

Europe

Using Community design rights to protect creativity

Historically, IP rights have been obtained and enforced nationally. However, economic cooperation and closer integration between EU member states have led to increasing harmonisation of national IP laws. The EU authorities have begun to develop a common approach towards IP rights throughout Europe. In addition, there are EU-level tools of protection, such as the Community trademark and the Community design, which allow rights holders to benefit from a single right enforceable in all EU member states, through one application and one administrative process.

The implementation of uniform, EU-wide protection for design rights took place in two steps. First, existing national design laws were harmonised through the adoption of the EU Designs Protection Directive (98/71/EC). Second, EU Regulation 6/2002 created the Community design right, which comprises both registered and unregistered Community design rights.

Because of the numerous advantages that Community design rights have over national design rights with which they coexist, and because of the complementary protection those rights confer on holders of other IP rights, Community design rights should be regarded as IP rights with significant business potential for protecting creativity and the designs of new products and their packaging.

The Community design right and conditions of protection

While registered designs were already provided for by national laws, EU Regulation 6/2002 implemented a new *sui generis* design right: the unregistered Community design.

Registered and unregistered Community designs

While there are important differences between registered and unregistered Community design rights in terms of existence, length and extent of protection, the requirements for protection are similar.

Existence

Applicants for a registered Community design must file an application with the Office of Harmonisation for the Internal Market (OHIM) in Alicante, Spain, and pay the corresponding fees. The registration of a Community design is not subject to substantive examination, as examination concerns only formalities such as payment of fees and the quality of the drawings.

Unregistered Community designs, by contrast, arise automatically once a design is made available to the public within the European Union, provided that it meets certain legal requirements. There is no need to register the design or to notify OHIM in order for protection to exist. However, the simplicity of the unregistered Community design right is also its weakness, as rights holders may have difficulty in demonstrating the existence of their rights. Therefore, when creating a new design, it is advisable for designers to document evidence (eg, dated brochures) of the date on which the design was made available to the public.

Length of protection

Registered Community designs have a longer period of protection than unregistered Community designs. Indeed, a registered Community design is protected for an initial term of five years from the date of filing the application, with the possibility of renewal for up to 25 years. Protection for unregistered Community designs lasts for only three years from the date on which the design was first published within the Community.

Despite this, unregistered Community designs are extremely useful for protecting short-life products (eg, products within the fashion industry), for which the registration process is too time consuming and expensive.

Extent of protection

A registered Community design confers on its holder broader protection than an unregistered Community design, notably in terms of infringement assessment.

Holders have the exclusive right to use the design and to prevent any unauthorised third party from making, offering, putting on the market, importing or exporting products in which the design is incorporated or to which it is applied. This exclusive right also applies to any design that does not produce a different overall impression on the informed user. Thus, rights holders are entitled to enforce their rights against any design that fails to produce a different overall impression, even if such a design is the result of independent work.

Holders of unregistered Community designs can prevent only infringing acts that are the result of copying. Pursuant to EU Regulation 6/2002, there is no copying if the design results from “an independent work of creation by a Designer who may be reasonably thought not to be familiar with the Design made available to the public by the holder”. This means that if a third party has independently conceived an identical design, it will not be considered as having infringed a design. In order to build an infringement case based on an unregistered Community design, a rights holder must prove that the defendant actually copied its design by demonstrating the defendant’s knowledge of the design’s existence. This is close to a bad-faith requirement and similar to requirements for other unregistered rights, such as trade names, where knowledge of previous rights is an essential element.

Requirements for protection under Community design rights

For Community design rights (whether registered or unregistered) to arise, the design must fall within the definition of a ‘design’. Moreover, it must be new and have individual character.

Design

A ‘design’ is defined as “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product and/or its ornamentation”. This broad definition includes both two and three-dimensional items.

The term ‘product’ covers any industrial or handicraft item, including parts intended to be assembled into a complex product, packaging, graphic symbols and typographic typefaces, but excluding computer programs.

The following are excluded from protection as Community designs, in addition to designs contrary to public policy or morality:

- designs that constitute a component part of a complex product which is not visible during normal use;

- designs that are dictated by their technical function; and
- designs of interconnections.

However, designs that allow the multiple assembly or connection of mutually interchangeable products within a modular system can be protected.

Novelty and individual character

The novelty and individual character requirements can be assessed by comparing the design to any other design made available to the public anywhere in the world before the date on which:

- the application for registration was filed (or, if priority is claimed, before the date of priority) in the case of a registered Community design; or
- the design was first made available to the public in the case of an unregistered Community design.

A design can be made available to the public if published or used in a product, exhibited or disclosed in such a way that, in the normal course of business, these events could reasonably have become known to the sector concerned, operating within the European Union. This is an element to which rights holders should pay particular attention, as the requirements of novelty and individual character can be lost through any kind of disclosure anywhere in the world.

However, there are exceptions to these strict requirements. First, a design’s novelty or individual character will not be destroyed if its disclosure is made under confidentiality obligations.

Moreover, registered Community designs are subject to a grace period of 12 months. This is to ensure that disclosures of the design made by the designer, his/her successors in title or third parties that have misappropriated the design will not be taken into account when assessing the design’s novelty or individual character (and thus will not preclude the design from registration), provided such disclosures take place in the 12 months before the priority or filing date for the registered Community design. The grace period allows designers to proceed with market testing in order to see whether a Community design registration is adequate, before filing the application and bearing the related fees. During this grace period, the design can be protected as an unregistered Community design.

A Community design will be considered ‘new’ if no identical design (ie, no design that differs only in immaterial details) has been made available to the public.

A design is considered as having an ‘individual character’ if the overall impression it produces on an

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informed user differs from that produced by any design which has already been made available to the public. The individual character requirement is close to an originality requirement (ie, the design must be different from what was generally done before in the relevant field of industry). If the designer has limited freedom – for example, when most of a product’s features are dictated by its technical function – then even weak differences can establish individual character.

Advantages of Community design rights

Community design rights have several advantages over national design rights. They also constitute, in some cases, adequate complementary protection together with other IP rights.

Community design rights v national design rights

Community design rights have several advantages over national design rights, as they enable rights holders to benefit from uniform protection throughout the European Union.

Functional tool of protection

Holders of registered Community designs obtain a uniform right covering all EU member states, through a unique filing procedure with a single office (OHIM), instead of becoming involved in multiple parallel national procedures. Community design rights are therefore easier to deal with and much more cost effective.

Moreover, all Community design rights automatically extend to new EU member states, without any need for additional formalities or fees.

Useful prevention tool

EU Regulation 1383/2003 enables Customs to stop and

seize suspected infringing goods at the borders of the European Union, before they penetrate the market.

Requests for assistance from customs authorities are national in character. However, holders of Community rights, including design rights, can use a Community application to request assistance from the customs authorities of one or several member states. Thus, by means of a single application, a Community design right allows its holder to seek intervention from the customs authorities in all or part of the European Union.

In the case of unregistered designs, rights holders must demonstrate credibly that a claim to these rights may be made (eg, affidavit, proof of acquisition).

Useful tool for fighting infringement

Each EU member state has designated a specific court to have exclusive jurisdiction over cases involving Community designs. Each such court has jurisdiction over design infringement cases anywhere in the European Union and may thus grant interim injunctions, damages, delivery up and other protective measures in any other member state.

The plaintiff may choose to pursue an action in the jurisdiction of:

- the defendant’s domicile or place of establishment within the European Union; or
- the plaintiff’s domicile or place of establishment within the European Union (where the defendant has no domicile or establishment within the European Union).

These rules allow for the possibility of forum shopping, as holders of Community design rights benefit from a certain degree of latitude in selecting the court before which to bring an action. In deciding which court

to choose, plaintiffs may consider factors such as the cost of proceedings in that jurisdiction, the speed of action and the possibility of recouping legal costs.

An infringement action can also be brought in the courts of the member state in which the infringement is committed or threatened. However, in such cases, the court will have authority only with respect to acts of infringement committed or threatened within its own jurisdiction.

Community designs and other IP rights

In a number of cases, Community design rights will constitute adequate complementary protection together with other IP rights, such as patents, trademarks and copyright.

Community designs v patents

As mentioned above, any features of a product that are solely dictated by its technical function or a shape that permits the product to perform a specific function are expressly excluded from Community design protection.

However, Community designs potentially offer protection for features with functional purposes, provided that these features are not dictated solely by a technical function. Of course, the protection granted by the Community design in such cases will not be as broad as where the design gives room for a wider scope for individuality.

Patent and design protection can thus be complementary as, broadly speaking, patents protect the inside of products (ie, their technical solutions), while the outside (their appearance) is protected by design rights.

Community designs v trademarks

Many rights holders seem to believe that trademark rights are the most efficient tool for protecting their IP assets. Because of the absence of any novelty requirement and the appealing ability to renew trademark rights indefinitely, the general trend is to seek trademark registration rather than protection under design rights, even when the asset meets the requirements for both trademark and design registration. However, the situation is not quite so straightforward.

First, one must bear in mind that trademarks are governed by the principle of specialty. This means that, except for well-known marks, trademarks cannot be used as grounds for infringement claims where the sign has been used for products and services other than those specified in the trademark registration. Design protection, on the other hand, is not limited to specific

goods and services. Design rights protect the design as applied to any article.

Moreover, trademarks must fulfil their specific function as indicators of the product's origin. Thus, there are significant risks that non-conventional marks, such as trademarks consisting of the shape of a product, will be refused registration or declared invalid as the sign will be perceived as functional or aesthetic only, and not as an indication of origin. For instance, a recent French ruling invalidated a Community trademark consisting of a picture of the head of Mattel's Barbie doll (*Tribunal de Grande Instance de Paris*, third chamber, fourth section, April 30 2009, PIDB 2009 902 III 322). The French court ordered the cancellation of the trademark, stating: "it should be sought whether consumers apprehend the device as a guarantee of origin, allowing distinguishing the product from those of competitors, and not only as the appearance of the product and the image that would spontaneously come to mind to evoke a fashion doll. In the present case, Mattel does not put forward any element that would be perceived by consumers not as decorative and aesthetic function, but as a distinctive function."

Therefore, when intellectual assets meet the requirements for both trademark and design registration, both types of IP right registration should be considered.

Community designs v copyright

In most member states, the author of a work enjoys, by the mere fact of its creation, an exclusive right to the work. The only requirement for a work of authorship to be protected under copyright law is generally that it be original. Thus, designs eligible for Community design protection may also be protectable under copyright.

A Community design (whether registered or unregistered) is, in principle, also eligible for protection under copyright, as the EU regulation on Community designs provides that "a Design protected by a Community Design right shall also be eligible for protection under the law of copyright of Member States as from the date on which the Design was created or fixed in any form".

The possibility of cumulative protection is more or less recognised by different member states as the EU regulation also provides that "the extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State". The possibility of obtaining cumulative protection from design rights and copyright depends on the standards of originality required by each member state.

For example, in France, where 'originality' has been

defined by the courts as the “expression of the author’s personality”, the originality requirement is low and can be met easily, allowing double protection from design rights and copyright. In certain other member states, the level of originality required for copyright protection is much higher (eg, industrial creations are sometimes excluded from protection). In such cases, design rights protection will be the sole solution for creators. In this respect, unregistered Community designs can be particularly useful for companies creating a wide range of works, including seasonal works. As no registration is needed, there are no application fees and no formalities to follow. This enables creators of numerous designs to enjoy automatic protection once their designs are made public.

However, even in member states where cumulative protection through copyright and design rights is fully recognised, Community design rights – and, in particular, registered Community design rights – still offer a number of advantages over copyright protection. Indeed, as registered Community design rights arise from registration as opposed to the creation of the work (as is

the case with copyright), they help to prove the exact date of creation, which can be particularly useful when rights are in dispute. They also create a presumption of ownership to the benefit of the holder.

Companies doing business within the European Union, especially companies bringing new products to market, should thus ensure that they properly protect their IP assets and take advantage of the potential added value that design rights offer an IP portfolio.

The increasing number of Community design rights applications (14,031 applications in 2004, compared to 19,232 applications, representing 78,106 Community designs, in 2008) demonstrates that the Community design right has been accepted by industry.

The leading country in terms of numbers of Community designs filed in 2008 was Germany (20,078), followed by Italy (10,434) and France (6,537). The number of Community designs filed from Japan (2,414) is still low, but filings from the United States (6,469) are increasing, apparently as a consequence of heightened interest in the new system.


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