

An overview of the Community design system

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In order to satisfy industry's needs for protection of shapes, Community legislation has recently provided for a new Community IP right, namely the Community design.

Design Law, primarily intended to protect decorative innovations, was subject to a major harmonisation under Directive 98/71/EC of 13 October 1998 which called for the approximation of national laws, and under Regulation 6/2002 of 12 December 2001². Regulation 6/2002 on the Community Design ("RCD"), which came into force on 6 March 2002, creates both a registered and an unregistered Community design right, the effects of which extend to the entirety of the territory of the European Union, and which must satisfy certain requirements in order to obtain protection.

As a result of the new regulation, design protection in Europe has changed significantly in favour of the holder of the right. The RCD is a modern regulation, adapted to the needs of industry. The unification of the laws on designs in Europe, by numerous changes to the substantive laws, has increased the attractiveness of protecting designs. This article will discuss what advantages are brought by the new Community protective right, especially to users of the design industry.

History

The RCD goes back to a draft paper from the Max-Planck-Institute in Munich in 1990 which was picked up by the European Commission first in its *Green Book* and then in 1993 in the form of a proposal. The regulation is thus already closely bound to Germany by its genesis. The 1993 proposal was followed by fierce discussions and disputes. In particular, the question of the protection of spare parts (whether components used for repairs could receive design protection) seemed to be an insuperable obstacle for a long time.

Even after a compromise on this issue was found at the last minute, it still seemed that the regulation would break down: Belgium, which held the EU presidency in the second half of 2001, initially did not

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agree with the regulation concerning languages in the proposed version. November of last year was marked by dramatic highs and lows that were also experienced in the Office for Harmonization in the Internal Market (OHIM) whose expectations with regard to growth and increase of competence depended on the introduction of the Community design. News of the approval of the regulation on the afternoon of December 12 was not only a happy event for the OHIM but also an early Christmas present for the European economy. It is another important step towards the harmonisation of intellectual property protection, and with regard to the critical situation of the Community patent, it may be the last step for a long time. The regulation was published on January 5 and 60 days later it came into effect. This means that since March 6 2002, it has been the directly applicable law of all the member states of the EU.

Unfortunately, the fact that the regulation came into effect in March does not mean that an application for a design patent can now be submitted at the OHIM in Alicante. In order to apply the registration proceeding, an implementing regulation and a fee regulation must be adopted. At this point of time, the Implementing Regulation has been adopted on October, 21, 2002, but it is not yet published. Publication is expected to take place before next Christmas and at the same time as publication of the Fee Regulation, which has been subject to a formal approval as to its contents on October, 19, 2002.

Applications to the OHIM for registered Community designs should be accepted as from a date still to be determined by the OHIM Administration Board. It is likely that applications will be accepted by early Spring 2003.

Protection of designs with or without registration

Although applications for registered Community designs must wait until next year, business people should be looking at the new law now because designs that were disclosed after March 6 2002 are protected without application and registration as so-called 'unregistered Community designs' according to article 1 of the RCD. This protection of unregistered Community designs is the first of a number of changes that have substantially altered the legal situation for designs in many of the Member States. It is a change of direct concern to practitioners, because since March an infringement of an unregistered Community design can now be legally alleged. Along with this intellectual property right, arising without formalities, a further protection of designs can be obtained by registration, namely by applying for a registered Community design at the OHIM in Alicante. There are, of course, differences between a registered and an unregistered design with respect to enforcement. Such differences must exist because

² *Published in OJ C, 05/01/2002. Entry into force with regard to unregistered Community designs: 06/03/2002.*

otherwise no one would accept the cost and time for an application to the OHIM. The nature of these differences is explained below.

Object of protection

First it is worth noting some other exceptional features of the regulation. Article 3 of the regulation contains a definition of a design. Such a definition cannot be found in the German Design Patent Act. This is a further characteristic of this regulation: it is formulated much more precisely than the German Design Patent Act. The German Design Patent Act has only 27 articles, the regulation has 111. Therefore, the new European Protective Right should be more easily enforced than the German law. Indeed, this is already the case because some simple questions (such as what is a design patent?) are now undisputed. Certain insecurities in the German courts over the granting of claims based on design patents should also be clarified by this more precise law.

According to the definition in article 3, 'design' means the appearance of the whole or a part of a product, resulting from the features of, in particular, the lines, contours, colours, shapes, textures and/or materials of the product itself and/or its ornamentation. The definition of the term 'product' is very broad and covers any industrially-produced or handcrafted item, including among other things parts intended to be assembled into a complex product, as well as packaging, get-up, graphic symbols and typefaces, but excluding computer programs. A 'complex product' means a product composed of multiple components, which can be replaced permitting disassembly and re-assembly of the product.

These definitions clearly show that the Community design has nothing to do with taste. Unlike the German practice, the regulation does not require that the design "is able to have an effect on the aesthetic feeling of the observer". Aesthetics play no part in the Community design.

Novelty and individual character

Unlike the German Design Patent Act, the regulation includes a definition of 'novelty'. A design is considered new if no identical design has been made available to the public before its date of first disclosure (unregistered Community design) or its filing date or, where applicable, the date of priority (registered Community design). Identity in this context means that the features differ only in minor details. The important point is in the phrasing of the term "has been made available to the public". It will be deemed to have been made available to the public if it has been published, exhibited, used in trade or otherwise disclosed, except – and this is a key point – where these events could not reasonably have become known in the normal course of business to those specialised in the sector concerned, operating

within the EU. This definition leads to a concept of novelty which generally includes the world-wide existing design corpus, but only to the extent to which it could reasonably have become known to those specialised in the sector concerned in the Community. With such a reasonably defined concept of novelty, it is unlikely that a party will begin infringement proceedings, and then find its Community design declared invalid only because in a far corner of the world a similar design exists and the defending infringer was by chance able to find it. The risk of enforcing the rights of a Community design thus becomes easier to calculate.

Also the prerequisite for protecting an ‘individual character’ has been defined by the European legislature: a design is considered to have an individual character if the overall impression produced by it on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public.

If this definition of individual character is compared with German case law, it is immediately noticeable that the European concept of “individual character” differs from an “creative step”. The average person skilled in the art and his or her average skills are not mentioned in the regulation. The regulation rather targets the user whose overall impression is crucial. With regard to the Community design, the internal discussions in Germany about the person who is skilled in the art in a certain case are obsolete. The overall impression on the informed user is crucial for judging the individual character. The two main prerequisites for the protection of designs, novelty and individual character, can be judged according to criteria in line with market requirements. In this regard, the regulation is far ahead of the current practice of the courts with their abstract judgement of inventive step.

Delimitation of technology and spare parts

The inclusion of complex products recognisable from their technology necessitates an explicit delimitation of design protection with regard to the protection of technical innovations (this means patents and utility models). This delimitation can be found in article 8 of the RCD. According to this article, a Community design cannot subsist in features of appearance of a product which are solely dictated by its technical function or which must necessarily be reproduced in their exact form and dimension in order to define the product in which the design is incorporated. It should be noted that this limitation of design protection in article 8 only refers to single features of the design and not to the design as a whole. Thus, for instance, with a car wheel only the feature of the round outline of the wheel cannot be protected because it is solely dictated by its technical function. With an electric plug the only features that are

excluded are those which result necessarily from the function of being plugged into a socket. Other features of the wheel or the plug could be the subject of a Community design.

It is worth briefly discussing the problem of spare parts which had blocked the approval of the regulation for many years. This problem was solved politically by establishing at the very end of the regulation (in article 110 of the RCD) that such components of a complex product which are used for repairs, are excluded from design protection, while it was set down in the considerations preceding the regulation that this prohibition should be re-examined. However, the exclusion of spare parts does not mean that a registered Community design of a spare part would not be valid. Only the scope of protection of such a Community design is limited since its holder cannot enforce his design right against a third party who uses the design for the repair of the original complex product.

Scope of protection

A registered Community design grants an exclusive 'right to prohibit' within the scope of protection for a maximum of 25 years, while a non-registered Community design patent grants only protection with regard to "copying" and this only for three years. The scope of protection of a Community design includes "any design which does not produce a different overall impression" on the informed user. Designers developing designs only play a role in so far as the freedom of the designer in developing his or her design must be taken into consideration for the scope of protection of the Community design. The regulation determines that the examination of the facts of infringement of Community designs must proceed from the viewpoint of the informed user. The informed user is only in rare cases also a designer. 'A user' does not mean the same as 'an observer': whoever uses an object does not necessarily need to look at it in detail. For a user, a short glimpse is often sufficient to use the object correctly. A user has no reason to obtain the design and the possibly infringing embodiment in order to compare them feature by feature. The overall impression will rather be made only by the characteristic parts of the design. The division into single features as practised with German design patents must give way, if Community design patents are involved, to a comparison of the overall impression which corresponds to the point of view of the informed user. Therefore, the new Community design patent should provide a larger scope of protection which will increase considerably the attractiveness of protection of designs throughout Europe.

Proceedings at the OHIM

After explaining the advantages of the Community design patent in its full version when obtained by registration at the OHIM, it might be useful to know how this registration proceeds. Proceedings at the OHIM are only concerned with registration and there is no examination based on novelty and individual character. Proceedings in unproblematic cases should be completed within no more than three months. The publication of the registration will occur in all 11 EU languages. As in Germany, the publication can be postponed, thus allowing the possibility of filing collective applications to reduce fees.

The OHIM also offers invalidity proceedings, that is the cancellation of a registered Community design patent on request to the Office. A further possibility for challenging the validity of a registered Community design is a counter-claim at the infringement court. However, an unregistered Community design cannot be declared invalid by the OHIM because the Office is only competent for registrations. Unregistered Community designs must be challenged by filing a request for a declaration of nullity at the competent court or by counter-claim at the infringement court. In any case, the Community design can only be declared invalid for special reasons which are listed in article 25 of the RCD.

Infringement proceedings

In infringement proceedings, the court deems the Community design patent to be valid. For unregistered Community designs, the plaintiff must produce proof of the point in time of the disclosure and indicate what constitutes the individual character of the Community design. It should be noted that 'indicate' is not identical with 'produce proof'. If the validity of a registered Community design can be challenged either at the Office or at court, the question of the priority of the proceedings inevitably arises. This is laid down in articles 86 and 91: on request of the holder, that is the plaintiff, the infringement court can stay the litigation and demand that the defendant request a nullity action at the OHIM. However, the infringement court must stay the litigation *ex officio* or at the request of one party, if a nullity action is already pending at the OHIM.

The local competence of the Community design patent court depends on the principle residence or seat of the defendant or the plaintiff or on the seat of the court, if this seat is in the EU. Additionally, the courts of the place where infringement has occurred may be competent. Otherwise, the parties can stipulate a forum in the EU. The courts of Spain are also competent if none of the above criteria applies to the case.

New opportunities for innovators

The new Community design right opens up new opportunities for an innovative economy which should be explored and exploited. The unregistered Community design is an additional aid for protection against copying. With the absolute right to prohibit granted by a registered Community design, a broader scope of protection with regard to all other close designs, whether resulting from independent work or not, can be defended. In future, the validity and the effects of the new protective right will be allocated according to criteria in line with market conditions, which means according to the overall impression of an informed user and no longer according to the point of view of an abstractly defined person skilled in the art. With this substantial novelty, the regulation is tailored to the needs of industry. Now it is up to the entrepreneurs to make use of these new possibilities.