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2016 – Study Question (Designs)

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Requirements for protection of designs

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I. Current law and practice

- 1) Does your Group's current law provide for an intellectual property right (registered or patented) that specifically protects the outward appearance or ornamentation of an object or article of manufacture?

As set out in the Study Guidelines, copyrights and trademarks are not such rights in the context of this Study Question.

yes

Please explain:

Act No. XLVIII of 2001 on the Legal Protection of Designs (hereinafter referred to as DA) provides special protection for designs, which is harmonized with the EU Design Directive. In quoting articles of DA in our report the English translation made by us is used, as there is no official English translation.

- 2) If yes, what is this right called? (e.g. registered design, design patent, industrial design, industrial design patent)

References to design below are to be read as references to this right, irrespective of what it is called in your jurisdiction.

In the DA the subject matter of the protection is called “design” (in Hungarian: “formatervezési minta”) and the protection relates to registered designs. Before 2002, under the former Law-Decree No. 28 of 1978 on the Legal Protection of Industrial Designs, the subject matter was called “industrial design” (in Hungarian: “ipari minta”).

- 3) What are the statutory requirements for such right? Please tick any relevant boxes and explain the basis and application of these requirements.

a) novelty

According to Art.1(1) of DA:

“Design protection shall be granted for any design which is new and has individual character.”

That is, novelty and individual character are the two statutory requirements.

As to the novelty, according to Art.2(1) and 2(2) of DA:

“(1) A design shall be considered to be new if no identical design has been made available to the public before the date of priority.

(2) Designs shall be deemed to be identical also in the case if their external features differ only in immaterial details.”

b) non-obviousness

c) inventive step

d) individual character

As to the individual character, according to Art.3(1) and 3(2) of DA:

“(1) A design shall be considered to have individual character if the overall impression it produces 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 before the date of priority.

(2) In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration, with particular regard to the nature of the product and the peculiarities of the industrial or handicraft sector.”

e) originality

f) aesthetic

g) ornamental

h) other, namely ...

- 4) Does your Group's current law deny design protection to a design with an appearance that is dictated solely by its function?

yes

Please explain:

According to Art.6(1) of DA:

Design protection shall not relate to external “features of a product which are solely dictated by its technical function”.

Although the above wording of DA denies design protection to external features dictated by technical function, if all the external features are of such character, the design itself is excluded from design protection.

- 5) If yes, what are the relevant factors to determine whether or not a design is deemed unprotectable as being functional? Please tick any relevant boxes and explain as applicable:

a) whether the overall appearance is dictated solely by its technical function

b) whether each portion of the overall appearance is dictated solely by its technical function

Answers b) and d) reflect the Hungarian situation. The DA as quoted above mentions external features. Therefore, the wording of the DA indicates that it represents a legal exclusion which selectively affects functional design features, while non-functional features of the design may be protected on general terms. Furthermore, the Metropolitan Court of Budapest was of the opinion that the availability of alternative appearances that can provide the same functional result is not relevant. With reference to a decision of the Board of Appeal of the EUIPO (earlier: OHIM) on the interpretation of Art. 8(1) of the Council Regulation (EC) No 6/2002 of 12 December 2001 on Community Designs, the Metropolitan Court established that Art. 6(1) of DA does not imply that the feature in question must be the only means by which the product’s technical function can be achieved. On the contrary, it implies that the need to achieve the product’s technical function was the only relevant factor when the feature in question was selected. (“Footwear case” No. 3.P.20.082/2009/9, 11 December 2009).

According to the practice of the Hungarian Intellectual Property Office (hereinafter referred to as HIPO), all external features of the product shall be analyzed, and if all of them are the consequence of a technical necessity, the design application shall be refused or the design protection shall be invalidated (Decision No. D0600231/13, 8 March 2010). In an invalidity procedure the petitioner shall prove that all external features are the consequence of a technical necessity.

c) the availability of alternative appearances that can obtain the same functional result

d) the need to achieve the product's technical function was the only relevant factor when the design in question was selected

See our answer at b).

e) other, namely ...

- 6) Does your Group's current law deny design protection to any portions (e.g. a "feature", "element") of the overall design that are deemed functional?

yes

Please explain:

See the answer at I.4.

A design application is judged by the HIPO with a Y/N decision at the end. The protection will cover the

entire subject matter visually shown (i.e. representation) in the application. However, there is a possibility to file a declaration that a particular part of the representation does not belong to the design and design right is therefore not claimed to this part (disclaimer). Furthermore, the design protection will not extend to those external features that are solely the consequence of a technical function.

- 7) If yes, what are the relevant factors to determine whether or not a portion is deemed functional? Please tick any relevant boxes and explain as applicable:

a) whether the overall appearance is dictated solely by its technical function

b) the availability of alternative appearances for the portion to obtain the same functional result

c) the need to achieve the product's technical function was the only relevant factor when the portion in question was selected

d) other, namely ...

Our answer is d), namely whether the portion (external feature) is dictated solely by technical function. If the external feature is found to be solely technical, than this feature will be disregarded in establishing the scope of protection.

- 8) What is the effect on the scope of protection of a design with one or more functional portions? Please tick any relevant boxes and explain as applicable:

a) any portions deemed functional will not be taken into account when assessing infringement

In assessing infringement and validity any external feature deemed functional will not be taken into account. Therefore answers a) and b) describe the Hungarian situation. However, may we mention that there are very few cases and we are not aware of any decision of the Curia (Hungarian Supreme Court) on this specific issue.

b) any portions deemed functional will not be taken into account when assessing validity

See our answer at a).

c) any portions deemed functional will not be taken into account separately when assessing infringement, but can play a role in the overall comparison

d) any portions deemed functional will not be taken into account separately when assessing validity, but may play a role in the overall comparison

e) no effect (e.g. so long as the overall appearance is not dictated solely by its technical function, all portions of the design are included in the scope of protection, irrespective as to whether any portions may be functional)

f)

the Group's current law is unsettled

g) other, namely ...

II. Policy considerations and possible improvements to your current law

9) How can the following aspects of your Group's current law be improved, if at all?

a) the definition or meaning of a "design"

Basically there is no need to amend the Hungarian law in respect of aspects a) and c).

b) the requirements for protection of a design

As to the requirements for protection of a design, we think two issues deserve consideration.

On the one hand if the subject matter of a design application became known outside the EU, it will not necessarily be novelty destroying. Art.4(1) of DA is as follows:

"A design shall be considered to have been made available to the public if it has been published, exhibited, put on the market or otherwise disclosed, except where these events could not reasonably have become known in the normal course of business to the circles specialized in the sector concerned operating within the European Community."

Here, the terms "the normal course of business" and "the circles specialized in the sector" are not defined, and therefore the novelty criterion is somewhat uncertain. The Hungarian Group would prefer a worldwide absolute novelty criterion, in line with the standpoint of AIPPI expressed in paragraph 5 of Resolution Q108A rendered in 1992.

On the other hand the term of "informed user" (see Art. 3(1) DA above) is a bit problematic, as it is not exact enough. An approach similar to the patent law would be preferred by the Hungarian Group, where the reference person is a professional person in the art.

c) the treatment of functionality in the sense described in paragraph 14) of the Study Guidelines or aspects of such functionality

Basically there is no need to amend the Hungarian law in respect of aspect c).

10) Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

no

Please explain:

Not applicable.

III. Proposals for harmonisation

11) Does your Group consider that harmonisation in the three areas in question 9) above is desirable?

If yes to some but not all of those three areas, please state in relation to which of the areas your Group considers harmonisation is desirable.

If yes in relation to any of those areas, please respond to the following questions without regard to your Group's current law.

Even if no in relation to any of those areas, please address the following questions to the extent your Group considers your Group's current law could be improved.

yes

Please explain:

Although the Hungarian DA is harmonized with the EU Design Directive, we see some problems as outlined in our answer to question II.9).

12) Should there be harmonisation of the definition of an intellectual property right that specifically protects the outward appearance or ornamentation of an object or article of manufacture?

no

Please explain:

We feel comfortable with the present situation.

13) If so, what should that right be called?

Not applicable.

14) What should the requirements for such right be? Please tick any relevant boxes and explain the basis and application of these requirements:

a) novelty

b) non-obviousness

c) inventive step

d) individual character

e) originality

f) aesthetic

g) ornamental

h) other, namely ...

Not applicable.

15) Should design protection be denied to a design with an appearance that is dictated solely by its

function?

yes

Please explain:

16) If yes, what should the relevant factors be to determine whether or not a design is deemed unprotectable as being functional? Please tick any relevant boxes and explain as applicable:

a) whether the overall appearance is dictated solely by its technical function

b) whether each portion of the overall appearance is dictated solely by its technical function

Answer b) and d) reflects the Hungarian practice.

c) the availability of alternative appearances that can obtain the same functional result

d) the need to achieve the product's technical function was the only relevant factor when the design in question was selected

Answer b) and d) reflects the Hungarian practice.

e) other, namely ...

17) Should design protection be denied to any portions (e.g. a "feature", "element") of the overall design that are deemed functional?

yes

Please explain:

Yes. However, it is not necessarily expressed in the grant decision, only if a declaration (see point I.6) of the applicant was made.

18) If yes, what should the relevant factors be to determine whether a portion of a design is functional? Please tick any relevant boxes and explain as applicable:

a) whether the overall appearance is dictated solely by its technical function

b) the availability of alternative appearances for the portion to obtain the same functional result

c) the need to achieve the product's technical function was the only relevant factor when the portion in question was selected

d) other, namely ...

Our answer is d), namely the portion (external feature) is dictated solely by technical function.

19) What should the effect be on the scope of protection of a design with one or more functional portions?

Please tick any relevant boxes and explain as applicable:

a) any portions deemed functional will not be taken into account when assessing infringement

a) and b) are the answers of the Hungarian Group, i.e. functional portions will not be taken into account when assessing infringement and validity.

b) any portions deemed functional will not be taken into account when assessing validity

a) and b) are the answers of the Hungarian Group, i.e. functional portions will not be taken into account when assessing infringement and validity.

c) any portions deemed functional will not be taken into account separately when assessing infringement, but can play a role in the overall comparison

d) any portions deemed functional will not be taken into account separately when assessing validity, but may play a role in the overall comparison

e) no effect (e.g. so long as the overall appearance is not dictated solely by its technical function, all portions of the design are included in the scope of protection, irrespective as to whether any portions may be functional)

f) the Group's current law is unsettled

g) other, namely ...

20) If your answer to question 11) is no, is it your Group's view that a (registered or patented) intellectual property right that specifically protects the outward appearance or ornamentation of an object or article of manufacture should not be available at all?

no

21) If yes, why?

Not applicable.

22) If your answer to question 11) is no in relation to some but not all of the three areas set out in question 9) above, please state why your Group does not consider that harmonisation in that area(s) is desirable.

As we see, the problems outlined in our answer II.9) are common problems in the harmonized design laws within the EU. An analysis of these aspects in non-EU jurisdictions are outside the scope of the present study.

23) Please comment on any additional issues concerning any aspect of the definition and requirements for protection of designs, or the role of functionality, you consider relevant to this Study Question.

Not applicable.

Please indicate which industry sector views are included in part “**III. Proposals for harmonization**” of this form:

Summary

The Hungarian law provides the possibility to protect designs as registered intellectual property rights. The scope of protection, however, does not relate to external features that are solely dictated by its technical function, i.e. functional portions will not be taken into account when assessing infringement and validity. If all external features are the consequence of a technical necessity, the design application shall be refused or the design protection shall be invalidated. We think two issues deserve consideration: (i) when assessing novelty, the terms “the normal course of business” and “the circles specialized in the sector” are not defined, and therefore the novelty criterion is somewhat uncertain, and (ii) when assessing individual character the term of “informed user” is not exact enough.