

ARTICLE

EUROPEAN DESIGN PROTECTION – WORTH YOUR MONEY?

By Florence Tordoir



Every company that spends money and resources on research, development and marketing for its products needs assurance that competitors (or other third parties) cannot take advantage of its innovation. Profiting from innovation requires a good business model and an IP strategy is an important part of that business model.

Unlike trademarks, patents and copyright – which are well known and commonly used – design protection is sometimes forgotten or underestimated. However, the design of products, packaging, logos, drawings and artwork plays a key role in distinguishing new products from those of competitors. This chapter outlines the

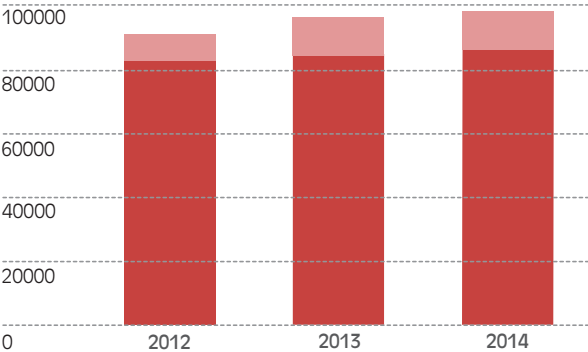
benefits of Community design protection, including its historical background, legal conditions and scope.

HISTORY

The EU Community Design Regulation (6/2002) provides EU-wide protection for both unregistered and registered Community designs. Unregistered design rights have existed since March 6 2002, while the registered form of the right became available on April 1 2003. Today, 62% of EU companies use designs in their business. As illustrated in Figure 1, the Office for Harmonisation in the Internal Market (OHIM) registered nearly 98,000 Community designs in 2014. An application for single or multiple registered Community designs can be filed via OHIM. It is also possible to file a registered Community design via the Hague System offered by the World Intellectual Property Organisation.

The Office received close to 98 000 registered Community designs, up to 1% on 2013. Of this total, international filings rose by 5% to more than 10 300. While lower than forecast, this increase represents a solid performance given the economic conditions.

RCD VOLUMES



	2012	2013	2014
Direct	83 135	86 848	87 454
Int	9 163	9 854	10 302
Total	92 298	96 702	97 756
%Int of Total	10%	10%	11%

During the year, design e-filing continued to grow in popularity, reaching 92% of the total in December, 12 percentage points higher than in 2013.

Figure 1

Source: Office for Harmonisation in the Internal Market website. Freely available at www.oami.europa.eu

Before the implementation of the Community Design Regulation, only Benelux had introduced a uniform design protection law. In all other EU member states, the protection of designs was regulated by the relevant national laws and was confined to the territory of the member state concerned. This inevitably caused problems – it led to conflicts in the course of trade between member states, created possible divisions in the internal market and posed an obstacle to the free movement of goods. The creation of the Community design was therefore necessary. A registered Community design is a unitary right that has equal effect across all 28 EU member states.

DEFINITION OF 'DESIGN'

Mere ideas and concepts do not qualify as intellectual property; instead, intellectual property defines and protects human innovations and creations. A design protects the appearance of a product and is intrinsically linked to the product. In a legal sense, an industrial design constitutes the ornamental or aesthetic aspect of a product. An industrial design may consist of three-dimensional features (e.g., the shape of an article or packaging) or two-dimensional features (e.g., patterns, lines or colour). To qualify for Community registration, a design needs to be new and possess individual character:

- 'New' means that no identical design has been disclosed before it. If two designs differ only in immaterial details, they will still be considered identical.
- Possessing 'individual character' means that the overall impression conveyed to the informed user differs from that conveyed by any other previous designs.

With respect to the requirement that a design be new, the Community Design Regulation provides for a one-year grace period in which a business can investigate whether a product is worth protecting before applying for registration. Almost any industrial or handicraft item can be eligible for design protection (except for computer programs), provided that it is not against public policy or certain morality standards. Words, sounds and colours are examples of elements that cannot qualify as designs, as they cannot constitute the appearance of a product. However, they may qualify for

trademark protection. Design protection is limited to the appearance – as opposed to the functionality – of the product whose design is registered. Products whose appearance is solely dictated by their technical function cannot qualify for design protection; however, they may qualify for patent protection. Registered Community designs filed at OHIM include blueprints, packaging, computer icons, graphical symbols, cartoon characters, colour logos, posters, furniture, parts of products, logos, typefaces, drawings and artwork, get-ups and ornamentation.

SCOPE

A Community design should, as far as possible, serve the needs of all industry sectors in the European Union. Some of these sectors produce large numbers of designs for products which have a short market life, where protection without the burden of registration formalities is an advantage and the duration of protection is less significant. However, there are also industry sectors which value the advantages of registration for the greater legal certainty that it provides and require the possibility of a longer term of protection, corresponding to the foreseeable market life of their products. This consideration led to the creation of two forms of protection: the short-term unregistered Community design and the longer-term registered Community design. Both provide protection against the manufacture, sale and import/export of any product incorporating the protected design without the consent of the rights holder. However, registered and unregistered Community designs are quite different in terms of their scope of protection and duration. An unregistered Community design provides protection for three years from the date on which the design is first made available to the public. A registered Community design provides protection for five years from the date of registration and can be renewed every five years up to a maximum of 25 years. The scope of protection of an unregistered Community design is limited to designs that are a conscious, intentional copy of the protected design, made in bad faith. In cases of apparent infringement, the ability to prove both authorship of the design and the date on which it was made available to the public is crucial. The scope of protection for a registered Community design is broader, as it grants

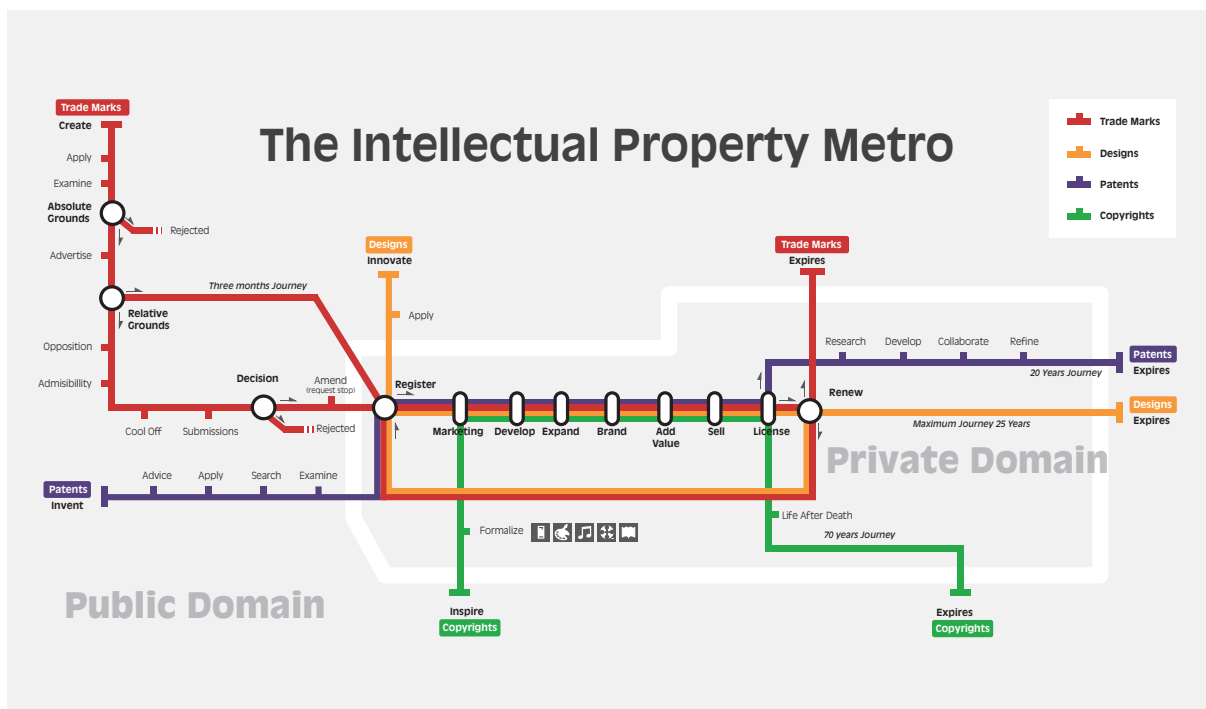


Figure 2

Source: Office for Harmonisation in the Internal Market website. Freely available at www.oami.europa.eu

protection against identical and similar intentional and unintentional copies of the registered design. Proof of the date of creation is not required, since the date of filing takes precedence. Determining which option to choose depends on many factors, including budget, type of product and timing. If an unregistered Community design is chosen, it is crucial to document the first date on which the design is made available to the public.

FILING CONDITIONS

The procedure to apply for a registered Community design at OHIM is straightforward. It does not include an examination of whether the design is new or possesses individual character. The examiner checks only whether the submission qualifies as a design and whether it contains any element that goes against public policy or morality. The procedure does not provide for oppositions; however, third parties may request that a design registration be declared invalid via an administrative procedure before OHIM. This invalidity

procedure can be launched against a design only once it has been registered (i.e., not during the registration process).

An applicant can file multiple designs in one application, without limitation. The only condition is that the products to which the design is applied belong to the same Locarno class (i.e., the same type of goods); however, this condition does not apply when the application concerns ornamentation. Multiple applications are frequently used (e.g., for variations in the style and colour of products, for furniture sets and for variations in logos), as the extra cost per additional filing is relatively low. Besides the relatively low cost of the official fees (€350 for a single design) and the simple procedure, registration is also very fast. For most applications a registration certificate is obtained within a few days. Compared to the timeline and procedure for trademarks and patents, the design registration process is fast, straightforward and cheap, as illustrated by Figure 2.

REGISTERED COMMUNITY DESIGN AS COMPLEMENT OR ALTERNATIVE

A registered Community design is one choice from a palette of IP rights – and one IP right does not *per se* exclude another. Registered and unregistered Community design rights can be used cleverly to optimise all IP rights or as an alternative between them. Trademarks Where a company has designed a word mark with a complex figurative logo and produces a diverse range of products, registering trademarks in all Nice classes will be costly. In this scenario, registering a new logo as a Community design could be an option – this would extend protection to all kinds of product which include the logo. Further, the rights holder can prevent its logo from being used by third parties on goods other than those with trademark protection. As an added incentive, no use obligation exists for designs (in contrast to trademarks). Design registration has certain advantages against trademark registration:

- It covers all goods and services;
- It is independent of the product; and
- It is less costly than trademark registration.

However, design registration has the following disadvantages:

- The duration of protection is limited to 25 years;
- The design must be new and to have individual character in order to be valid; and
- In order to prove infringement, the degree of resemblance needs to be stronger than that for trademarks.

In the case described above, the design registration would complement the trademark registration, with the aim of strengthening protection against merchandise infringement.

Descriptive word marks: OHIM and other national EU trademark authorities have recently started to refuse registration of descriptive word marks accompanied by a simple figurative logo. It is expected that these types of logo will increasingly be filed as registered Community designs instead.

However, whether this is option will give the intended protection remains to be seen.

Distinctiveness: many new product and packaging shapes which do not satisfy the distinctiveness requirement for trademark protection may qualify as a Community design. Design law may therefore serve as an important supplement to trademark law. For example, new distinctive designs may initially be protected under the EU Designs Regulation while the rights holder distributes and promotes the distinctively shaped product or packaging in order to create the perception in the minds of consumers that the shape is being used as a trademark.

Patents: many products include a common area that covers both patent and design rights (see Figure 3), and are frequently protected by both types of right. Although a design may not comprise the appearance of a product which is solely dictated by its technical function, the EU Designs Regulation does not limit the protection of designs (and parts of designs) which fulfil a technical function. Design protection can therefore be a relatively low-cost addition to a patent application. When applying for both applications, great care must be taken regarding the timing of filing and publication, in order not to harm the novelty of either claim. In these circumstances, deferment of publication can be a solution.

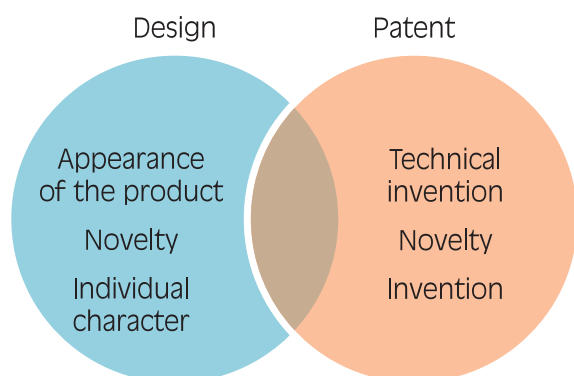


Figure 3

Copyright: copyright protection depends on national laws and arises without any formal requirements through the creation of a work of literature, art or science. It requires proof of the date of creation and proof of authorship. Many works that are protectable under national copyright laws are also protectable as a registered Community design. The main advantage of a registered Community design over copyright protection is that it covers all EU member states, providing one clear right that is governed by a single law. Further, the proof of date and authorship is covered by the registered Community design. However, the term of protection is shorter than that for copyright, which runs during the life of the author and for 70 years thereafter (under Dutch copyright law).

TO PROTECT OR NOT TO PROTECT?

So when should you choose to protect an innovation as a registered Community design? Special designs need protection, as this will enhance their value: a registered design creates a marketable asset and protects against copying and counterfeiting. So, have you developed or created a new design for a product, packaging, logo or ornament? Have you or your IP adviser performed a search of the Internet and available databases to check the novelty of the design, and was the outcome positive? If so, you should apply for a registered Community design, including the correct illustrations of all perspectives necessary to show every feature of the

design. Registration gives you the benefit of being the presumed exclusive owner of the design in 28 countries – and all future EU member states – for up to 25 years. On registration, you may indicate on the product and in advertisements the (RCD) symbol and state that your product is a registered Community design.

A registered Community design gives you a defensive advantage. Competitors are clearly informed about the alleged exclusive right and the online public register will show the design right if a search is performed. The registered Community design can be used in case of infringement – initially in a letter of summons and later (if necessary) in court. Further, counterfeiting and fraud are easier to address with a certificate in hand – for example, the registered Community design can be registered at Customs.

Besides the defensive advantage it provides, a registered Community design right counts as a company asset that may be traded, licensed or pledged and has value in case of sale. A registered Community design does not limit the other IP rights that can be applied to your innovations: it is a valuable complement to trademarks, patents and copyright.

In short, Community design registration is worth your money and your company is worth Community design registration!

ABOUT THE AUTHOR



Florence Tordoir

Associate partner, Benelux and European Trademark and Design attorney

Florence Tordoir joined NLO in 2000 and is an associate partner and legal team leader of NLO Shieldmark in the Netherlands. Florence is an experienced European trademark and design attorney and specialises in the worldwide prosecution and protection of trademarks and designs. She also offers clients strategic advice and portfolio management. After obtaining her LLM from the University of Amsterdam (1995) and passing the bar, Florence gained experience of IP litigation in a law firm before moving to Ernst & Young in Poland. She is an active member of the Benelux Association of Trademark and Design Law, the International Trademark Association and the Pharmaceutical Trademarks Group.

tordoir@nlo.eu

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AUTHOR

Florence Tordoir

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Correspondence

P.O. Box 29720, NL-2502 LS The Hague,
The Netherlands, T +31 (0)70 331 25 00

Patent:

F +31 (0)70 352 75 28
E patents@nlo.eu

Trademarks:

F +31 (0)70 352 75 89
E trademarks@nlo.eu

**Amsterdam
office**

**Ede
office**

**Eindhoven
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