marketing efforts – examples include the three stripes marking ADIDAS® goods and the shape of the Coca-Cola® bottle.

The question is therefore how to protect exterior features that might become as famous as the above examples if used exclusively by one company and advertised extensively.

Such protection could traditionally be obtained in a number of countries by registering the designs. However, the protection afforded by such registrations was limited and differed from jurisdiction to jurisdiction. In effect, it was – if available – a protection which was better than nothing, but not by much. The possibility of registering designs internationally did not improve this situation substantially, since many important jurisdictions were not members of the Hague System for the International

Registration of Industrial Designs. The position of design rights holders changed substantially only with the introduction of the Community design.

Background

When the EU Community Design Regulation (6/2002) came into force on March 6 2002, it revolutionised the protection of intellectual and industrial property rights in Europe in a similar way to the Community trademark, which had been introduced six years earlier. In some ways the consequences of the Community Design Regulation were even more far reaching.

Following its inception in a paper drafted by the Max-Planck Institute in Munich in 1990, the Community design was adopted by the European Commission with a first proposal published in 1993. Following lengthy negotiations to reach a compromise on issues such as language and the protection of spare parts, the Community design or, more correctly, Community designs were born: the registered Community design and the unregistered Community design.

This marked a further significant step on the road to harmonising IP laws and therefore harmonising the protection of IP rights in Europe. Unlike the Community patent, which has yet to become a reality, non-technical property rights were harmonised considerably by the introduction of the Community trademark and the Community design.

Community designs

Community designs grant exclusive rights in the external appearance of products or parts of them, to the extent that this appearance results from the features of the product itself and/or its ornamentation. Such features include lines, contours, colours, shape, textures and/or materials.

The products concerned can be any industrially manufactured or manually produced item, including packaging, graphics and symbols, as well as typefaces. After considerable discussion, protection was also

extended to products composed of various elements which can be put together to form a whole or be taken apart.

Community designs – whether registered or unregistered – are protected throughout the whole of the European Union. It is not possible to deny protection in particular member states; nor is it possible to claim protection only in particular member states. The EU-wide nature of Community designs is a major advantage over national applications in those legal systems in which they are available. Should the European Union at some stage allow for the accession of further member states, the Community designs and trademarks in force at that time will extend automatically into the new member states, as was the case during past enlargements.

Registered Community designs

In order to obtain protection as a Community design, a design must be novel and possess individual character. In other words, no identical design may have been made available to the relevant public in the European Union earlier. However, to take into account commercial reality, the regulation allows for a period of one year from publication of a design (eg, in advertising, during trade fairs, through sales) during which the application for a registered Community design may still be filed without the novelty of the product becoming a problem.

Protection is granted by the Office for Harmonisation in the Internal Market (Trademarks and Designs) (OHIM), which refers to itself as the Trademarks and Designs Registration Office of the European Union. One of the major advantages of the system is that applicants need file only one single application and may communicate in one language with one office and make payments for only one right.

Although the regulation grants the possibility of filing an application for design protection one year after the design has entered the public domain, it also takes into account early development for future product launches.

In most cases such designs need to be kept strictly confidential in order not to betray companies' strategic advantages. For this purpose, the regulation allows for deferred publication. In such cases applications are filed and publication of the registered design is deferred by up to 30 months. This gives designers and their clients the possibility to obtain protection without giving away their latest designs to third parties in general and competitors in particular.

In case of deferred publication, only the fact that registration has taken place in favour of a particular proprietor is published straight away; details of the designs follow later.

A registered Community design is initially granted for

five years. It may then be renewed up to four times for repeated five-year periods. The maximum lifespan of a registered Community design is therefore 25 years. While this may seem short when compared with trademarks, which may be renewed indefinitely, few designs would remain completely unchanged for 25 years. On the contrary, it is likely that use of the protected design will be discontinued before the total period of protection expires. Nevertheless, a registration may still be used to protect the proprietor against unauthorised copies.

A registered Community design grants its holder the right to prohibit third parties from using the protected design without its permission. This protection extends to both intentional copying and unintentional parallel developments. Protection extends not only to manufacturing copies, but also to marketing, importing, exporting, stocking or using such copies.

Unlike under trademark law, where registrations cannot generally be enforced in Europe if use has not commenced within five years of registration, there is no use requirement for registered Community designs. This is an important feature of the system.

In fact, even if a registered Community design were filed and never used, it could still be enforced against third parties for 25 years. Although this may seem a commercially unreasonable proposition, it makes it possible to create a ring of protective registered Community designs around a design of particular importance to the holder, meaning that third parties have to maintain an even greater distance from the design that is actually being used.

Unregistered Community designs

Interestingly, Community designs were protected for some time before the first application was filed on April 1 2003 – protection existed from the day the regulation came into force. The real revolution set out in the regulation was the unregistered Community design.

Unregistered Community designs do not differ from registered Community designs in their nature. However, they are protected for only three years from when they were first made public within the European Union. Although the conditions and requirements for protection are the same as for registered Community designs, protection is granted only against copying. In other words, if there is a parallel development leading to an identical design, this could be cited as a defence against an earlier unregistered Community design. This is not the case as far as registered Community designs are concerned: they confer absolute rights and also cover unintentional copying.

An additional drawback of unregistered Community

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designs is the fact that their existence must be established in court proceedings for infringement by means of evidence. This evidence would need to cover such aspects as the design itself, when it was designed and when it was made available to the relevant public. The existence of a registered Community design, on the other hand, can be established easily by presenting the registration certificate in proceedings.

The evidence required to prove the valid existence of an unregistered Community design is, of course, far more complex than simply presenting a certificate to the courts. Added to this the shorter term of protection and the more limited scope of protection against copying only, and unregistered Community designs are clearly the less attractive alternative.

Nevertheless, if for some reason protecting a particular design through registration has been overlooked and infringement is found to take place during the three-year period, an unregistered Community design may be used as a defensive tool to protect rights in that design.

However, full protection of designs can be achieved only through a registered Community design.

Costs

Fortunately, the costs of protecting registered Community designs are moderate. They cannot be compared to the costs of registering trademarks or more expensive technical industrial property rights, such as patents.

By making use of the possibilities of the system, (eg, multiple filings), entire product ranges can be protected while incurring only moderate costs.

Of course, in part these lower costs are due to the fact that registered Community designs are examined only for formal deficiencies on filing. They are not

subjected to an examination on the substance and validity of the design. Such an examination would take place later only if a cancellation action against the design were filed or if and when the design was actually used as the legal basis for an infringement action. Nevertheless, the basic premise on which trial judges throughout the European Union must treat registered Community designs is with a presumption of validity.

The Hague system

Although the Hague system may not have appeared overly attractive in the past, the number of signatory states has increased considerably in the past decade. It is now possible to expand protection to non-EU countries, such as Norway, Switzerland and Turkey, either by filing an application for these countries and the European Union with the World Intellectual Property Office in Geneva or by basing an international filing on the registered Community design's priority date (ie, the date of filing).

Enforcement

The purpose of filing and registering the designs is twofold.

On the one hand, it makes it possible for competitors to clear their own designs properly in order to avoid infringing known and published design registrations belonging to third parties.

On the other hand, the registration of designs is an effective tool to combat counterfeiters and others wishing to benefit from the efforts of third parties. If attempts are made to register infringing signs, it is possible to counter these with actions before the OHIM and other offices.

More importantly, if infringing products are put on

the market, action before the courts may also be based on the designs. The courts responsible are the Community design courts designated by the government of each EU member state. These courts proceed on the presumption of the validity of a registered Community design. This presumption may generally be challenged only by raising a counterclaim of invalidity in the proceedings.

The courts have the power to grant EU-wide injunctions and damages. If a court finds that an infringement is taking place, it will generally be bound to issue an order to stop this behaviour. The order may also involve the seizure of the infringing products and the materials used to make them. Additionally, those remedies available under national law in the country in which the infringement has taken place may also be applied by the court.

Strategy

Many trademark offices are treating 3D trademarks

increasingly restrictively. This approach has led some commentators to announce the death of this particular form of protection. While this may be somewhat premature, it has certainly contributed to the rise of registered Community designs and design rights in general. Registered Community designs have become an increasingly important tool for protecting the shape and decoration of products and their packaging, as well as a range of other designed appearances (eg, web pages). They have also become a powerful weapon in defending these features against counterfeiters and plagiarists.

Since the costs involved in obtaining this protection are relatively low, they are an ideal addition to trademark registrations for product names and distinctive device elements, such as logos.

The registered Community design should therefore be a part of a company's IP portfolio in order to obtain comprehensive protection of IP rights without putting unreasonable strain on the available budget.



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