

# An Introduction to EU Design Law

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The introduction of EU-wide design rights in 2003<sup>1</sup> heralded a new era of pan-European IP protection. Since then around 400,000 designs have been registered and this number is increasing at a rate of about 80,000 a year; indeed, the number of registered Community designs (“RCDs”) will soon exceed the number of Community trade marks (“CTMs”). The specific inclusion of logos and fonts within the scope of protection of the new rights<sup>2</sup> and the obvious cross-over with trade marks, copyright and other IP rights (such as unfair competition and passing off) have heightened the importance of design rights and the need to take them seriously.

Designs have been registered by designers, manufacturers and marketers of many types of innovative products including textiles, clothing, footwear, jewellery, toys, sports equipment, industrial equipment, vehicles, packaging for food and drink, domestic goods, electrical goods and furniture. After a series of conflicting decisions from design courts in EU Member States, March 2010 brought the first EU court decision<sup>3</sup> to discuss in detail several key aspects on the legislation. This decision provides an opportunity to review the law in this area and the creative ways in which the system is being used.

## What Can Be Protected?

'Design' is widely defined to include the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation<sup>4</sup>.



A design may be protected to the extent that it: (i) is new and (ii) has individual character<sup>5</sup>.

A design shall be considered to be new if no identical design has previously been made available to the public<sup>6</sup>. It may come as a surprise to some that RCD applications are not examined for novelty, resulting in a large number of registry entries which are obviously invalid even to the casual observer. However, it could equally be noted that copyright and unregistered design rights, and now trade marks in much of Europe, are not examined on relative grounds either. Reassuringly, this requirement for novelty has been sensibly and simply interpreted in subsequent proceedings: an RCD will be invalid if an identical design (or one that does not differ in material details<sup>7</sup>) has previously been disclosed.



*Procter & Gamble v Reckitt Benckiser* (Top: Procter & Gamble RCD; Bottom: Reckitt Benckiser subsequent design). This pan-European dispute resulted in different outcomes in different EU Member States. While all courts at all levels found the RCD to be valid, there was no such consistency in relation to infringement (infringement found in Italy, France, Germany and Belgium, but not in Austria or England).

The second, separate<sup>8</sup>, test of individual character rests on whether the overall impression of the design on the informed user differs from that produced by a design previously made available to the public<sup>9</sup>, taking into account the degree of freedom of the designer in developing the design<sup>10</sup>.

Both tests refer to designs made available to the public. This test is defined to include any publication, exhibition, use in trade or other disclosure, except where these events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community<sup>11</sup>. This provision has been widely interpreted in case law, indeed, the authors are only aware of one

decision where disclosure was found to be too obscure. In a case relating to toy helicopters, a display at a convention in Hong Kong was held to be a disclosure given the importance of Chinese manufacturers within the industry<sup>12</sup>, illustrating that the test is one of global disclosure. As a result, design owners seeking protection in the EU should be aware that they must register within 12 months of initial disclosure (pretty much anywhere in the world), or risk losing the right to do so<sup>13</sup> (although see below in relation to unregistered Community designs).

## The Informed User

The informed user is "a debutant to the pantheon of fictional ... legal characters"<sup>14</sup>. The legislation provides little assistance as to whom the informed user might be and tribunals have, by and large, taken the approach of setting out who the informed user is *not*. The informed user is not:

- a mere end-user<sup>15</sup>;
- a designer<sup>16</sup>;
- a manufacturer<sup>17</sup>;
- a product design expert<sup>18</sup>;
- a 'man in the street'<sup>19</sup>;
- a 'man skilled in the art'<sup>20</sup>; or
- an 'average consumer' as discussed in trade mark cases<sup>21</sup>.

The informed user will be aware of the design corpus, so as to enable him or her to compare the design in issue with the alleged infringement against the backdrop of the design corpus<sup>22</sup>. The informed user will also be aware of the industrial sector to which the product belongs<sup>23</sup>, and of the degree of freedom of the designer in developing the design<sup>24</sup>.

Recent EU case law has provided a helpful definition of the informed user: "[it] must be found that the informed user is neither a manufacturer nor a seller of the products in which the designs at issue are intended to be incorporated or to which they are intended to be applied. The informed user

is particularly observant and has some awareness of the state of the prior art, that is to say the previous designs relating to the product in question that had been disclosed on the date of filing of the contested design, or, as the case may be, on the date of priority claimed.”<sup>25</sup>

“The ‘informed user’ test makes sense: a user who has experience of other similar articles will be reasonably discriminatory—able to appreciate enough detail to decide whether a design creates an overall impression which has individual character and whether an alleged infringement produces a different overall impression”<sup>26</sup>. The informed user “would know about the design constraints inherent in [the] design, what features were necessary and unnecessary, and so on.”<sup>27</sup>

## Registration

Registering an RCD is an inexpensive, fast and uncomplicated process. More than 40% of designs are now being registered within one week. Applications are assessed on formalities only<sup>28</sup>, leaving validity to be challenged at subsequent proceedings.

Upon registration the design will be protected for an initial period of five years, with the option to renew for one or more periods of five years each, up to a total of 25 years from filing<sup>29</sup>.

Following registration the RCD will be published in the Community Designs Bulletin<sup>30</sup> and added to a central register<sup>31</sup>. However, it is possible to defer publication of a design for 30 months<sup>32</sup>. In this way protection may be obtained, allowing a product to be developed in confidence without giving competitors access to information from public records.

## Filing Tips

- For faster moving goods, generic or supermarket look-alike products are likely to be a complex issue that trade mark law has struggled to deal with. RCDs may well assist if the look-alike creates the same overall impression on the informed user.
- To make life more difficult for a competitor, consider filing a range of RCDs for the product packaging and the various draft packaging styles that were rejected. The competitor will have a harder time coming up with something that does not create the same overall impression on the informed user as *any* of the filed designs.
- To make matters even harder, consider deferring publication of some of the RCD applications for the draft designs: a competitor will not know of all the rights it is trying to get around.
- The Locarno Classification given to each application does not impact on the scope of the protection<sup>33</sup>: the RCD protects against use of the design in relation to *any* product<sup>34</sup>. There is little to stop a rights owner from ‘mis-filing’ an RCD with an ‘incorrect’ Locarno Class if the rights owner does not wish the RCD to be found by copycats, as the registrar cannot amend the application without the applicant’s permission<sup>35</sup>.
- RCDs are comparatively inexpensive – several designs can be combined in one multiple application<sup>36</sup> and the filing fee falls to as little as €80 for the 11th or more design. Many fashion industry companies are filing for the whole seasonal range and only renewing (after five years) those designs that have captured the public’s imagination.
- Consider filing several designs<sup>37</sup>, perhaps some containing colour, others claiming only part of the product (using dotted lines). Variations in shape can also be filed. Where cost allows, RCDs should be filed with and without verbal elements<sup>38</sup>. Where budgetary constraints only allow for one filing, a black and white line drawing will generally offer the broadest protection.
- Given the low cost, there are also benefits from doubling up protection where it is available, for example, filing for both an RCD and a CTM for logos. For product and packaging shapes, it would be best to file for the RCD at the same time as the CTM: by the time the CTM is finally rejected for lack of distinctiveness, it may be too late to file for a valid RCD.



*Grupo Promer v OHIM, PepsiCo* (Left: Pepsi RCD; Right: Promer prior design). Pepsi’s RCD was found to be invalid on the basis that the designs created the same overall impression.

## Infringement

Protection confers on the rights holder an exclusive right to use the design and to prevent third party use without consent<sup>39</sup>. The scope of protection includes any design which does not produce on the informed user a different overall impression<sup>40</sup>, taking into account the degree of freedom of the designer in developing the design<sup>41</sup>.



The degree of freedom of the designer can have a significant impact when it comes to assessing the overall impression produced by the design in issue<sup>42</sup>. Where the design freedom of the designer in the field in question is narrower small variations to the design in question may be enough to take the alleged infringement out of the Community design's scope of protection<sup>43</sup>; conversely, where the designer has very few constraints on the shape he or she can use, the scope of protection may be much wider<sup>44</sup>.

While a number of factors may limit a designer's degree of freedom<sup>45</sup>, internal factors, such as, for example, the need to use existing production lines<sup>46</sup>, will not be taken into account<sup>47</sup>.

*Silverlit Toys Manufactory v Goldenbright Manufacturer* (Top: Goldenbright RCD; Bottom: Silverlit prior design). While Silverlit's publication of its design in Hong Kong was found to be sufficient disclosure, Goldenbright's RCD was found to be valid on the basis that the designs created different overall impressions.

## Comparisons of Overall Impressions

Both the test for validity (individual character) and infringement (the scope of protection) require a comparison of overall impression. It seems sensible to believe that this is the same test in both cases<sup>48</sup>. As the legislation protects *designs*, the overall impression to be compared must be the visual one<sup>49</sup>.

It is the *overall* impression which is being assessed and compared, rather than a "fragmented comparison of fully detailed particulars"<sup>50</sup>. The approach previously adopted by the English courts had been to describe in words the overall impression of

the two designs<sup>51</sup>, however, this approach had been criticised as overly lexical<sup>52</sup>. Recent EU case law<sup>53</sup> has clarified the appropriate methodology: the designs must be compared by examining their similarities and differences, without the need to describe in words what the two overall impressions are. This guidance appears to be a welcome simplification of the approach previously adopted by the English courts. It should lead to greater consistency across the EU<sup>54</sup>, however, tribunals will continue to have a considerable margin for judgement.

## Bringing Invalidity Proceedings

Given the number of potentially invalid RCDs on the register, should affected companies wait to receive a cease and desist letter, or commence invalidity proceedings?

First, RCDs, like CTMs, can be relatively easily notified to customs authorities across the EU, and form the basis for seizure of infringing goods. There will be no opportunity to test the validity of the RCD until some time after the goods are seized, which may be sufficient time to disrupt the supply chain, particularly for a new product.

Secondly, there are several EU Member States that grant *ex parte* relief quite readily. Again, while the invalidity of the RCD can be tested in later infringement proceedings, the issuance of an injunction is usually best avoided.

There may be good reasons, therefore, for those practising in highly competitive and/or design-driven businesses to develop strategies for monitoring the RCD database to ensure that designs filed by competitors are, where appropriate, tested for validity. Invalidity proceedings are relatively quick and cost effective – there is no hearing.

## Unregistered Community Designs



*J Choo v Towerstone* (Top: Jimmy Choo RCD; Bottom: Towerstone subsequent design). Towerstone's design was held to infringe Jimmy Choo's. The judge stated "[the] likelihood that these two designs could have been arrived at independently [...] seems to me to be truly fanciful."

In addition to RCDs, the legislation also introduced the concept of unregistered Community designs ("UCDs"). To obtain protection designs must meet the same tests of novelty and individual character that apply to RCDs<sup>55</sup>. UCDs will then be protected for three years from the date on which the design was first made available to the public within the EU<sup>56</sup>, with no option to renew. UCDs only arise if the design is first disclosed in the EU<sup>57</sup>. For non-EU designers who market into the EU, it may be worth ensuring disclosure in the EU prior to non-EU launch.

This short-lived protection, which arises automatically without the need for formalities, may be of particular relevance in relation to fast moving goods<sup>58</sup>. However, in contrast to RCDs<sup>59</sup>, UCDs only offer protection against copying<sup>60</sup>. The contested use shall not be deemed to result from copying the protected design if it results from an independent work of creation by a designer who may be reasonably thought not to be familiar with the design made available to the public by the holder<sup>61</sup>. In addition, in infringement proceedings an RCD will be presumed to be valid<sup>62</sup>, while a UCD owner will have to furnish evidence<sup>63</sup>. This may be a time consuming process in UCD proceedings<sup>64</sup>.

## Conclusions

The low cost of RCDs and the speed with which they can be registered make them an effective tool for protecting products, as well as their packaging and branding. RCDs are now an essential part of any IP portfolio: where, for example, a patent will protect a product's function, an RCD will protect its appearance.

Given the time it takes for some IP rights, such as patents, to be registered, RCDs give the owner some almost immediate interim protection: RCDs will usually publish within one month of application. Given this rapid turnaround, rights owners are in a position to print RCD numbers on a product to discourage copying.

RCDs can also be an important weapon in the fight against counterfeiters, as it will usually be easier for busy customs officers to compare an RCD image to a product, than to consider patent or other rights that may apply.

It goes without saying that RCD protection sits alongside other forms of protection: it should form one arrow in a multifaceted quiver of IP protection of a product. Design protection on its own will rarely be sufficient to protect a new product adequately. But cleverly used together with trade marks, copyright and other IP rights, RCDs are a valuable resource for IP owners.



- 1 Community Design Regulation 6/2002 (the "Regulation")
- 2 Regulation Article 3(b)
- 3 *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc.* (Case T-9/07)
- 4 Regulation Article 3(a)
- 5 Regulation Article 4(1)
- 6 Regulation Article 5(1)
- 7 Regulation Article 5(2)
- 8 *Procter & Gamble Company v Reckitt Benckiser (UK) Ltd* [2006] EWHC 3154 (Ch), para 25
- 9 Regulation Article 6(1)
- 10 Regulation Article 6(2)
- 11 Regulation Article 7(1)
- 12 *Silverlit Toys Manufactory Ltd v Goldenbright Manufacturer Ltd* (ICD 4893, 3 March 2009)
- 13 Regulation Article 7(2)
- 14 *Woodhouse UK Plc v Architectural Lighting Systems* [2005] EWPCC (Designs) 25, para 49
- 15 *The Procter & Gamble Company v Reckitt Benckiser Austria GmbH* Case 4 Ob 43/07p, Oberster Gerichtshof Österreich, para 1.3
- 16 *The Procter & Gamble Company v Reckitt Benckiser (UK) Limited* [2006] EWHC 3154 (Ch), para 30; *Karen Millen Limited v Dunnes Stores* [2007] IEHC 449, p.38
- 17 *Woodhouse UK Plc v Architectural Lighting Systems* [2005] EWPCC (Designs) 25, para 50
- 18 *The Procter & Gamble Company v Reckitt Benckiser Austria GmbH* Case 4 Ob 43/07p, Oberster Gerichtshof Österreich, para.1.3
- 19 *Woodhouse UK Plc v Architectural Lighting Systems* [2005] EWPCC (Designs) 25, para 50
- 20 *Woodhouse UK Plc v Architectural Lighting Systems* [2005] EWPCC (Designs) 25, para 50
- 21 *Reckitt Benckiser (UK) Limited v The Procter & Gamble Company* [2007] EWCA Civ 936, para 24
- 22 Regulation Recital 14
- 23 Regulation Recital 14
- 24 Regulation Article 6(2)
- 25 *Grupo Promer Mon Graphic SA v OHIM*, case T-9/07, 18 March 2010, para 62
- 26 *Reckitt Benckiser (UK) Limited v The Procter & Gamble Company* [2007] EWCA Civ 936, para 23
- 27 *J Choo (Jersey) Ltd v Towerstone Limited* [2008] EWHC 346 (Ch), para 7
- 28 Regulation Article 45
- 29 Regulation Article 12
- 30 Regulation Article 49
- 31 Regulation Article 72
- 32 Regulation Article 50
- 33 Regulation Article 36(6)
- 34 *Green Lane Products Ltd v PMS International Group Plc* [2008] EWCA Civ 358
- 35 *Re Casio Keisanki Kabushiki Kaisha (Cash Register)* (Case R 1421/2006-3, Boards of Appeal, 5 July 2007)
- 36 Regulation Article 37(1)
- 37 See, for example, the 18 variations filed as RCD no. 620760 in the name of Glaxo Group
- 38 See *Julius Sämann Ltd v Jeess SRO* (ICD 3630, 7 November 2007)
- 39 Regulation Article 19
- 40 Regulation Article 10(1)
- 41 Regulation Article 10(2)
- 42 Case No.2-06 O 358/05 *Fireplace Oven*, Frankfurt Am Main District Court
- 43 *Grupo Promer Mon Graphic SA v OHIM*, case T-9/07, 18 March 2010, para 72
- 44 See 2-06 O 358/05, *Kaminofen*, Landgericht Frankfurt am Main, 15 February 2006
- 45 See, for example, *Grupo Promer Mon Graphic SA v OHIM*, case T-9/07, 18 March 2010, paras 67 et seq
- 46 As arose before the High Court in *The Procter & Gamble Company v Reckitt Benckiser (UK) Limited* [2006] EWHC 3154 (Ch)
- 47 *Reckitt Benckiser (UK) Limited v The Procter & Gamble Company* [2007] EWCA Civ 936, para 31
- 48 *The Procter & Gamble Company v Reckitt Benckiser (UK) Ltd* [2006] EWHC 3154 (Ch), paras 26, 41 and 56; *The Procter & Gamble Company v Reckitt Benckiser Austria GmbH*, Case 39 Cg 54/06 v - 8, Handelsgericht Wien, 30 August 2006, para 9; *The Procter & Gamble Company v Reckitt Benckiser Austria GmbH*, Case 4 Ob 43/07p, Oberster Gerichtshof Österreich, 22 May 2007, para 1.2; cf. *Reckitt Benckiser (UK) Ltd v The Procter & Gamble Company* [2007] EWCA Civ 936, para 19
- 49 *Grupo Promer Mon Graphic SA v OHIM*, case T-9/07, 18 March 2010
- 50 Case 39 Cg 54/06 v-8 *The Procter & Gamble Company v Reckitt Benckiser Austria GmbH*, Handelsgericht Wien, page 8
- 51 *Reckitt Benckiser (UK) Limited v The Procter & Gamble Company* [2007] EWCA Civ 936; as summarised in *J Choo (Jersey) Ltd v Towerstone Limited* [2008] EWHC 346 (Ch)
- 52 *Rolawn Limited v Turfmech Machinery Limited* [2008] EWHC 989 (Pat)
- 53 *Grupo Promer Mon Graphic SA v OHIM, PepsiCo Inc.* (Case T-9/07)
- 54 See, for example, the notable pan-European dispute between Procter & Gamble and Reckitt Benckiser, where 24 judges across 6 EU Member States delivered a range of judgements on the basis of the same products and the same legislation
- 55 Regulation Articles 5(1) and 6(1)
- 56 Regulation Article 11(1)
- 57 Regulation Article 110a(5); *Gebäckpresse design*, Hamburg Higher Regional Court (Hanseatisches Oberlandesgericht), 5 U 96/05, 7 June 2006
- 58 Regulation Recital 25
- 59 *Popcorn-Maschine*, Hamburg District Court, 15 April 2003
- 60 Regulation Article 19(2)
- 61 Regulation Article 19(2)
- 62 Regulation Article 85(1)
- 63 Regulation Article 85(2)
- 64 See, for example, *Bailey v Haynes* [2006] EWPCC 5

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