



A I P P I

**ASSOCIATION INTERNATIONALE
POUR LA PROTECTION DE LA PROPRIETE INTELLECTUELLE**

**INTERNATIONAL ASSOCIATION
FOR THE PROTECTION OF INTELLECTUAL PROPERTY**

**INTERNATIONALE VEREINIGUNG
FÜR DEN SCHUTZ DES GEISTIGEN EIGENTUMS**

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**Report
Special Committee Q227**

Designs

Dessins et modèles

Design und Geschmacksmuster

Report Q227

Designs

Names and Functions of Committee Members

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Responsible Reporter	Sarah Matheson	(Australia)

BACKGROUND

A questionnaire was sent in Question 227 in order to gauge the general feeling towards industrial designs, as we had the impression that they are as a rule underestimated as a tool for effective protection of aesthetic industrial creations.

The questionnaire addressed the main features of design protection, namely definition, substantive and formal requirements, procedure, relation to other IP rights, scope, rules for assessing novelty and infringement, term, etc. The existence of specific provisions (must-fit, must-match) and, more importantly, the overall appraisal of the system were also included in the questionnaire.

A somewhat disappointing number of replies was received, namely from the National Groups of Argentina, Austria, Bulgaria, Canada, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Greece, India, Indonesia, Norway, Peru, Poland, Spain, Sweden, Turkey and Ukraine.

These are the main points resulting from the replies received from the various National Groups:

RESULTS OF THE QUESTIONNAIRE

Definition

The subject matter protected by industrial designs is generally the shape or appearance of a product. In some instances, it is required that this shape have an aesthetic impact on the product (e.g., “aesthetic effect” in Egypt, “appeal to the eye” in Canada and India, “ornamentality in Argentina”); there is no reference, however, to beauty as such, and indeed in Austria the Courts have held that “beauty is not an element of design protection” (NA June 17, 1986, PBI 1987, p. 25). The substratum can be either two or three-dimensional forms, as is expressly stated in some jurisdictions (Estonia, India, Indonesia, Peru) or is inferred from the general statutory definition (as happens in the EU countries with the regulation on the community design).

Requirements

The general requirements are absolute novelty (in all cases) and individual character (in the member states of the European Union).

In some cases originality is also required, but this term is multivocal, meaning “originating with” or “authored by” (Argentina), “overall impression different from that created by a prior design” (Bulgaria), “new” or “not identical to or closely resembling any other design so as to be confounded with it” (Canada), and “new application of existing design to a new subject matter” (India).

Several jurisdictions also require that the object be lawful, i.e. not contrary to public morality or public order (Argentina, Canada, Egypt, Indonesia, Ukraine).

Egypt also requires that the design be distinctive.

Overlapping

Overlapping with other IP rights is allowed in nearly all jurisdictions. There is an exception in Austria regarding computer programs, where they are expressly exempted from design right but are included in the Copyright Act as a literary work. In India there are inconsistencies between the Design Act and the Copyright Act which in some instances prevent overlapping or accumulation of rights.

In some countries these rights may not be exercised simultaneously or cumulatively, as happens in Argentina (where plaintiff must choose between enforcing copyright or design rights) and Canada (where plaintiff cannot enforce copyright for a design applied to a useful article or in an artistic work where the article is reproduced in more than fifty or is a plate, engraving, etc.).

Generally the expiration of the shorter IP right will have no effect on the subsisting IP right (Argentina, Austria, Bulgaria, Czech Republic, Denmark), with the exception of Poland (where after lapsing of the industrial design, copyright cannot be claimed in designs that were registered).

Registration

In all countries registration is necessary to protect a design, except for the EU countries where the community design also protects unregistered designs.

Additionally, in some countries protection is also possible under the law of passing-off (as in Canada, when a design in the form of a product get-up has acquired a secondary meaning in the market place) or via the provisions against unfair competition (e.g., Austria, Egypt, Greece, Norway, Poland, Spain, Sweden, Turkey, Ukraine, and possibly Bulgaria).

The registration process runs from formal to substantive:

- purely formal examination;
- formal examination plus compliance check (whether the design meets legal definition; distinctiveness; or when novelty is clearly lacking);
- formal examination plus a post-publication (or post-grant) opposition which may trigger substantive examination;
- full substantive examination (with or without opposition procedure).

Where there is no post-grant opposition, third-parties may (indeed, must) file cancellation proceedings (Argentina, Austria).

Formal requirements

As to the formal requirements, all jurisdictions require some kind of graphic representation of the design (drawings and/or photographs and/or samples). In most countries, the specification or description is voluntary. Claims are required only exceptionally.

Scope

In nearly all countries the scope of the design is determined by the drawings, with the specification or description playing at most a supporting or supplementary role.

Functional aspects

Regarding functional aspects, in all jurisdictions no protection is awarded for features solely dictated by the products technical function.

Must-fit/must-match provisions

In the EU countries there are must-fit/must-match provisions. There are no such provisions in Argentina, Bulgaria, India, Indonesia and Ukraine.

Monopolistic practices

There are no provisions, decisions or practices regarding monopoly achieved by multiple designs in Argentina, Austria, Bulgaria, Estonia, France, India, Indonesia, Peru and Ukraine.

On the other hand, some countries grant the possibility of attacking them on the grounds of good mores (Czech Republic) or directly as a monopolistic practice (Denmark, Finland, Poland, Spain, Sweden).

Novelty and infringement

Generally there are no specific rules to determine novelty or infringement, other than the general provisions in the respective statutes (according to which minor details are usually insufficient to give rise to a novel design or to exclude infringement).

In some cases the courts have developed more specific rules, as e.g. in Austria (analysis of single design elements not admissible whereby some elements may have a more characterizing impact on the overall impression than others), Canada (three-part test: (1) would one design be confused with the other?, (2) would defendant's design have existed

but for the plaintiff's design?, and (3) is defendant's design more similar to the registered design than to any other design?) and Estonia (identical or confusingly similar design constitutes infringement).

In Sweden, a designer wanted to register the Dala horse (a very famous design in Sweden that is basically a wooden horse with a specific red base and patterns on it) with a penis on it, but this design could not be registered because the old horse destroyed the novelty requirement (Patent Court of Appeal, 01-1432, January 23, 2004).

Term

The term of protection ranges from 10 to 25 years, in varying combinations to reach each specific term:

- two consecutive five-year terms;
- three consecutive five-year terms;
- five consecutive five-year terms;
- one ten-year term plus one five-year term; and
- one ten-year term plus three five-year terms.

In some countries, such as Denmark and Sweden) a maximum of 15 years (in three consecutive five-year terms) is granted for spare parts.

General appraisal

Nearly all National Groups are satisfied with the existing design legislation. A few expressed mild criticism:

- need for a longer term or a grace period (Argentina);
- shortcomings of a deposit system without substantive examination (Bulgaria);
- advisability of excluding designs from the provisions on exhaustion of rights and compulsory licenses (Egypt);
- inconsistency with the EU Design Directive as to the requirements for obtaining the design and the resulting rights (Estonia);
- advisability of introducing deferment of publication (India);
- deficiencies of the novelty search (Indonesia); and
- erratic decisions from the courts (Spain).

CONCLUSION

As stated, there appears to be general satisfaction with the current regimes of industrial designs. This view is supported both by the small number of replies from the National Groups—arguably, an issue perceived as conflictive or problematic would have triggered far more responses—and by the opinions stated by those who did answer.

The different solutions found in the various jurisdictions to common situations—formal or substantive examination; the specific requirements to be met; shorter or longer terms, etc.—do not seem to pose a difficulty for practitioners or the industry that would call for further international harmonization or a legislative change in specific jurisdictions. However, The design committee feels it necessary to express its concern, from different points of views.

1. There is an issue that did not come up in the replies sent in by the National Groups, probably because it was not specifically addressed in the questionnaire, namely the insufficient use of industrial designs, or at least a use that is not commensurate with the growing importance of design activity in the industry.

If anything, the ongoing battle between Apple and Samsung has illustrated that industrial designs can be a formidable market instrument, and we believe that there is not sufficient awareness of this potential. We therefore submit that AIPPI should act to raise this level of awareness.

2. But this commission believes it necessary to raise another concern, perhaps more fundamental.

There does not seem to be a uniform understanding of what a design worth of protection is. The committee feels that what can be protected in a country cannot be protected in another (e.g., what is considered well worth of protection in a country is considered common-or-garden in another); what is protected in a country for a limited period is protected elsewhere for a long period.

But, in addition to it, and worst of it, is that there is no sufficient sensitivity whether the protection of design is beneficial, indifferent or harmful to the economy of a country, and more generally to the progress of useful arts in a country or to the generality. The Commission dares to say that this lack of search, of deep and basic consideration is perhaps present also for other I.P. rights. However, there is some sort of international common definition (or common understanding) for some institutes of I.P. laws (like invention, trademark and unfair behaviors), and an international obligation to protect these phenomena, so that the necessity of protecting these institutes corresponds to an international obligation. For design, instead, an international obligation to protect designs has no significance, when it is not at all clear what is the object of the obligation, namely what is design. Since there is a lack of study, and therefore of common understanding, on what is a protectable design, there is a lack of understanding on the practical effects of the protection of design. The opinion of those professionals who are involved with the administrative task of registration of designs mainly concerns those administrative tasks, leaving the problem of fundamental justification unresolved.

We believe that industrial designs can be a fantastic tool to gain, secure and keep market power, that they derive from creative effort, that they serve a useful purpose, so that they deserve protection in some form. They seem also relatively simple and cheap to obtain, and their use seems be particularly advantageous for SMEs and individual designers, especially in developing countries. So we feel that designs are a too serious item to be left to indolent legislators or slothful practitioners. A deep and basic study is necessary and urgent.
