

UK IPO consultation on changes to the UK designs framework

CITMA Response

The Chartered Institute of Trade Mark Attorneys (CITMA) is a professional membership organisation representing the interests of over 1,900 trade mark and design professionals.

Our community of members includes fully qualified trade mark attorneys, those in training and support roles, paralegals, and barristers and solicitors, all with a trade mark or design interest working around the world.

Our members service the needs of businesses and consumers ranging from individuals, micro-SMEs, SMEs, through to large multinational corporations. Members work for specialist IP private practice firms, law firms and in-house for corporations.

CITMA has the legal responsibility for regulating the profession, which is delegated to the Intellectual Property Regulation Board (IPReg).

Section A: Search, examination, bad faith and opposition/ observation

Key Positions and Recommendations

Section A1: Search and examination

Q: Do you agree that the “do nothing” option should be discounted?

A: As a preliminary remark, CITMA observes that the changes being considered in this area appear to be driven almost entirely over concerns about “bad faith” filings (that is to say, designs filed by parties in the knowledge that the design is not their own) and the desire to reduce their frequency.

However, it is not clear to CITMA how frequent these bad faith filings actually are, relative to ‘good faith’ filings. The 9% figure referred to in paragraph 3 above seems to represent both bad faith and good faith filings where the design was found to be non-new.

In CITMA’s experience, whilst bad faith filings are not uncommon (and the victims of such bad faith filings are vocal about them), the vast majority of filings will almost certainly be made in good faith. The danger of making changes to the current system in an attempt to reduce the (relatively small) number of bad faith filings is that it unintentionally creates problems/burdens for the great majority of users who are filing designs in good faith. The chief benefits of the current system are the simplicity, speed and low costs with which designs can be filed and registered. Great care should be taken before doing anything which would undermine these features.

Whilst Option 1 is CITMA’s preference (for the reasons explained below), Option 0 (do nothing) would be far preferable to Option 2 (two tier-system).

Q: Please rank the options (most preferred/least preferred/no preference):

A: CITMA considers Option 1 to be the preferred choice because it will give the examiner powers to intervene in very obvious cases of bad faith or otherwise obviously invalid filings (a power which the examiner currently lacks). However, the circumstances in which the examiner should exercise their discretion to intervene and carry out a search will need to be carefully explained and should be exercised cautiously and consistently, to minimise subjectivity.

Examiners would need clear guidance on what triggers their 'right to examine' and a policy would be needed for handling possible complaints / challenges about the exercise of that discretion.

CITMA is firmly opposed to Option 2 (two-stage system) for the following reasons:

- It is essential to be able to take enforcement action quickly when a registered design has been infringed (e.g. urgent interim injunctions, online take downs, Customs detentions). The need to have the design examined before that action could be taken would be a major disadvantage, potentially adding on several months before enforcement action could be started.
- CITMA also queries the effectiveness of a UKIPO search in any event: there is currently no easy way to search for prior designs because the vast majority of designs are not registered. The defendant is often much better placed/incentivised to know where to find relevant prior art. Given this, the overall benefit to waiting whilst the UKIPO conducts a search is reduced still further.
- A two-stage system will be harder for users to understand: what exactly is the value/status of a partially registered design when it cannot yet be enforced?
- The deterrent value of a registered design would be severely undermined if potential infringers can see that the design has not been 'certified' via stage 2 examination and therefore cannot immediately be enforced.
- A two-stage system would take the UK far out of alignment with the EU registered design system.
- A two-stage system will result in the added cost and delay in the search phase, necessary before the design could be enforced. Such a change would therefore remove the benefits of the current system: designs can be filed quickly and inexpensively, and immediately enforced when needed.
- This added cost could also lead to stage 2 certification becoming the preserve of bigger businesses who can better afford to complete both stages upfront rather than on a 'necessity' basis when the design is already being infringed. This could make smaller businesses' designs more likely to be targets for copying, and act as a further barrier for such businesses to take enforcement action. This goes against the UKIPO's agenda of making the system more accessible for everyone, including small businesses.

Limited searching

Q: If limited searching was introduced, which designs should be subject to search?

A: CITMA would include:

- Designs which IPO knows are the same as another e.g. re-filing a previously invalidated design.
- Applications to register generic products/designs.
(It is not clear what UKIPO has in mind by 'Designs which an examiner suspects may be anti-competitive.' If such anti-competitive designs can be adequately defined/explained, then CITMA would likely support the addition of such a category).
- It is also suggested that, if a new express bad faith provision were to be introduced and clearly defined, then it should be coupled with tougher sanctions on applicants who are found to have filed designs in "bad faith". One of those sanctions could include placing the applicant (and potentially their representative) on a 'watch list' whereby their design applications are subject to automatic examination for a certain period of time, to deter repeat bad faith filings.

Q: To what extent do you agree or disagree that limited searching would help combat the number of anticompetitive filings?

A: CITMA agrees that limited searching would help combat the number of "bad faith" (or otherwise obviously invalid) filings but is doubtful that it will make a large difference. In many cases (save perhaps where the design is for an extremely well known product), the "bad faith" (or otherwise manifestly invalid) nature of the filing will simply not be obvious to the examiner and so the examiner will see no reason to intervene and conduct a search.

Q: If better search tools become available to allow a search to be carried out quickly, do you think IPO should extend searching to other design applications?

A: If comprehensive search methodology can be found which searches for both registered and unregistered prior designs in a quick and effective manner, then at that point the UKIPO should consider extending such searching to other design applications.

Two-stage system

Q: To what extent do you agree or disagree that limited searching would help combat the number of anticompetitive filings?

A: CITMA is strongly opposed to the two-stage system for the reasons stated above. If it were introduced nonetheless, CITMA would agree that limited searching would help combat the number of bad faith filings, but is doubtful that it will make a large difference.

Q: If this option was introduced, should the pre-enforcement examination be limited to an assessment of novelty or should it include individual character?

A: Search should be limited to novelty-only.

Q: If this option was introduced, to what extent do you agree that litigation should be able to start prior to the search and examination, while allowing the defendant time to see results prior to filing their defence.

A: Agree.

Section A2: Bad faith

Q: To what extent do you agree or disagree with the proposed approach to introduce an explicit bad faith provision for designs?

A: UKIPO suggests a new 'bad faith' law might help against:

1. applications for well-known products;
2. applications where another company's product photographs are used by a third party to seek protection;
3. applications which are re-filed for previously invalidated designs; and
4. anti-competitive applications more generally.

CITMA queries whether a new express bad faith provision in design law is needed. Bad faith applications in (1) – (3) above can be challenged on lack of novelty grounds (s.11ZA(1) RDA) and/or on the ground that the proprietor not being the proprietor of the design and the proprietor of the design objecting (s.11ZA(2)). It is unclear to CITMA what "more generally anti-competitive applications" ((4) above) would be.

It is well known from trade mark law (Skykick, etc) that bad faith provisions can be difficult to understand and apply. Demonstrating bad faith depends on the subjective knowledge and/or intention of applicant, which is often hard to prove, almost always contentious and normally requires on inference. The bad faith law of trade marks cannot simply be ported into designs because in trade mark law, it relates to lack of intention to use the mark, whereas in design law, there is no requirement to use a design. If a new bad faith provision is not actually needed in design law, because there are already grounds to invalidate bad faith designs, then one should not be introduced.

A new express "bad faith" provision would only serve as an effective deterrent (over and above the risk of invalidity) if there was some additional adverse consequence on the applicant and/or their representative. One option would be to bind the applicant / representative to a form of "statement of truth" or declaration (i.e. an honest belief in the design's novelty and individual character) which is capable of being challenged on an objective basis. The consequences of a false declaration could then be, for example:

- (i) automatic 'discretionary' examination of future filings made by that entity; and/or
- (ii) a 'penalty' uplift on fees on their future applications; and
- (iii) potential sanctions on their named representative.

Number (iii) would be most effective if there was a requirement for all design attorneys entered as representative on record on UK design applications to be UK qualified and regulated. There is likely to be a link between an increase in 'bad faith' filings and the increase in unregulated representatives filing designs at the UKIPO. We refer generally to CITMA's previous position statements on tighter regulation of UK design and trade mark representatives.

Q: To what extent do you agree or disagree with each of the following? A bad faith provision would allow IPO to address:

- Applications for well-known products.
- Applications where another company's product photographs are used by a third party to seek protection.
- Applications which are re-filed for previously invalidated designs.
- Anti-competitive applications more generally

A: As noted above, the first three categories could already be challenged on lack of novelty grounds (s.11ZA(1) RDA) and/or on the ground that the proprietor not being the proprietor of the design and the proprietor of the design objecting (s.11ZA(2)). It is unclear to CITMA what "more generally anti-competitive applications" ((4) above) would be. See also our response to questions above on possible additional scrutiny on applications filed by applicants and/or representatives who have been found to have filed applications in bad faith.

Section A3: Observation and Opposition

Q: Rank the options

A: CITMA's preference would be Option 0 (maintain the current system) but introduce an expedited procedure to invalidate obvious bad faith filings, and obviously invalid designs in general.

The current system already has (i) the necessary legal provisions in place to challenge and invalidate "bad faith" filings (on lack of novelty grounds (s.11ZA(1) RDA) and/or on the ground that the proprietor not being the proprietor of the design and the proprietor of the design objecting (s.11ZA(2))), and (ii) the necessary procedure to do so (commencing an invalidity proceedings at the UKIPO). The problem is that this procedure can be slow, even in cases

where the design has obviously been filed in bad faith or is otherwise obviously invalid, and even where the applicant does not engage in the proceedings. In CITMA's experience, even undefended invalidity proceedings can take between 4-6 months to invalidate the design. An expedited procedure, applicable where either (i) the design has obviously been filed in bad faith or there is some other *prima facie* incontrovertible proof of invalidity (e.g. an identical third party prior design registration or clearly documented and dated evidence of novelty-destroying prior art); and/or (ii) the filer does not defend the proceedings, could be introduced to make it quicker for such filings to be invalidated.

Q: Please rank the options in order of preference:

- *Option 0 - Do-nothing*
- *Option 1- introduce a post-registration opposition period for designs ("registered at risk")*
- *Option 2 – Introduce a pre-registration opposition period for designs*
- *Option 3 – Introduce an Observation Period*

A: As stated above, CITMA's preference would be Option 0 but with a new expedited procedure to invalidate applicable where either (i) the design has obviously been filed in bad faith or is otherwise obviously invalid; and/or (ii) the filer does not defend the proceedings, could be introduced to make it quicker for such filings to be invalidated. If there are concerns that this 'expedited' procedure could be improperly used to litigate more complex cases, the UKIPO could reserve wide triage powers to decline expedition and allocate invalidity applications to the normal 'track' if the case is not sufficiently clear.

Option 1 (post-registration opposition period of possibly 2 months) appears to have no obvious benefits: unclear how a post-registration opposition proceedings would differ from the currently available invalidity proceedings.

Option 2 (pre-registration opposition period, again possibly 2 months): advantage is that it could be used to stop invalid designs being registered in first place but (i) to be effective this would require parties to monitor the register to spot such third party filings (impractical and unrealistic); and (ii) it would slow down the speed with which designs could be registered by whatever the opposition period was decided to be (noting again here that speed of registration is one of the major benefits of the current design filing system).

Option 3 (pre-registration observation period): likely to be a more toothless version of Option 2, but with the same disadvantages.

Q: In your opinion, would these options provide an effective tool to address potentially anticompetitive or otherwise invalid designs being registered?

- Post-registration opposition
- Pre-registration opposition period
- Observation period

CITMA's preference would be for a new expedited invalidity proceedings, rather than new opposition or observations procedures.

Q: To what extent do you agree or disagree with the government's view that a two-month period for opposition or observation strikes the right balance between the needs of applicants and third parties?

A: Strongly disagree: By definition, it would mean that it would take 2 months longer to get a design registered (thereby undermining one of the major benefits of the current system). That

will adversely impact all good faith users of the design system (the vast majority) whilst probably only leading to a very slight reduction in bad faith filings.

Combination of options

Q: Several options for addressing anticompetitive filings have been set out above. Do you think:

- *It would be useful to users to have different ways of addressing anti-competitive behaviour.*
- *Having different ways to address anti-competitive behaviour would unnecessarily complicate the legal framework?*

Which options should be introduced:

- *Search and examination*
- *Bad faith*
- *Post-registration opposition*
- *Pre-registration opposition*
- *Pre-registration observation*

A: CITMA's view is that the UKIPO should introduce (i) a discretionary power for the examiner to conduct a search in the event they are confronted with a design which they suspect has obviously been filed in bad faith; and (ii) introduce an expedited procedure to invalidate applicable where either (a) the design has obviously been filed in bad faith; and/or (b) the filer does not defend the proceedings, could be introduced to make it quicker for bad faith filings to be invalidated.

Changes which go significantly beyond these measures risk introducing unnecessary cost, delay and complexity into the system, likely without materially impacting the number of bad faith filings.

Section B: Deferment

Key Positions and Recommendations

CITMA strongly agrees that a statutory deferment provision should be introduced in the RDA 1949.

Q: To what extent do you agree or disagree with the proposal to introduce an 18-month deferment period?

A: Disagree.

CITMA members would generally prefer for the deferment period to be 30 months, i.e. to match the EUIPO and Hague provisions. That would make filing strategies easier and provide, assuming the priority date were to be the start date of the deferment period, a single end date for deferment for many applicants filing UK, EU and Hague designs. It would also make the UK a more attractive country for filing for those Applicants based in jurisdictions where a 30-month period applies. Any disadvantage brought about by extending the deferment period could be alleviated by enhancing protection to 'innocent' infringers (please see below). It is not known, however, the extent to which 'innocent' infringement is a real issue and it would be useful if the UKIPO could publish data on that point.

Q: To what extent do you agree or disagree with the proposal to start the deferment period from the earliest date of the application?

A: Disagree.

CITMA believes that the deferment period should start with the priority date for the reasons set out above.

Q: To what extent do you agree or disagree that both registration and publication should be deferred?

A: Agree.

CITMA agrees that there are no substantive benefits to changing the system.

Q: In your opinion, which information should be published about a deferred design?

A: Name and address of applicant, Name and address of representative, Filing date and Priority date.

CITMA considers that some information should be publicly available. We think that the details of the applicant and the representative, the filing date and the priority date should be publicly available. We have an open mind about whether the Locarno class and subclass should be publicly available.

Q: To what extent do you think it would be useful to extend prior use provisions?

A: Somewhat useful.

We believe that CITMA's members and clients would have a range of opinions on this matter but, in principle, we believe that extending the infringement defense to non-copying use which

commenced during the deferment period would be a reasonable adjustment to make in the event that the deferment period were to be extended to 30 months.

Section C: Graphical User Interfaces and Animated Designs

Q: Do you register animated designs/GUIs?

A: Yes, 50+ in the last 12 months.

CITMA members will have collectively registered far in excess of 50 animated designs/GUIs in the last 12 months.

Q: If yes, do you think the current system is fit for purpose for registering animated designs/GUIs?

A: No.

Commercial interactions are increasingly taking place on-screen, as more and more businesses adopt a “mobile first” strategy and invest in creating bespoke and proprietary user interfaces. Animated graphics are replacing traditional forms of static image, including in advertising, branding, and consumer tech. This technological shift calls for a design system that recognises the special nature of GUIs / animations and specifically caters for them. The current system and the rigid application of traditional examination practices are out of step with a growing recognition of animations and GUIs as protectable designs. Whilst the current system has flexed to a degree to accommodate GUIs and animations, there is a need for greater clarity and certainty as to their scope and format of protection.

Q: Which of the options should be adopted?

A: We would like to see a combination of all four options, as outlined below.

Q: Do you agree that “do nothing” should be discounted?

A: Yes.

There is too much legal and practical certainty on the protection of GUIs and animations. Having to rely on a (hypothetical) ‘test case’ to resolve these issues is deeply unsatisfactory.

Q: Would additional guidance on what can be protected as an animated design be useful?

A: Yes.

Additional guidance would be welcome to add clarity to the UKIPO’s approach, in practice, to specific types of animations and their visual representations. However, CITMA recognises that, absent legislative changes, it is currently not within the UKIPO’s power to make changes to certain examination processes (e.g. to allow different file formats, to accept additional descriptions or increase the maximum number of views) so further guidance alone will not be sufficient to modernise the design system to properly accommodate digital designs.

Q: If yes, what would you find helpful to include?

A: All of the mentioned: What is considered acceptable as an animation/moving design, How a progression is assessed in a sequence of still images representing an animation, Use of an additional description to explain how the animation or sequence transitions in a sequence of still images, How the relationship between different screens is assessed in a piece of software or an app.

Q: Are there any specific types of animated design that you would like guidance on in relation to whether they would be considered acceptable as a single design?

A: We have observed that the UKIPO regularly objects to GUI designs in which there is no perceived unity or commonality between the various ‘views’ of the design. This is arguably too high a standard for dynamic or animated GUI interfaces which, by their nature, move and evolve. CITMA would welcome clearer guidance on the legal basis by which such designs are assessed and why there is a requirement for conformity between the various ‘frames’ of a GUI design to be accepted as showing an animation sequence forming a single ‘design’.

Q: Do you have any examples of animated designs for which you believe guidance would be helpful?

A: (1) Animated designs that evolve in response to user interaction; (2) Animations in which multiple elements move or evolve at the same time, when represented as a series of static images; (3) accepted practices for visual disclaimers for GUIs that feature text and number fields, where the presence and style of text/numbers is claimed but the specific sample characters are not.

Q: Do you think the current definition of a design within the RDA meets the needs of applicants who want to protect animated designs and GUIs?

A: No.

Section 1(2) RDA defines a “design” by reference to “appearance,” which a GUI or animation plainly has. However, the listed features (lines, contours, colours and the like) suggest that they relate to a static design. The fact that movement or transition is not expressly mentioned leaves room to argue that animations (including in a GUI) are not covered. The lack of case law exacerbates the risk that GUIs and animations could ultimately be regarded as not being “designs”, or as having narrower protection than what they are currently being given in practice. A broader statutory definition to expressly accommodate animated and dynamic designs would remove this uncertainty.

Q: Do you think the current definition of a product within the RDA is adequate?

A: No.

The Section 1(3) RDA definition of ‘product’ naturally points to physical articles, though it also recognises ‘graphic symbols’ and ‘typefaces’ as protected designs. There is no such explicit recognition for animated designs or GUIs specifically, or indeed any other types of non-physical products. Although the UKIPO’s designs practice expressly calls out “digital media” as being protectable, it also says “computer programs” are not. A GUI is arguably the “appearance” (design) of a “computer program” – though it could also be classed as “digital media”. Either way, this shows an unhelpful lack of certainty and clarity on the scope of a key definition that underpins the RDA.

Q: Would you be in support of the UK amending the definition of a product?

A: Yes.

Q: Would you be in support of the UK amending the definition of a design?

A: Yes.

Q: If yes, do you think we should make similar changes to the EU?

A: Yes.

Q: Would you be in support of the UK extending the rights in a registered design to prohibit creating, downloading, sharing or distributing to others any medium or software which records the design (similar to the EU)?

A: Yes.

By their nature, graphic designs and animations are different to 3D objects and are infringed differently. The law should reflect this, by preventing acts which damage rights holders' interests in designs that will tend to be infringed in digital form. This also means consideration should be given to the purpose of the reproduction, to avoid capturing incidental 'reproductions'. This would also bring the UK into closer alignment with the EU which has adopted a 'reproduction purposes' limitation to infringement. More generally, aligning the UK's approach with the EU on these issues would ensure consistency and predictability for businesses operating in both markets.

Q: Should IPO accept file formats which show movement and animation?

A: Yes.

We support the expansion of acceptable file formats. However, this should be coupled with clear guidance (with legislative backing) to specify the acceptable scope and scale of an 'animated design', to avoid applicants seeking registration for "videos" (such as whole adverts) that do not depict a unitary, stand-alone animation sequence that is recognisable as a single 'design'. The acceptance of such designs should also be subject to Examiner discretion, liable for refusal where this requirement is not met.

Q: Should IPO accept 3D computer-aided design file formats?

A: No.

This appears unnecessary for depicting animations and GUIs which are by their nature two-dimensional designs. 3D CAD images would be relevant to showing 3D designs from all possible angles, but we do not believe they apply to GUIs / animations. We would also have concerns about whether users of the designs register would have access to the specialist 3D CAD viewer software that is required to view such files.

Q: If yes, which file types should we accept?

A: The range of acceptable file formats should be limited to ensure that all users of the design registry are able to view its contents. Whilst we do not have specific knowledge on all of the listed file formats, we would suggest prioritising the most common and widely readable file formats that will be the most accessible.

Q: How problematic do you feel the following would be when protecting a design using a video format?

A:

- Claiming priority – Somewhat problematic, but this could be mitigated by allowing applicants to file traditional still images alongside a video file to help foreign registries understand the design.

- Displaying the registered design on the register – Not problematic, provided the range of accepted file formats is limited to those readily accessible to all.
- Displaying the registered designs on the registration certificate – Somewhat problematic, but resolvable by allowing (or indeed *requiring*) still images to be filed alongside a video file for the purposes of representation on a certificate.
- Certified copies – Somewhat problematic, as above.
- Visual disclaimers – Somewhat problematic – however, this can be mitigated through (1) pragmatic and clear guidance on permitted types of visual disclaimers in video files; and (2) allowing a verbal disclaimer to be filed with a video file to help explain any visual disclaimers that might be unclear, provided that they do not directly contradict the video and that the claimed design can be clearly understood from the video and verbal disclaimer combined. Many of the existing disclaimer practices (e.g. the use of dashed/dotted lines, blurring, shading etc.) should also be capable of being transposed into video formats.

Q: How problematic do you feel the following would be when protecting a design using a CAD file format?

A: For all – Don't know. We do not consider 3D CAD files to be suitable as forms of representation for GUIs and animated designs.

Q: Would any potential issues claiming priority be overcome by being able to file a sequence of still images alongside a video or CAD file? Please tell us anything further using the free text box.

A: Yes.

Q: Under our Public Sector Equality Duty, we do not expect any significant equality impacts from this change. Do you agree? If not, please share any relevant evidence or concerns.

A: Don't know.

Q: Would you find it useful to file a description to describe an animation or transition?

A: Yes.

The consultation is a welcome opportunity to resolve the uncertainty around the role of 'descriptions', as these could be particularly helpful for understanding moving designs. The UKIPO's latest draft DPN for GUIs and animations suggests that, if in doubt, applicants should include their desired 'description' as a verbal disclaimer to ensure that it is published and forms part of the protected design, even if its purpose is not to 'disclaim' any subject matter. CITMA appreciates the UKIPO's effort to find a pragmatic solution in the interim, while the option of publishing 'descriptions' is not yet open to it. The use of (negative) disclaimers to provide (positive) clarifications in the longer term, however, would not be satisfactory or fit for purpose, for the reasons further set out in CITMA's comments on that DPN.

Q: Do you think that such a description should be published as part of the registration?

A: Yes.

Q: Do you think that the scope of protection of a design should be assessed in light of the optional description?

A: Yes.

If a verbal description or clarification is provided, then CITMA's view is that this should have a bearing on the scope of the protected design if the applicant has specifically chosen to include it (which suggests the description is required to correctly interpret the images). However, there would need to be some clearer guidance (with legislative backing) on what counts as a 'disclaimer' versus a 'description', and the impact of each on the scope of protection. It should also be recognised that many applicants will be wary of supplying a written description where it affects the scope of protection, so applicants would need to be encouraged to balance their desire for broader protection against the risk of a refusal on the grounds of lack of clarity. CITMA envisages that Examiners could also request descriptions to be provided in the course of examination. Another option could be to *require* an applicant to supply their animation in video format to act as the 'description' where this is the only viable means of clearly and accurately depicting the design.

Q: What would the impact be of allowing a description to be filed as part of an application?

A:

- Understanding the register – Easier.
- Carrying out due diligence – Easier.
- Filing in the UK based on a foreign priority – No change. This would depend in part on the UKIPO's policy on whether the addition of a description at the UKIPO (where one is not present in the priority application) would constitute a material change that affects priority. However, similar challenges already exist where priority is claimed from territories with different filing practices to the UK (e.g. the US, where a design patent always includes a written specification).
- Filing abroad based on a UK priority – No change. As above, design registries already routinely handle priority claims across Convention member states which adopt different filing practices on verbal/visual disclaimers and specifications.

Q: Which options do you think we should introduce?

A: Additional guidance, Amend the legal definitions of a design a product, Increase the file formats available to users, Publish description as part of the registration

Section D – Computer Generated Designs

Q: Do you agree that the existing computer-generated designs provisions should be removed?

A: No.

This is a question with significant nuance to it, not least due to the existence of three different types of design right.

Our understanding of the overarching position taken by the UKIPO's consultation is that its preference is to remove the protections given to computer generated designs without a human author.

Those provisions are as follows:

| | |
|---|--|
| UK Unregistered Design Right ("UKUDR") | <p>S214(2) Copyright Designs and Patents Act 1988 ("CDPA")</p> <p><i>In the case of a computer-generated design the person by whom the arrangements necessary for the creation of the design are undertaken shall be taken to be the designer</i></p> <p>The "designer" is, in turn, considered the first author (outside of circumstances engaging exceptions, most commonly employment).</p> |
| Registered Design Right ("RDR") | <p>S2(4) Registered Designs Act ("RDA")</p> <p><i>In the case of a design generated by computer in circumstances such that there is no human author, the person by whom the arrangements necessary for the creation of the design are made shall be taken to be the author.</i></p> |
| Supplementary unregistered design right ("SUDR") | No equivalent provisions. |

UKUDR

The consultation references the legislative intention behind s214(2) CDPA, namely, *to ensure that such potentially valuable works [i.e. computer generated works] enjoy copyright protection*¹.

Despite this excerpt from Hansard, however, academics and commentators are divided as to whether s214(2) CDPA (and its equivalent in relation to copyright, s9(3) CDPA) would serve to confer subsistence of unregistered rights on a computer generated output, or whether they merely serve to clarify ownership of any rights in such an output. There has not yet been a decision from the Courts directly on this point.

However, in *Bookmakers' Afternoon Greyhound Services Ltd ("BAGS") and Others v Wilf Gilbert (Staffordshire) Ltd* [1994] F.S.R. 723, the Court held that forecast dividends for greyhound meets generated by a formula did not require skill, labour and judgement and copyright therefore did not subsist in such forecasts. Aldous J held at paragraph 735:

¹ <https://api.parliament.uk/historic-hansard/lords/1987/nov/12/copyright-designs-and-patents-bill-hl>

BAGS submitted that each BAGS forecast dividend embodied sufficient skill, labour and judgment to be the subject of literary copyright. It also submitted that it was proper to take into account the skill, labour and judgment used in deriving the formula. If that last submission is right, I agree with the submission of BAGS. If it is not, I do not believe that every time the calculation is done, race by race, day by day, year by year, a new copyright work is produced. Once the formula was derived and the starting prices are known, it is pure routine work to arrive at the dividend.

The judgment found that the dividend was not original for copyright purposes.

Bookmakers' Afternoon was based on the Copyright Act 1956, but the above finding was upheld by analogy in *Racing Partnership Ltd v Done Brothers (Cash Betting) Ltd* [2019] EWHC 1156 (Ch)², albeit without reference to s9(3) CDPA.

There is, therefore, some legal basis on which to argue that s9(3) CDPA fails to provide for *subsistence* of copyright in computer generated works (to which the usual test for originality would then apply), but merely attributes authorship to any copyright which *does* subsist in such circumstances. The same applies to s214(2) CDPA in relation to unregistered designs.

Furthermore, returning to the Hansard excerpt referenced above, even if s214(2) CDPA does serve its purpose of “ensuring” protection for computer-generated works, it does not follow that its deletion would remove such protection. There may still be an argument about whether any such works are sufficiently original as to attract protection in the ordinary course.

Therefore in relation to UKUDR, the removal of s214(2) CDPA would not necessarily eliminate protection for computer-generated designs (insofar as any such protection exists).

In any event, we question whether the blanket elimination of such protection is the correct objective. While we agree that computer-generated works should not be guaranteed protection, there are certain circumstances in which protection would seem appropriate. By way of example, in a situation in which a human engages with an AI through a careful and considered series of prompts, such as to obtain a curated and highly specific design, we suggest that it would be wrong to bar such design from protection and the correct approach will be to consider whether the design and the human's involvement therein meets the threshold for subsistence.

RDR

Different issues arise in relation to RDR, which is unconstrained by an originality requirement (instead requiring novelty / individual character).

Again, on its face and absent Hansard commentary, s2(4) RDA appears to relate to the proprietorship of a design rather than subsistence. Indeed, it must do so – a registered design will only subsist if registered.

The proprietor of a design may bring entitlement proceedings should a third party apply to register their design without permission. S2(4) RDA therefore acts restrictively, not permissively, in relation to design registrations. Insofar as the UKIPO's objective is to limit protection given to computer-generated designs, the deletion of s2(4) RDA would be antithetical.

² This judgment was appealed, but not in relation to copyright.

SUD

There is no equivalent provision relating to SUD. Clarification is necessary.

Summary

In our view, the question as to deletion of s214(2) CDPA and s 2(4) RDA is premature.

The legislature must first decide whether and in what circumstances a computer-generated design may be protected (if at all). From that it should then clarify, in relation to each of UKUDR, RDR and SUD:

- (a) In what circumstances such rights may subsist; and
- (b) Who owns any such rights.

As to this, our position is as follows:

- **UKUDR.** Whether in relation to computer-generated or human-created designs, UKUDR should subsist where the design is sufficiently original. The originality test should be unchanged, but it should be clear that the originality must be that of a human. Therefore, where a human inputs sufficiently detailed and close prompting, rights may subsist even in a design which is ultimately computer-generated. The norm, however, is that most computer-generated designs will not meet that threshold. S214(2) should remain to ascribe proprietorship to any computer-generated designs which do meet the subsistence requirements.
- **RDR.** The issue of RDR is more complex, as it is not subject to an originality threshold. Therefore anybody may apply to register a computer-generated design, and as long as that design is new and has individual character it will likely be valid.

We suggest that, where a design is computer-generated, registered protection should only be available where a human has had sufficient input, considered on the same basis as described in relation to UKUDR above. The mechanism for the practicalities of enforcing this requirement would need consideration. It would be impractical for the UKIPO to examine every design application in respect of this requirement. We suggest that the better approach would be for a failure to evidence sufficient human input into a design to be a ground for invalidity.

- **SUD.** We suggest that the same threshold for human input should apply to SUD, and that equivalent provisions should apply for ownership as apply to UKUDR.

Q: If the existing computer-generated designs provisions are retained, do you agree that an equivalent provision should be introduced for supplementary unregistered design law?

A: Yes, as described above.

Q: Do you agree that the same approach for protecting computer generated designs without a human author should be taken for registered designs, supplementary unregistered designs and UK unregistered designs?

A: Yes.

At a policy level, the same approach to each right should be applied. However, as described at 1 above, this issue is nuanced due to the different nature of the rights, and particularly due

to the registered nature of RDR and unregistered nature of UKUDR and SUD. Different legislative provisions will be required for each of these rights to implement a coherent policy.

Q: Have you ever knowingly relied on the existing computer-generated designs provisions to protect your designs?

A: Not in relation to registered designs.

There is experience within our group of advising design agencies as to the subsistence of unregistered design rights (both SUD and UKUDR) in their designs, and in dealings with such rights.

Q: Would you be impacted if the existing computer-generated designs provisions were removed? If you think you would be impacted by removal of the existing computer generated designs provisions, please provide evidence to support this:

A: Yes.

As set out at 1 above, the removal of these provisions would lead to a greater lack of clarity. It would not *necessarily* ensure that computer generated designs could not accrue rights (registered or unregistered), and would not therefore serve to clarify the law. Indeed, it may make the law less clear – in relation to registered designs, for example, the removal of s2(4) RDA would eliminate clarity as to proprietorship of a computer-generated registered design, meaning that challenging design registrations filed by bad actors may become harder, not easier.

The impact of deleting these provisions, without further legislative changes to a clear policy end, would not therefore resolve the concerns raised by the consultation, and affect CITMA in making it more difficult to advise and protect clients.

Q: Do you think there is conflict between the computer-generated designs provision in UK unregistered design law, and the requirement for UK unregistered designs to be original?

A: No.

Our view – while acknowledging that there is room to take an opposing view in relation to UKUDR – is that originality goes to subsistence while the computer-generated designs provisions goes to ownership. They therefore go to different points of the analysis and, insofar as any rights do subsist in a computer-generated design, are important in allocating ownership.

Q: Do you think that the computer-generated designs provisions should be reformed to address this issue, or for any other reason. Please explain your answer, including how the provisions should be reformed if you chose 'yes', and provide relevant evidence:

A: Yes.

As expanded upon at 1 above, clarity is required as to:

- (a) Subsistence of UKUDR, RDR and SUD in relation to computer-generated design.
- (b) Protection against parties generating (and, in relation to RDR, registering) vast numbers of designs and using them to support “design trolling”. Such protection should, in our view, arise out of the need for a minimum level of human input.
- (c) Ownership of any design rights in computer generated designs.

Q: Should the IPO collect information about the use of AI in the creation of a registered design as part of the application process?

A: Maybe.

As above, one method to protect against design trolls in relation to RDR would be to consider the nature and extent of human input into a computer-generated design which is subject to application / registration.

This information could be examined on application, but that would create a significant burden on the UKIPO. The better approach may be for a lack of human input to be a ground for invalidity.

Q: If yes, do you think supplying this data should be mandatory?

A: Yes.

Q: What information do you think should be collected and why? If you think it should be mandatory to supply this information, what would be the appropriate sanction for not supplying it or supplying it incorrectly, if any?

A: The registrant should be required to justify the nature and extent of its human input. This would likely entail:

- Information as to the tools used in the design process;
- The prompts used to generate the final design; and
- the prompting methodology through which those tools were engaged.

As usual in examination or invalidity (whether at the IPO or Court) proceedings, confidentiality could apply to this information as appropriate.

Section E – Miscellaneous Changes

Matter prohibited by law contained in a design application

Q: Do you agree that an express provision should be introduced to allow an objection to be raised to matter prohibited in law contained in a design application?

A: Yes. This allows unlawful signs to be picked up before the applicant commits to manufacture or distribution of their product. However, any provision needs to be worded to exclude ex officio objections based on private law rights (trade marks, copyright etc) covered by sections 12ZA(3) and(4).

Harmonising time periods for response to an official action

Q: Do you agree that the registrar should be able to object to both substantive and formalities issues in the same examination report?

A: Yes.

Q: Do you agree that the time limit for responding to both types of objections should be harmonised at 2 months?

A: Yes, noting that extensions are available

Q: Do you agree that the filing of a physical specimen as part of a registered design application should be disallowed?

A: Yes.

Provision to allow the registrar to share an application before publication

Q: Do you agree that the registrar should be allowed to share an application before publication for the purpose of carrying out his statutory duties?

A: Yes. Consultation with, for example, the Red Cross will clarify whether an objection is sound or not before the applicant is put to the time and expense of responding to an examination report.

Powers to make a late objection

Q: Do you agree with the proposal to introduce a provision to allow the registrar to raise objections to matters coming to his attention after an opposition period, should the government introduce one in future?

A: Yes. The equivalent trade mark process works well, and does not make the validity of registrations any less certain. Avoiding the need to commence invalidation proceedings benefits both the applicant and the observer.

Warrant of validity and liability

Q: Do you agree that warrant of validity and liability provisions should be similar across trade marks, patents and designs?

A: Yes.

Rectification of the register

Q: Do you agree that the Registered Designs Act 1949 should be amended give the registrar of designs the power to rectify the designs register?

A: Yes. The trade mark system works well for correcting minor mistakes such as applications in the name of trading names rather than legal names.

Q: Do you think the power should be limited or have safeguards? For example, limited to rectifying specific issues (e.g. only entitlement/ownership) or in particular circumstances (ego only unopposed requests, or with agreement of both parties)

A: The system should echo trade mark law, ensuring any case law applies to both.

However, contested ownership disputes might be better dealt with more formal proceedings, with 11ZA(2) amended to allow for transfer as an alternative remedy to invalidation (as refiling the design is unlikely to be possible).

Updating provisions relating to inspection of designs

Q: Should the Act be updated to reflect that representations for currently registered designs are made available online?

A: Yes. However, we would also want to see the 'description of the registered design' text, provided for by the Trade Mark Rules but which is currently unavailable. This is particularly useful in circumstances where a representation is otherwise unclear or complex, and to avoid the owner from subsequently widening their claimed scope of protection.

Q: How important is it to you to have access to historical design records (important, neutral, unimportant).

A: Neutral. All records of designs that are in force should be readily accessible. Beyond that, the 'design corpus' is overwhelmingly to be found in the current marketplace, not old records.

Power to direct the use of forms

Q: Should the registrar be able to direct forms for any purpose relating to the registration of a design and any other design proceeding?

A: Yes.

Q: Rank the options for dealing with designs priority claims in order of preference:

A: Option 2. The majority of G20 states are already members, as is the EUIPO, so in practice this is likely to primarily affect applications claiming priority from French and German national applications (Indonesia, Türkiye, Saudi Arabia and South Africa being the other current non-participants in the G20). This is tolerable sacrifice, given the potential mischief that could be caused by incorrect priority claims.

Q: If the IPO introduces searching for designs, do you agree that the IPO should be able to request a copy of the priority document where the validity of the priority claim is relevant to the novelty or individual character of the design being examined?

A: No. This is likely to come at the expense of the speed of delivering the search report. Searches are primarily carried out to identify risks, not obtain definitive results. Using the given date(s), and highlighting the assumption that the priority document is valid, is likely to be sufficient.

Assessment of impacts

Q: Do you agree with our assessment of the impacts as set out in the annex?

A: Yes.

Q: Are there any impacts which we have not been included but should be?

A: Don't know.

Section F – Simplification and Harmonisation of Unregistered Design Rights

Executive Summary

We strongly oppose the abolition of UKUDR. It remains a vital protection for designers and businesses who have not registered their designs but still require enforceable protection. The consultation's proposals to simplify or consolidate the unregistered design framework must preserve the strengths of both UKUDR and SUD, while ensuring clarity and accessibility for users. Whilst simplification is always desirable, it should not be done at the expense of valuable protections that are often most appreciated at the time of their deployment; namely, when an unwitting designer without registered protection finds themselves copied and keen to take steps to prevent the infringement from continuing.

The optimal approach would be to create a new, single, design law that seeks to harmonise subsistence and ownership of designs, the term, the acts of infringement, the defences and the acts of infringement.

It is an important foreword for what follows to remember the history of UKUDR, and why we have it, when the continental European countries do not and seem to rely simply on EU unregistered designs (equivalent to SUD). In most of those countries, copyright is broader, and covers a lot of works of applied art. UK UDR was separated from the copyright system in the changes brought about by the 1988 Act, and provides really valuable protections, whilst ensuring that there are limits on that protection through the various requirements from qualification to the defences. To remove the UK UDR without significantly transforming copyright protection for works of applied art would mean our designs system protects designers significantly less than on the Continent, which in our view sends completely the wrong message to the creative sector, which is such a valuable part of the UK economy.

Key Positions and Recommendations

Discounted Options

Q: Do you agree that the options above should be discounted?

A: Yes, all of the options outlined should be discounted for the reasons set out below.

In response to the discounted options, we agree that abolishing supplementary unregistered designs should be discounted. In removing protection for surface decoration and 2D designs, we would drastically reduce the levels of protection granted across the design sector, specifically the fashion sector.

We also agree that abolishing unregistered designs and simply extending copyright protection should be discounted entirely. We have found that the unregistered design right system is very strong and have consistently found it to be one of the most effective ways of protecting our clients' products.³ Often UKUDR becomes the only enforcement option for protecting products, with research showing UKUDR far outstripping any other kind of design claim: across UK

³ There are many cases where UKUDR has been key to protecting designs where other protections were not available. For example, *J Mac v Q Deck* whereby the claim was based solely on UKUDR after the registered design claim was dropped showing UKUDR as a powerful fallback position when registered design claims are unavailable; *Original Beauty v G4K* in which the claim relied heavily on UKUDR, without this the Claimant would have struggled to prove infringement; and *Leighton Vans v Harris* in which the claimant would likely not have been granted an injunction without UKUDR. Other examples include *Kohler Mira v Bristan*, where the registered design case failed and the UDR case succeeded, and *G-Star v Rhodi*, where the registered design was not relied upon, but the claim succeeded on UDR.

decided cases, UKUDR was relied upon 53.2% of the time, compared to UKRDs (19.5%), registered EU designs (16.9%) and unregistered EU designs (10.4%).⁴

Additionally, see Annex 1 which sets out design cases from 2013 - 2025 and demonstrates the importance of UKUDR. This builds on other work of Estelle Derclaye of the University of Nottingham, who wrote articles in Spring 2013 and April 2004 which we commend to you (we can provide links on request).

Additionally, extending copyright protection would be insufficient; in considering the G-Star "Arc" range of jeans, we point out that following the well-known CJEU decision in *Cofemel*, G-Star lost at the Portuguese Supreme Court as the jeans were deemed not to be sufficiently original to be protected by copyright. However, in the UK, the G-Star had already relied on UKUDR on very same product and won, in *G-Star v Rhodi*, which demonstrates the importance of UKUDR to designers.⁵

Whilst there is temptation in making no changes and improving guidance, on balance we appreciate the arguments for some degree of simplification. Our overall view is that simplification to some degree is desirable, but it must be balanced with the need to ensure the longstanding and valuable protections that the existing regimes offer are retained for the benefit of designs, and in particular those who have not sought legal advice in time to obtain optimal registered design protection.

Simplification vs Protection

Q: Which of the following is more important to you: Maximum protection or Maximum simplification.

A: Maximum protection.

Q: Rank the options in in order of preference.

A: 1. Option 2 – Consolidate. 2. Option 0 – Do nothing. [3. Option 1 – Retain SUD and abolish DR]

We are of the view that maximum protection should take precedence, while simplification should be considered of secondary importance. Our view therefore would be to proceed with 'Option 2: Consolidate the unregistered designs framework (maximum protection)' for the reasons set out in further detail below. If maximum protection is not adopted, it is suggested that the alternative is 'Option 0: Do nothing and maintain the current status'. Our view is that 'Option 1: Retain supplementary unregistered design, abolish design right (maximum simplification)' should not be an option.

Maximum simplification is an option which should be discounted entirely. To lose protection for purely functional aspects and internal configuration when these are valued highly across the sector should not be an option simply in the name of making the system more easily explained. The complexity of the system does not deter designers from obtaining the rights in the first place, as they are automatically vested in appropriate circumstances, and it is only when the designer wishes to rely on them that the complexity need be understood. At that point, in our experience, designers are pleased to have a myriad of different enforcement options. In the UK, the supplementary unregistered design right is insufficient; whilst on paper it could look like it covers everything, it does not.

⁴ O Church, E Derclaye and G Stupfler, 'An Empirical Analysis of the Design Case Law of the EU Member States' (2019) IIC 50, 685–719

⁵ *G-Star Raw CV v Rhodi Ltd & Ors* [2015] EWHC 216 (Ch)

Maximum protection should be prioritised to ensure designers and companies have robust, enforceable rights over their creations for a meaningful duration. Whilst the current system may be confusing to explain, it provides flexibility for designers with different needs. That said, if we can achieve a consolidation of rights into a harmonised framework without losing the breadth of protection currently available, that would be preferable (provided it retains protection for certain types such as surface decoration, internal configuration and functional elements).

Term and qualification

Q: Would harmonising the following aspects make it easier to use the system?

Qualification requirements? A: Yes.

Term of protection? A: Yes.

Q: Do you agree that a single qualification requirement should apply to both aesthetic and functional aspects of a design.

A: Yes, see Section G.

Q: Do you agree that a single term of protection should apply to both aesthetic and functional aspects of a design.

A: Yes, depending on what it is.

Q: If the term of protection is harmonised, how long should it be?

A: 10 years.

We agree that harmonisation of the term of protection and qualification requirements is desirable. Our preference would be to extend the term of protection to 10 years. If the government were not to proceed with this option, our second preference would be 5 years plus 5 years licence of right (or simply, an inability to obtain an injunction in the second 5).

In our experience, a 3-year term of protection is far too short. By the time a product has been launched, copies have found their way to the market, and litigation has been fought, the time has usually long expired, meaning that the litigation is rarely started save in the most egregious cases where an interim injunction may be an option. Currently, UK UDR has a life of up to 16 years (if it were designed on 1 January 2020, first marketed in January 2025, it would expire at the end of December 2035). This dual track is confusing, so we believe there should be a single event that starts the clock, and that it lasts for 10 years from that date (not the end of the calendar year). If it were first marketed on 1 January 2025, it should expire on 1 January 2035. This also does not undermine the benefit of the registered design system, which would protect the design until 2050, meaning there is still an appreciable difference between the two systems. In addition, we observe that the UK does not have a system of protecting utility models, or other functional designs that fall short of the level of inventiveness required for patent protection. In jurisdictions that do offer such protection, 10 years of protection is commonly provided to recoup the designers' investment costs.

Therefore, we propose:

- The duration of all types of unregistered design be 10 years from the date of first disclosure. If this is deemed to be too long, then the backstop of our response is that the latter five years of protection should not allow an injunction, only a royalty.
- We would dispense with the alternative duration of the date of design.
- We would dispense with the "end of the calendar year" being a factor in the duration. It should simply be from first disclosure.
- This response should be read in connection with our response in Section G regarding first disclosure.

Harmonisation or Consolidation

Q: To what extent should unregistered design be harmonised or consolidated?

A: Harmonise some legal provisions but keep separate regimes.

We do not propose full consolidation. To do so would significantly reduce the flexibilities offered by the current system. Instead, we suggest harmonising some legal provisions (such as term and qualification) but keeping separate regimes within the same Act, for example an 'Unregistered Designs Act' which treats functional and aesthetic designs differently. Therefore, in response to harmonisation vs consolidation, we support the first option, namely to harmonise some legal provisions but keep separate regimes. We explain below how we would approach this.

Full consolidation into a new single right risks spurring a decade or more of litigation on new tests and approaches, which is not desirable for the court system, its users, or designers at large. Certainty is a form of simplification.

The optimal approach is to achieve some simplification, through a single unregistered design, but where different provisions may apply to aesthetic and functional aspects of a design.

As explained above, the third option – to retain SUD and lose UDR – would lead to a dramatic and unacceptable loss of protection for designers.

Q: Do you agree that the SUD legal framework should apply to a new consolidated unregistered design, if introduced?

A: Not entirely.

As set out above, keeping separate regimes would be simplest. However, if consolidation is preferred, then some elements of the SUD legal framework should be adopted in that consolidation, whilst shape-only (including functional) designs should enjoy the advantages of the existing UDR regime in many respects. Moreover, there are aspects of the SUD regime that simply do not translate to functional designs. For example, the test of "different overall impression", applied when considering both the existence and infringement of SUD, simply does not work when applied to functional designs, or to configurations such as electronic circuit boards. Rather a test of functional equivalence might need to be applied in such cases.

Q: Do you agree that the repair / spare parts provision should be harmonised? If yes, which provisions should we use?

A: Yes. Harmonisation of the provision will encourage fair competition in the aftermarket across RDs and UDRs.

Our preferred approach is to adopt a repair provision based on the current SUD model, but as clarified in line with *BMW v Round & Metal*.⁶ This would limit the defence to “must-match” (i.e. dependent) parts, excluding upgrade-type components like alloy wheels or seats. This mirrors the recent EU approach under Article 19(1) of the Recast Directive. It would effectively replace the existing design right “must-match” exclusion with a defence of similar effect, while ensuring a level playing field for the UK automotive sector in line with EU rules.

Q: Do you think that design protection for a component part of a complex product should be limited to features which are visible in normal use?

A: No.

We caution against limiting protection to features visible in normal use. Internal configurations are often critical to product design and should remain protected. As is also clear from case-law so far, this area of law is complex, and provides a lack of certainty that is unhelpful to designers. There is little justification from a policy perspective for failing to protect products that are not visible during normal use if designs law protects functional designs, which we strongly believe it should.

Q: Do you think that design protection for any product should be limited to features which are visible in normal use?

A: No.

Our position is that internal features of a product which are visible at point of sale or via advertising (e.g. the inside of the chocolate egg in *Ferrero's Application*) may form part of its appeal to the user even if they are not visible during “normal” use. Moreover, such a limitation would significantly disadvantage the engineering and technology sectors, offering no protection for the time, intellect, labour and capital invested in the creation of functional articles and configurations.

Q: Are there any elements of the design right regime which you think should be used in a consolidated right, rather than going fully with SUD regime?

A: Yes.

Firstly, the infringing act of “making a design document” should be retained and expanded to cover uploading and distributing design documents electronically.

Secondly, we think it seems reasonable to protect “innocent dealers” given the rights are unregistered. Therefore, something like the existing requirement of s.227(1) CDPA might be retained, limiting liability of a “secondary” infringers unless “he knows or has reason to believe” the article handled is infringing.

Q: Do you think the government should consider consolidating designs law into a single piece of legislation?

A: Yes.

As outlined above i.e. harmonising some legal provisions (such as term and qualification) but keeping separate regimes within the same Act.

⁶ [2012] EWHC 2099 (Pat)

Overlap with Copyright

Q: Do you think there is still confusion about items protected by copyright and design rights following recent case law?

A: Yes.

The recent *WaterRower*⁷ confirms that CJEU case law, particularly *Cofemel* and *Brompton Bicycle*, remains relevant and refers to the difficulties surrounding the phrase "work of artistic craftsmanship". The position will remain unclear until the higher UK courts rule on whether the UK is still permitted to rely on the closed list of types of work in s.4(1) CDPA, or the law changes. It would be helpful for designers to have better clarity about when the UK law expects designs to be protected by copyright. The law remains unclear, meaning that parties are having to test the scope of the protection in the courts. We have had a number of cases explaining what does *not* qualify for copyright protection, but few cases where it does qualify. Given this provision has now been in place for almost 40 years, this suggests that clarity is not yet there, and legislative clarification would assist.

Q: Are there other changes to the copyright framework which could be considered under Option 4?

A: We believe the confusion above over the meaning and scope of copyright protection for works of applied art is the key change required. This is a real opportunity for the legislature to provide guidance as to what it is about some works of applied art that means they should enjoy the longer protection afforded by copyright, whereas others cannot.

Q: Are there exceptions in the copyright framework which could be added, amended or removed to provide more balance in the system to add to Option 5?

A: Yes, there is support for bringing in defences that align works of applied art protected by copyright with the defences under design law.

Q: Which option do you prefer?

A: Option 4. Amendment is desirable to explain the components of a work of artistic craftsmanship, and provide a new definition of originality. Brexit has allowed our legislature the opportunity to create a yardstick by which other jurisdictions might follow. Whilst creating such new law might be said to create uncertainty, this is an area where uncertainty is already really rife, and urgent clarification is required to help designers.

Conclusion

We advocate for a consolidated but nuanced framework that retains the strengths of UKUDR and SUD, harmonises key legal provisions, and ensures robust protection for designers. If the government is minded to treat simplification as priority, despite the reasons set out above, it must not undermine the effectiveness of the system. We urge the UKIPO to preserve UKUDR and build upon its proven success and the single most effective design right in litigation and protection of works of applied art, whilst also retaining those aspects of SUD that enable works that include features other than shape and configuration to be protected.

⁷ *WaterRower (UK) Ltd v Liking Ltd* [2024] EWHC 2806 (IPEC)

Section G – Post Brexit issues relating to unregistered designs

Key Positions and Recommendations

CITMA's preliminary comment on the proposed disclosure trigger is that the described is *one interpretation* of how the disclosure trigger operates, and it is based on the assumption that EU law requires the 'first disclosure' to be physically within the borders of the European Union. This derives from the application of EU law by German courts, which has never been endorsed by the CJEU and has been widely criticised as being incorrect. A reference from the UK was on its way for a preliminary ruling before Brexit (the *Beverly Hills Teddy Bear Co* case) – specifically asking: *"must the event of disclosure take place within the geographical confines of the Community, or is it sufficient that the event, wherever it took place, could reasonably have become known in the normal course of business to the relevant circles in the Community?"*. As that case settled, the point was unfortunately never decided by the CJEU. However, the fact that the IPEC deemed it necessary to seek CJEU guidance on this point shows that the position is not settled. The reform of EU design law has since cast further doubt on the German courts' interpretation, and whether EU law requires (or indeed ever required) a "first" disclosure to take place within the territory of the EU in order for EU UDR to arise.

This is directly relevant to the possibility of mutual (or simultaneous) recognition of disclosures as between the UK and EU. Even if the UK Government has taken the view that geographic location of the first disclosure is decisive for SUDR, there is scope for the EU to take a different approach and recognise disclosures made in the UK (or indeed anywhere else) for EU UDR purposes, as long as those disclosures "come to the attention of the relevant trade circles" operating in the EU. There seems to be a growing likelihood that the EU will be compelled to resolve the ambiguity in its own law in favour of such recognition, and recognise overseas disclosures under EU UDR provided they are not novelty-destroying. The UK could take the same approach for SUDR. This would not involve any formal re-negotiation of the TCA. Therefore, we would invite the UKIPO not to automatically rule out the possibility that a single disclosure (or a simultaneous disclosure) *might already* be capable of giving rise to unregistered design protection in both territories, subject to less radical clarification and re-framing of the law.

Discounted options

As noted above, the UK Government may not need to go this far since the correct interpretation of EU law itself is open to debate. As the UKIPO has noted above, there is some academic support for the argument that the UK SUDR regime *already allows* 'first disclosures' made outside the UK to be recognised for SUDR purposes. The two positions might be easier to reconcile than it might appear.

Moreover - the wording of the EU Designs Regulation has since been amended to *remove Article 110(a)*, which had been interpreted as clarifying the meaning of "made available to the public within the Community" – though seems to have had the opposite effect. That Article had been interpreted by some (notably the German courts) as suggesting a wish to emphasise that a design would not enjoy protection as a UCD unless it had "first" been made public within the *geographic territory* of the Community. Although there was debate about what this provision actually added to the wording of Article 11 ("A design which meets the requirements under Section 1 shall be protected by an unregistered Community design for a period of three years as from the date on which the design was first made available to the public within the Community") its repeal fuels the debate of whether the geographic location of the first disclosure is actually decisive for EU design right to arise, or not. If it is not, then it should be possible for SUDR and EU UDR to arise from a single disclosure that "comes to the attention" of the relevant trade circles in both territories, provided there has not been an earlier novelty-

destroying disclosure elsewhere. If so, the question of ‘simultaneous’ disclosure could fall away as being redundant as between the UK and the EU (though it may remain relevant for disclosures made elsewhere).

Q: Do you agree that the options should be discounted?

A: No.

Q: If not, which option should be give further consideration to?

A: Seeking reciprocal recognition of disclosure within the EU – Yes, but on the premise that there is scope for this to be achieved through a mutual re-framing and re-interpretation of the corresponding UK and EU legislation without having to re-open the terms of the TCA.

Allowing any disclosure abroad to give rise to SUD – No: the rules of “obscurity” should continue to apply. Only disclosures which could reasonably come to the attention of the relevant circles specialised in the sector concerned should trigger an entitlement to SUD.

Options

Option 0: Do nothing

As noted, there is an argument that the legal ‘status quo’ already supports the recognition of disclosures made abroad for EU UDR and SUD purposes. However, we would call for some *positive action* to definitively resolve and settle the position.

If Option 0 implies ‘inaction’ on the basis that the current position is satisfactory, we would not support it. We would suggest that ‘evidence’ of disruption and cost to business will not necessarily manifest in a quantifiable way that can easily be evidenced, but this does not mean such harm is not being caused. We would also observe that, in many fast-moving industries (e.g. fashion), registration across two territories - or even in one of the two - is not a realistic substitute for automatic unregistered short-term protection.

From a legal and commercial perspective, the lack of certainty as to the validity of overseas disclosures, ‘simultaneous disclosure’ practices, and online product launches cannot be considered satisfactory. For that reason alone, CITMA would want to see this being addressed.

Option 1 – Unilaterally recognise simultaneous disclosure in law

As noted above, the relevance of ‘simultaneous’ disclosure may fall away if it were accepted that both UK and EU laws *already allow* disclosures made abroad (or online) to give rise to EU UDR / SUD, provided they ‘become known’ to the relevant circles in each territory and are not invalidated by a prior disclosure on an earlier date.

However, as an alternative (recognising that the above remains subject to debate) and regarding territories outside of the EU, the unilateral recognition of disclosures made ‘simultaneously’ overseas and in the UK could offer the benefit of certainty that SUD is not necessarily lost by ‘first’ showing a design outside the UK. We agree that this would need to be subject to clear criteria on what is deemed “simultaneous” and what counts as a qualifying “disclosure” that would become known in the UK. Otherwise, there would be a risk of indiscriminately granting SUD protection to foreign designs that are only superficially ‘disclosed’ in the UK with no legitimate intent to commercialise or exploit them in the UK.

Regarding asymmetry, we note that unregistered design rights from which UK designers might benefit in return are a rarity outside of the EU. Where they do exist, they are not necessarily

applied on a reciprocal / mutual basis either – so a degree of ‘asymmetry’ already exists between the UK and other territories. Attempting to limit the geographical scope of qualifying ‘simultaneous’ disclosures is also likely to run into practical and evidential difficulties where online disclosures are involved.

Option 2 – Introduce a grace period for unregistered designs

This option would help ensure that SUDR can still arise even if the “first” disclosure of the design was made abroad, provided it is also disclosed or put on the market in the UK shortly thereafter. A brief “grace” period would recognise the realities of international commerce by taking the emphasis away from the physical location of a “first” disclosure. This would allow UK businesses to formulate their launch strategies freely, without concerns about a loss of rights at home.

However, the broader impact of this option would depend on how strictly the requirement for “disclosing or putting on the market in the UK” is applied, and how this differs from the design simply “becoming known” in the relevant UK trade circles.

CITMA’s view is that the introduction of a ‘grace’ period is an opportunity not only to remove the arbitrary requirement for a “first” UK disclosure, but also to help preserve SUDR for those designs where there is a legitimate interest in commercial exploitation in the UK. This would avoid the risk of indiscriminately protecting any design, wherever created and commercialised, with SUDR simply because it might be ‘known’ to UK trade circles even if it never enters the UK market.

It would likely have a chilling effect on UK design innovation if any foreign design could potentially attract SUDR and be enforced against UK businesses. It would still be legitimate for designs ‘known’ to UK design circles to count as ‘prior art’ preventing anyone claiming SUDR in the same/highly similar design in the UK if it has been copied from an existing foreign design. However, CITMA’s view is that such designs should not create an infringement risk if they are never exploited in the UK.

We would therefore support exploring this option further, to consider practicalities such as:

- What would amount to ‘commercialising’ the design in the UK for the purposes of satisfying the grace period (i.e. avoiding ‘token’ uses in the UK market solely aimed at establishing a legal right, but with no *bona fide* intention to exploit the design commercially)
- Whether SUDR in the design would be back-dated to the date of its first disclosure overseas, or only arise from the date it is first marketing in the UK (and if the latter, how would infringing copies be treated in the intervening period?) and
- Would the term of protection (currently 3 years) run from first UK marketing, or from the first disclosure abroad?

Option 3 - SUD is created following first disclosure anywhere in the EU which has come to the attention of relevant trade circles in the UK

Technically speaking the impact of designating the European Union as a qualifying territory in the Design Regulation would be that a disclosure coming to the attention of relevant trade circles in the EU would automatically attract SUDR, whether or not it also independently ‘known’ in the UK. This is subtly different to saying that a disclosure made in the EU is automatically deemed to have come to the attention of trade circles *in the UK*. We understand Option 3 to be suggesting the latter, though both options could be considered.

As suggested above, CITMA is of the view that disclosures *made in the EU* (or indeed elsewhere abroad) that come to the attention of the UK trade circles could be eligible for SUDR protection, subject to a 'grace period' for putting them on the market for legitimate commercial exploitation in the UK.

Option 4 - Creation of SUD following first disclosure anywhere in the world which has come to the attention of relevant trade circles in the UK

As noted above in response to para. 21, CITMA would generally not be in favour of indiscriminate SUDR protection for any and all designs 'known' to UK design circles if not actually placed on the market here. However, subject to a 'grace' period being applied to designs first disclosed abroad.

Q: Please rank the options in order of preference

A: 4 = Option 3 – Creation of SUD following first disclosure anywhere in the EU

Whilst extending qualifying disclosures to those made in the EU would help resolve some of the post-Brexit first disclosure quandary, this would not eliminate the unhelpful (and arbitrary) question of the *physical* location of a "first" disclosure. If a disclosure anywhere in the world (subject to a grace period) is taken as being too broad, the UK should perhaps still look beyond the EU to other countries and key trading partners where UK designs may wish to launch their products. As the SUDR regime may materially diverge from EU UDR (particularly if it is amalgamated with UK design right to form a new, hybrid unregistered design right) there is no reason in principle to define SUDR eligibility by reference to the EU despite it originating from EU law.

1* = Option 2 – Introduce a grace period

3 = Option 1 – Unilaterally recognise simultaneous disclosure in law

1* = Option 4 – Creation of SUD following first disclosure anywhere in the world

*CITMA Comment: The 'joint first' ranking of Options 2 and 4 assumes they are both adopted together.

5 = Option 0 - Do nothing

Q: *If a simultaneous disclosure provision is introduced into UK law, should we recognise simultaneous disclosures made in*

A: Anywhere in the world.

As online product launch is becoming increasingly prevalent, it is likely to be difficult to establish the physical origin of a "simultaneous" disclosure event in many cases. If the determining factor is that the design has been simultaneously launched in the UK (and the criteria for a qualifying UK simul-launch have been met) there may be no compelling reason to apply a territorial limit.

Q: *What should constitute simultaneous disclosure?*

A: Within the same day.

As the law determines subsistence and commencement of SUDR in design (A) by reference to there being no novelty-destroying design (B) made available prior to "the date" of the first launch of design A in the UK or in a qualifying country (in the sense of it having 'become known'

there), it should be sufficient for the first UK disclosure of design A to take place on the same calendar day as the 'simultaneous' overseas disclosure of design A to avoid a loss of novelty. This is arguably already the case. In any event, a more rigid time frame would likely be impractical or indeed impossible, whilst a longer one would involve a more radical change (not simply a re-interpretation) of the current law.

Q: Do you think a grace period should be introduced for unregistered designs?

A: Yes.

Q: If the government introduces a grace period for unregistered designs, how long should this be?

A: 3-6 months.

As noted above, if disclosures made abroad but 'coming to the attention of UK trade circles' are to benefit from SUDR protection, the 'grace period' should require them to be put on the UK market reasonably promptly following their first disclosure, in the interests of legal certainty.

That being said, and overly rigid time frame could be logistically problematic if shipping of goods and customs clearance are likely to cause delays. Out of the options proposed, we consider 3-6 months to be appropriate considering the short duration of SUDR protection. A 6-month 'grace' period also has synergy with the Paris Convention 'priority' period for registered designs (and other IP rights) which is already familiar to businesses. If the term of SUDR protection were to be calculated from the first disclosure, but only become effective from the first UK marketing, this would incentivise businesses to launch in the UK as quickly as possible to avoid losing out on the full term of protection.

Q: If we allow disclosures abroad to give rise to SUD, where should we recognise disclosures?

A: Anywhere in the world.

For evidential reasons and to avoid perpetuating the problem of the physical location of a "first" disclosure being decisive, we would support recognition of disclosures anywhere subject to them becoming 'known' in the UK and being commercially launched on the UK market within the 'grace' period.

Q: To what extent are you concerned about asymmetry i.e. other jurisdictions not reciprocating any measure the UK introduces?

A: Unconcerned.

Section H – Call for Evidence on Criminal Sanctions for Design Infringement.

Q: For the infringement of registered designs rights, what has been your experience of the typical costs, duration, remedies sought, and outcome associated with pursuing an infringement dispute?

A: Costs: A contested High Court action taken to trial can often incur some £250K to £450K in costs, or more, for each party. Appeals could add another £200K.

Duration: 12 – 18 months both in HC and IPEC.

Remedies: All.

Note that we consider the costs of litigation to be irrelevant to the question of introducing criminal sanctions. No amount of evidence of the cost of litigation deterring would-be litigants is a justification for a criminal offence being introduced. It is unrealistic to suggest that Trading Standards will pick up the cost of bringing a criminal case where a civil litigant might otherwise have acted. This is borne out in the (lack of) evidence of criminal cases being brought under the registered design criminal offence.

Q: Have you experienced or made any changes in business practices since the introduction of criminal sanctions for the infringement of registered designs

A: No. We have not heard of any changes to business practices. We note that fraud and “fraudulent trading” are already an offence that could be applied where counterfeits were sold to unwitting buyers. That said, there may be members of CITMA who have not informed us of such changes.

Q: Have criminal sanctions for the infringement of registered designs been providing an effective deterrent effect, in your experience?

A: We have not heard of any impacts, whether against bigger companies or smaller companies. We have not seen any evidence that designers, big or small, are finding their registered designs are being infringed less since the introduction of criminal sanctions in 2014.

Q: How do you currently address infringement disputes for unregistered designs?

A: IPEC multi-track and HC Chancery Division.

We must stress that digital marketplace ‘takedown’ routes are the most common route for enforcing designs, which are cost-effective for all sizes of designers.

Q: What are the typical costs, duration, remedies sought, and outcome in currently available litigation routes for an infringement of unregistered designs?

A: Costs: A contested High Court IP action relating to designs and reaching trial might incur costs in the region of £250K to £450K for each side, and more for more complicated cases. Enforcing an unregistered design right is likely to be at the higher end due to the additional evidence needed, if contested. Note that we do not consider this to be relevant to the question of bringing in criminal sanctions for unregistered design infringement. It is not the case that designers would be able to adopt the criminal route instead of the civil route if they found the costs to be too high. Therefore, in our view the gathering of evidence of the cost of litigation is irrelevant to the question of whether criminal sanctions are the right answer.

Duration: 15-18 months in HC and IPEC, 12 months in the Shorter Trials Scheme.

Remedies: All

Q: If a criminal offence is introduced for infringement of unregistered designs, should any adaptations to that offence be made to reflect the different context of unregistered designs?

A: The principal difficulty is that information about whether a design is protected or not requires information ordinarily known only to the rights owner, and not to subsequent users of the design. In civil cases, the scope of the design is rarely defined before the date the claim is issued. This lack of clarity creates great risk for designers, large and small, where they choose to build on the design corpus. This information must be brought to the attention of the infringer if the offence is to be constituted. This could be done through some requirement to mark a product, perhaps with a link to details of the right (including an accurate depiction of the design akin to a registered design representation), its duration and its ownership.

Q: What conditions of intentional copying do you believe would be necessary for a criminal offence?

A: CITMA opposes the introduction of criminal sanctions for unregistered design infringement cases. However, if they were to be introduced, contrary to this position:

The *actus reus* of (1) actual copying, (2) exactly or with only immaterial differences, must be the high water mark – as with registered designs. We do not want the *actus reus* to be the same test as civil infringement.

The *mens rea* needs careful thought in order to avoid a chilling effect on lawful market competition (including for spare parts) through the de facto granting of an over-broad monopoly. “Having reason to believe” is just too uncertain where often one does not know whether an article is protected by an unregistered design right or not. All articles potentially could be protected by an unregistered design right, but very few will be – whether because the article never ‘qualified’ for protection in the first place, or because protection has lapsed.

Realistically, the existence of UDR would need to be marked on the product or otherwise asserted, as must the date from which the term of protection commenced. Only the rights owner holds this information.

But to prevent abuses, there need to be penalties for false representations, just as there are with registered designs (s35 RDA).

But as with registered designs, we don’t want penalties for false representations to interfere with the ordinary activity of claimants and lawyers issuing legal threats/claims that might ultimately not be able to be made out (for example, if it turns out that the evidence of proof of authorship is not as strong as one might have hoped) Reconciling these last two competing needs will require careful thought.

Q: Do you have any concerns about the possible introduction of criminal remedies for unregistered designs?

A: Yes.

CITMA does not agree that criminal sanctions should be introduced. Criminal sanctions for registered designs have been little used. We are only aware of one or two cases since their introduction in 2014 (often bundled with trade mark offences) and as such they do not appear to have succeeded in their objective to reduce design infringement.

This concern is exacerbated as unregistered designs are by their nature uncertain; many litigants in civil cases only define the precise scope of their designs on issue of proceedings, and are often put to proof on ownership, subsistence and validity. Therefore, a designer looking at the market before creating their own design would have no way to know whether a particular product is protected, or not. This is a fundamental difference to other rights for which there are criminal offences. For example, copyright works are often clearly defined: a book is what is defined as the work, and the author and date of first publication are usually written in the book. It is an infringement to take a substantial part of that book. By contrast, the designer of a design is unknown, the first marketing date is unknown, and the precise scope of the design is unknown. Infringement is whether another product is made exactly or substantially to *that* design (being the design that is not defined until proceedings). This uncertainty is difficult enough in civil litigation, let alone criminal proceedings.

Section I: Call For Evidence On Inclusion Of Claims Made Under The Registered Designs Act 1949 Within The Intellectual Property Enterprise Court's Small Claims Track

CITMA supports the extension of the IPEC's Small Claims Track (SCT) to include claims made under the Registered Designs Act 1949. We consider that this would provide particular benefits to SMEs in terms of cost savings and streamlined proceedings and would align with other IP rights (save for patents, which are not suitable for the SCT). To the extent that the SCT is not appropriate in a given design case, this can be dealt with through transferring the proceedings to the multi-track.

This submission was prepared by the Design & Copyright Working Group on behalf of the Council of CITMA.

Filed for and on behalf of the Chartered Institute of Trade Mark Attorneys



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4th December 2025