

## **The new Community Design – Protection without frontiers**

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After successful introduction of a uniform trade mark protection in the European Union a uniform protection of designs has now been instituted as well. As with the Community trade mark system there will be one application, one procedure under one law to obtain one design protection in all member states of the European Union. This has become necessary as design protection was limited to only one particular member state with the exception of the Benelux countries. National design protection will continue to exist in parallel with the new protection.

On December 12, 2001, the European Union's Council of Ministers adopted the Regulation on Community Designs, which will come into force on January 1, 2003<sup>1</sup>. Like Community trade marks, Community designs will be dealt with by the Office for Harmonization in the Internal Market (OHIM) in Alicante.

For the first time, the new EC Design Regulation introduces two types of Community-wide design protection: Unregistered and Registered Community Design. Unregistered Designs shall enjoy protection as from their having been made available to the public within the Community. Any form of public disclosure is sufficient as long as the act of disclosure takes place in such a way that the disclosure has only become known to the circles specialized in the sector concerned. The reason for the introduction of an unregistered Community Design was to support several economic sectors, which create numerous designs for products that have only a short market life<sup>2</sup>. This will be beneficial for industries which are subject to seasonal renewals of their product collections, e.g. clothing or shoes. Protection is thus easy to obtain without the burden of registration formalities. However, the term of protection of unregistered designs is limited to three years and cannot be extended. Protection of unregistered designs begins on the day the design was first disclosed provided this took place on or after March 6, 2002.

As from January 1, 2003 it is possible to file an application for a registered Community design and all applications from January 1, - March 31, 2003 will get the application date of

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<sup>1</sup> Council Regulation (EC) No. 6/2002

<sup>2</sup> Council Regulation, op.cit., Recital 16

April 1, 2003<sup>3</sup>. None of these applications can be cited against one another so there may be coexisting design rights.

For a registered Community design only one application is necessary to obtain design protection throughout the entire Community. The registered Community design has a more extensive protection concerning content and duration.

The subject of protection is the visible manifestation of industrially or technically manufactured products and/or parts of products like lines, contours, colours, shape, texture and/or the ornamentation of the product. Possible designs are, for example, pottery, vases, tiles, ball-pens, car mirrors and just anything one faces in everyday life. Even two dimensional shapes can be protected as a design such as lines or colours or a combination of lines and colours or a combination of letters like patterns for a wall paper or wine bottle labels. Therefore an overlap between trade mark and design protection may arise as well.

The owner of a design can be the designer or the legal successor. However, in the case where an employee designs a product, the design right accrues in the employer unless otherwise agreed in the contract or specified under national law<sup>4</sup>.

Further requirements for design protection are novelty and individual character.

It is thus necessary to apply for a *new* Community design to obtain protection. This is the case where no other identical design has been disclosed to the specialized circles of the relevant industrial sector of the Community through the normal course of business before the date of filing the application or, if applicable, the date of priority. Thus, it depends on the knowledge of the specialized circles of the European Union. Due to the provision of a twelve months period of grace a design is also deemed to be new, if the design has been made available to the public by the designer within twelve months before the day the application is filed or the priority date. During this period the designer has the possibility to examine the value of the design<sup>5</sup>.

In addition, a design must have an individual character. According to the definitions of the Regulation a design is considered to have an individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by a design which has been made available to the public.

Central for assessing the individual character is the perception of an informed user. That means a person with a certain level of knowledge or design awareness depending on the

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<sup>3</sup> Dr. Alexander v. Mühlendahl, GRUR lecture about Community Design on November 21, 2002

<sup>4</sup> Council Regulation, op. cit., Art. 14

<sup>5</sup> Council Regulation, op. cit., Recital 20

character of the goods. But the term informed user should also indicate that the similarity is not to be assessed on the level of design experts. Furthermore, when assessing the individual character of a design, the degree of freedom of the designer in developing the design shall also be taken into consideration. This “degree” is not specified in the law and requires further specification by the courts, in particular the European Court of Justice.

Exemptions of design protection are furthermore several grounds for invalidity. Firstly, the features of a product which are solely dictated by its technical function cannot be protected as a design. However, from the phrase “...which are solely dictated by the technical function” it means that as long as there are additional features design protection is possible. Secondly, so-called “must-fit” elements cannot enjoy protection. Must-fit elements concern those features of a product that are determined in their exact shape and dimensions so that the product can be connected or placed in, around or against another product so that either product may perform its function. Examples are plugs or trailer couplings. However, there is an exception to this rule. Protection is granted for those designs which have the purpose to allow multiple assembly or connection of mutually interchangeable parts within a modular system<sup>6</sup>. This might include, for example, interlocking seating systems or shelving systems, which can be built up to any size. As mechanical fittings of modular systems can constitute a major part in their marketing this exception is justified.

For so-called “must-match” parts a transitional provision has been established. According to the provision, protection is not possible for designs which are used as component parts of a complex product with the purpose of the repair of the complex products in order to restore their original appearance. In Directive 98/71/EC the Commission has committed to control the effects of the refusal of protection for spare parts for the industrial sectors concerned. After the conclusion of the market observation the Commission will make a proposal to the Council for the further proceeding.

The registered Design has an initial protection period of 5 years from the day the application is filed and can be renewed for periods of 5 years each up to a maximum of 25 years.

An unregistered design must also fulfil the requirements for design eligibility, novelty and individual character as described for the registered Community Design.

With regard to the registration procedure it is important to mention that there is the opportunity to file multiple applications, which has already been possible in Germany under

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<sup>6</sup> Council Regulation, op. cit., Recital 11

the German Design Law. An unlimited number of designs can be combined in just one application. However, it is necessary that the products in which the designs are intended to be applied for belong to the same class of the International Classification for Industrial Designs (EUROLOCARNO). The Locarno Classification has been prepared under the aegis of WIPO and is available in all the official languages. Long delays due to translation problems can herewith be avoided as the proceeding should be effective and design protection can thus begin as soon as possible. The multiple applications will be an advantage for sectors of the economy dealing with many, short living designs in a short time period, of which only a few are actually brought on the market.

The Office for Harmonization in the Internal Market in Alicante is in charge of the registration system of the Community Designs, however only the formal requirements are examined. The requirements of novelty and individual character are not examined. This is also a reason for the fees being fairly low: The registration fees amount to € 230, the publication fees amount to €120.

The scope of protection of the registered Community design confers the exclusive right to prevent the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes<sup>7</sup>. However the holder of an unregistered design has only the right to prevent the acts referred to above if the contested use results from copying the protected design. Where a third person can establish that, before the date of filing an application he had in good faith commenced use within the Community, but had developed independently of it at a time when the registered design had not been made available to the public he will be entitled continuing using his design. However, no right on licensing can be deduced on grounds of this prior use rights. Furthermore, transferring of this right is granted together with the business in respect of which it was originally used only.

The enforcement of the rights from a design is subject to the courts of the member states. For disputes concerning infringement of the Community designs, the member states have to nominate Community Design Courts which has to be done until March 6, 2005. These courts will have exclusive jurisdiction for actions regarding infringement and actions for the declaratory judgement of non-infringement of a Community design.

In addition, these courts are competent for actions for declaration of nullity of an unregistered design and for counterclaims for the declaration of nullity of a registered design.

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<sup>7</sup> Council Regulation, op. cit., Art. 19

Although there are several analogies with national design law, the Community Design has a number of advantages: It will provide a unitary protection under one law with one application valid in all member states of the European Community. The registered Community design is a cost effective alternative for applications for several national designs in various member states.

It remains to be seen whether the Community Design system will be as successful as the Community trade mark system.