



JOINT COMMENTS OF ECTA, INTA and MARQUES TO THE EUROPEAN PARLIAMENT, COMMITTEE ON LEGAL AFFAIRS (JURI)

European Parliament's proposed amendments to the European Commission's proposed revisions to both the Design Directive (Dir. 98/71/EC) and the Community Design Regulation (Council Regulation (EC) No 6/2002).

October 2023

ECTA, INTA and MARQUES welcome the opportunity to provide comments to assist in the final stages of the negotiation process. We did not comment on all the proposed amendments. Instead, we focused on those amendments that we strongly support and those on which we have some concerns. We provided our comments by topic, and, for ease of reference, we have included a reference to the relevant amendments.

Administrative invalidity proceedings

Amendment 52 Directive (Article 31(1) recast Directive)

The proposed change in Article 31(1) Directive (from an obligation to a mere option for Member States to provide for administrative cancellation actions) would, in our organizations' opinion, be a step backwards for legitimate users of the European IP system. Because there is no substantive relative ground examination of designs (which will be universally the case after the revision), it is possible to register designs notwithstanding the existence of clear novelty-destroying prior art. Indeed, the applicant may be fully aware of this. This may be because the disclosure was their own, or because they may have filed the application fraudulently using someone else's designs. If identified, such registrations need to be easily, quickly and cheaply removed from the register. Having the option for an administrative procedure is essential to facilitate this. Without this, the intellectual property system risks being abused, in particular by those prepared to register invalid designs and rely on them in Applications for Action with customs to have goods intercepted and seized. They can currently do that in countries where there is no such administrative procedure. This will be in the sure knowledge that the importer (potentially even the legitimate designer) may not have the inclination or money to challenge the registration through an expensive and drawn-out court

action. There is also evidence that abusive design registrations are being used in the context of platform takedowns (either to request a takedown or to defend against a takedown request).

For completeness, we note that, in its proposal 10155/23, the Council had a position to maintain Article 31(1) as mandatory but introducing a 6-year transposition period for this provision pursuant to Article 36. ECTA, INTA and MARQUES would consider this compromise position acceptable, even though it is in the interests of users for these administrative procedures to be put in place and become operative as soon as possible.

Term and renewal mechanics

Amendment 56 Regulation (Article 12(2) Regulation)

Amendment 37 Directive (Article 10(2) Directive)

We do not support a substantive change to the calculation of the term for a registered EU design (calculation from date of registration rather than date of application).

For other IP rights, such as trademarks, renewal is similarly calculated from the date of application, and applying different rules for different IP rights would run contrary to the goal of simplifying the systems as much as possible for use by individual designers and SMEs.

Such a change would make the term of the design dependent on the speed of the individual Offices in registering the design (removing a level playing field) and could also give rise to abuse, such as attempting to delay registration as much as possible in order to obtain a longer term.

Renewal Reminders

Amendment 77 Regulation (Article 50d(2) Regulation)

Amendment 53 Directive (Article 32(2) Directive)

Although ECTA, INTA and MARQUES consider that renewal reminders should be mandatory, the proposal that a failure to provide such a reminder should be deemed to constitute a request for renewal is potentially problematic, not least in terms of payment of renewal fees.

Particularly with the move to electronic communications (also in the designs area) by Member State IPOs and BOIP, it is not burdensome for IPOs to send a renewal reminder to a design owner 6 months prior to the expiry deadline. Indeed, since one of the main aims of the reform is to make the system more accessible to SMEs and individuals and encourage take-up of the use of registered designs by these constituencies, renewal reminders from IPOs are even more necessary to ensure that those designers do not lose their rights due to administrative burdens. It should also be recalled that the failure to renew a design can have an even more drastic consequence than in the area of trade marks, where a trade mark can usually simply be re-filed, whereas a design would lack novelty and therefore not any longer be protectable. Therefore, we would strongly recommend that renewal reminders be mandatory. For completeness, we would accept the reinstatement of the struck-out text "The office shall not be held liable if it fails to give such information and such failure shall not affect the expiry of the registration". Also, and for example, the Office cannot be responsible for the fact the renewal reminder cannot be delivered to the right holder or representative because the correspondence details recorded in the design register are outdated.

Fees

Amendments 24-25, 99, 109-119 Regulation (Annex 1 Regulation)

We note that there are a number of different proposed amendments relating to fees.

In our view, an increase in fees serves only to discourage further filing and renewal of design rights. We have previously called for a reduction in renewal fees, and would reiterate that call, or at the very least that those fees are not increased. Regarding fees in general, we recommend a simplified and reduced fee structure for filings and renewals, which would encourage more usage of the system by SMEs and individual designers. Our organizations actually support the idea that a Fee Review Study may be needed (in the future), to recommend new fee levels and structures.

Multiple applications

Amendment 71 Regulation (Article 36a(1) Regulation)

If a limit is to be placed on the total number of designs that can be included in a single multiple-design application, we support the limit being 100 designs. Firstly, this is consistent with the design limit for Hague International design applications as specified by Rule 7(3)(v) of the Common Regulations Under the 1999 Act and the 1960 Act of the Hague Agreement. It would be desirable for the EUIPO regulations on this point to be harmonised and consistent with this international design legislation. Secondly, on-line filing platforms are capable of handling such a number of designs in an application so any lower limit on the number of designs in an application would not be for any practical reason and would only cause users more inconvenience and cost when wishing to file more than that number of designs together. Thirdly, it is becoming increasingly common for users to have a large number of designs to be filed together. This is particularly relevant in the field of graphical user interfaces, where digital designers often produce a large portfolio of GUI, icon, and other related digital image designs in a project, for example in producing apps and programs for mobile devices and computers. This demand for filing a large number of designs in a single application will only increase with the prevalence of software and app development and increasing value of digital designs in the metaverse. The EU design regime should be able to cater for this inevitable demand from its users without imposing undue cost and complications in the application process which would arise from an arbitrarily low limit on the number of designs which can be included in a single application.

It is also to be noted that the present fee structure explicitly sets three tiers of fee levels: 1st design; 2nd – 10th designs at a lower fee rate; and the 11th design onwards at a further lowered fee rate. This has always been the case from the very start of the Community design regime, making clear it was the explicit intention that the system was to benefit and attract users wishing to file 11+ designs in a single application. To impose a limit of 10 designs per application would be counter to the original principles of the EU design regime.

Amendment of representation in immaterial details

Amendment 76 (Article 47a (1) and Article 50e (2) Regulation)

We generally support this new option as useful to resolve human drafting errors when presenting different views of a design, particularly in the situation after the design was registered, as it is reflected by the proposed Article 50e Regulation. Under the current regulation, a registered design is considered invalid if there is an inconsistency between views of the design, which was not objected

by the Office during the examination. This new option as provided by the proposed Article 50e Regulation should offer a solution to this highly dissatisfactory situation for the right holder.

We believe that the term “immaterial details” should be further explained within the Regulation, since the scope of what “immaterial details” are, is unclear. Are they the same “immaterial details” as described under Novelty in Article 5(2) of Regulation No 6/2002? Without further clarification as to what is to be considered “immaterial details” we have a concern that this new option might be abused to introduce new matter into designs after registration. We therefore suggest adding the following wording at the end of Article 47a (1) and Article 50e (2) Regulation:

“..., which merely remedy a lack of precision, certainty or clarity regarding the matter to be protected by the EU design for which registration is sought and which do not alter the scope of protection of the registered EU design.”

A non-exhaustive list of examples of what is to be considered as “immaterial details” or further explanation of the circumstances in which this Article would apply would be advisable (perhaps in the Recitals), for instance that, with reference to Article 47a (1) and Article 50e (2) Regulation, it would be possible to delete a single view which is inconsistent with the remaining views because it relates to another design, or to replace views with views of a better quality, showing the design against a neutral background or removing elements external to the design.

Additionally, we recommend clarifying that alterations under this paragraph would not impact the filing date, and we further recommend that the retroactive impact of this Article be fully considered.

Repair clause

Amendments Recital 16, Amendments Article 20a Regulation

Amendments Recital 34, 35, Article 19 Directive

As emphasized in our previous joint papers, we have no specific position on the wording of the repair clause, since the scope of the repair clause is eventually a political decision. However, we always have emphasized the need for a permanent harmonization. Having said this we have already noted that the repair clause proposed by the Commission deviates from the principles discussed by the CJEU in *Acacia* and that to some extent MEPs disagree with the Commission’s proposal respectively propose some amendments. In detail:

First, the scope of the proposed repair clause is explicitly narrowed down to cover only “must match” components. We note that some MEP have shown sympathy to not confine the repair clause to “must match” components but to suggest applying the repair clause – in line with the *Acacia* ruling of the CJEU - in a broader way. Apparently, this is in exact opposition to the EU Commission’s proposal. As mentioned above and earlier, it is eventually a political decision if the repair clause shall apply to “must match” components only or not. If the repair clause is to be confined to “must match” components only we advocate to keep the wording “upon whose appearance the design of the component part is dependent” in both the proposed repair clause as well as in the recitals, in order to be clear and consistent about the “must match” limitation.

Secondly, the repair clause proposed by the Commission does not state if the second and third conditions of the due diligence conditions set out in *Acacia* will need to be observed if one would like to invoke the repair clause. We understand that also in this regard the Commission is deliberately deviating from the principles set out by the CJEU in *Acacia* and that consequently the due diligence test shall be confined to the criteria mentioned in Sec. 20a (2). In this regard, we could not identify any disagreement or comments from the MEP and therefore assume their agreement with the Commission’s proposal to limit the due diligence test as proposed.

However, it is proposed to use a different wording than “origin of the product” in Sec. 20a (2). In total three suggestions were made by different MEP. The two first alternative wordings proposed are “producer” and “identity of the manufacturer”. The third suggested amendment is to use the term “manufacturer” and to include a reference to Article 3, point (8), of Regulation (EU) 2023/988 on general product safety for the purpose of the definition of “manufacturer”.

Regarding the first two alternative wording, we note the following:

Unfortunately, the MEP do not provide any reasoning why they would prefer a different wording. In our opinion, the alternative wordings might be understood more narrowly than the wording suggested by the Commission. While “producer” and “identity of the manufacturer” seems to only aim at one specific entity/person, “origin of product” might not only include the manufacturing company itself, but also the distribution channels, suppliers etc.

While we have no specific position on the wording of the repair clause, we would like to point out that the background of the due diligence test in Art. 20a (2) is to inform consumers that the “component part concerned incorporates a design of which the producer of the spare part is not the holder of” and that presumably this goal can be achieved by the Commissions initially proposed wording “original of product” and also the alternative wordings “producer” and “identity of the manufacturer” suggested by the MEP.

Regarding the third alternative wording, we note the following:

While we do not take a position on the future wording of the repair clause, we would be rather reluctant to refer to Article 3, point (8), of Regulation (EU) 2023/988 on general product safety for the purpose of definition of “manufacturer”. First, the repair clause addresses – at least primarily - the scope of design protection and not product safety like product safety law. Second, according to Art 3 (8) of Regulation (EU) 2023/988 “*manufacturer means any natural or legal person who manufactures a product or has a product designed or manufactured, and markets that product under that person’s name or trademark*”. Hence, the reference would introduce further criteria to the repair clause neither necessary nor justified from our perspective. Further, the introduction of such criteria might lead to further uncertainties which might be detrimental to the overall aim of permanent harmonization.

We also think such new must-match limitation should not have any retroactive effect.

We also support the need for a transitional period for the national laws, which should remain in the text of the Directive.

Lastly, we note that the Regulation does not provide any explanation as to the interpretation of the requirements (1) “complex product” and (2) “component part”. (1) We already recommended within the [Joint Comments](#) of ECTA, INTA and MARQUES that the Recitals should provide a clarification that the term “complex product” should be interpreted narrowly, to refer to complex machinery only. We strongly advise including this explanation, as that would do justice to the repair clause exception. (2) The Regulation does not provide a definition for “component part” and particularly its (proportional) relation to the complex product. An explanation within the Recitals could be very helpful, in particular with regard to the scope of the repair clause.

3D Printing

Amendments 31, 32 (Recital 11 draft regulation), Amendments 60 (Article 19, paragraph 2, (d) draft Regulation)

We agree with EC's intention to enable design right holders to more effectively address the challenges brought by the increased deployment of 3D printing technologies. It is thus indeed appropriate that the scope of design rights is broadened by making the "creating, downloading, copying and sharing or distributing to others any medium or software recording the design for the purpose of enabling a product" subject to the right holder's authorization, as foreseen in the text proposals of the EC and Council.

It seems in our view neither necessary nor appropriate to add an additional condition that these actions would be done "in exchange for a price" before they would become subject of the authorization of the design owner. We refer in that respect to Article 20, paragraph 1, (a) Regulation that limits the rights conferred by an EU design by already excluding "acts carried out privately and for non-commercial purposes". The combination of Article 19, paragraph 2, (d) and Article 20, paragraph 1, (a) of the draft Regulation finds in our view already a good balance between the interests of the design owner of a design and those the private and non-commercial user of this design. There is consequently no need to make the actions of creating, downloading, copying and sharing or distributing should be - at a certain point - in exchange for a price before the act because subject to the authorization of the design owner. The intention of the person creating, downloading, copying and sharing or distributing to others, namely his intention of doing these acts 'in exchange of a price' or not (and thus for commercial purposes or not) should only be assessed at the moment of this person invoking the private use exception of Article 20, paragraph 1, (a) of the draft Regulation.

As expressed already in our [Joint Comments](#) of January 2021 on the European Commission's Inception Impact Assessment on the review of the Design Directive and Community Design Regulation, with respect to 3D printing in particular, we are concerned that under the mentioned private use exception, consumers could be enabled to domestically 3D print potentially infringing designs. We believe that the focus of the legislation should be placed on commercial uses of 3D printing files and resulting products and any private use exception should be interpreted in a restrictive manner.

We believe that the European Commission's proposal found a good balance between the interests of design owners and the private user. Demanding from the design owner to prove that the creating, sharing, etc. of a software recording of the design was done by this user 'in exchange of a price' would disrupt this balance.

Unregistered EU designs first disclosure in the EEA

Amendment 6 (Article 11 Regulation and deletion of Article 110a, para 5, second sentence Regulation)

We are concerned that the suggested mere linguistic changes to Article 11 para 2 Regulation (namely just replacing the term "Community" with the term "Union") will create legal uncertainty if, at the same time, and as it is provided by the Commission's proposal, the second sentence of Article 110a, para 5, Regulation shall be deleted without any given explanation.

We note that, in this case, the (essentially) unchanged wording of Article 11 Regulation will likely refuel the discussion whether it is sufficient for an unregistered design to come into effect where the first disclosure was done outside the EU but could still be known to the relevant circles of experts within the EU. This discussion centered around the current wording of Article 11 (1) Regulation ("first made available to the public within the Community") which differs from that of Article 7 (Disclosure)

and – at least according to the arguably prevailing opinion – was clarified by the later amendment of Art. 110a para 5 sentence 2 Regulation.

Therefore, in case the Commission's proposal to delete of Art. 110a para 5 sentence 2 Regulation was adopted, we strongly recommend clarifying the intention behind it, for instance by adding a Recital to the proposed Regulation to the effect that

“A design may enjoy protection as an unregistered EU design whether or not it was first made public within the territory of the Union.”

Additionally, we recommend amending the wording of Article 11 Regulation as follows:

Regulation as follows:

“Article 11

1. A design which meets the requirements under Section 1 shall be protected by an unregistered EU design for a period of three years from the date on which the design was first made available to the public ~~within the Community~~.

2. For the purpose of paragraph 1, a design shall be deemed to have been made available to the public ~~within the Community~~ if it has been published, exhibited, used in trade or otherwise disclosed in such a way that, in the normal course of business, these events could reasonably have become known to the circles specialised in the sector concerned, operating within the ~~Community~~ Union. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.”

Goods in transit

Amendments 5, 27 (Recitals 29 and 30 draft Directive)

We support changes in the legislation to address properly and fight design infringing goods in transit. The lack of alignment between the scope of design rights and the trademark acquis concerning the possibility to enforce design rights against goods in transit limits the scope of action of customs. Therefore, the issue of design infringing products in transit through the EU or EU Member States should be addressed in line with the solutions adopted under Directive (EU) 2015/2436 approximating the laws of the Member States relating to trade marks (TMD) and Regulation (EU) 2017/1001 on the European Union trade mark (EUTMR).

Considering the importance of designs to the EU economy, it is essential to safeguard design protection more effectively. For that purpose, design holders should be entitled, without hampering the free flow of legitimate international trade, to prevent third parties from bringing design-infringing goods into a Member State/the Union even if these infringing goods are not intended to be placed on the market in the Member State concerned/the Union. To this effect, it should be permissible for design holders to prevent the entry of design infringing goods and their placement in all customs situations, including transit, transshipment, warehousing, free zones, temporary storage, inward processing or temporary admission, also when such goods are not intended to be released for free circulation in the Member State concerned/the Union.

The solution supported here would be in line with the one adopted in respect of trademarks, as part of the EU trademark reform. We therefore recommend including in the Designs Regulation and the Directive provisions similar to those of Art. 9 (4) of the EUTMR and Art. 10 (4) of the TMD respectively, with the necessary adaptations.

D symbol

Amendment 37 Regulation (Recital 17), Amendments 68-69 Regulation (Article 26a Regulation)

Amendment 50-51 Directive (Article 24 Directive)

We support the proposal for a symbol for designs, but caution that it should be separate from already existing symbols for other IP rights and entirely voluntary in nature.

The symbols for registered and unregistered trademarks – ® and TM – as well as the copyright symbol – © - are widely recognised, and the relevant trade circles as well as most consumers are aware of their meaning. These symbols help to make the public aware of the fact that a certain right is protected under a specific regime. They are helpful to indicate ownership of a right by a person or entity that can be enforced against third parties. Moreover, the symbols also serve as a useful tool to enhance the value of the protected right for its owner from a brand and copyright valuation point of view, and also from a marketing perspective. It is easier to make use of and realise the value of a protected right by being able to show that the right is protected than without that public notice of rights. The use of the symbol helps in supporting any activities related to the marketing of the protected right.

Furthermore, the use of the protected right symbols may help in deterring and preventing infringement and the possibility of more easily enforcing the protected right against infringers. In some cases, use of a symbol even influences the amount of damages that can be claimed.

The same advantages could be afforded to registered and unregistered designs if a symbol showing the existence of the right was available for designers and other holders of design rights. There seems to be no specific reason why a symbol equivalent to the existing symbols for trademarks and copyrights should not be afforded to registered and unregistered designs. Such symbol would certainly enhance the awareness of the existence of design rights and their importance among the relevant trade circles, consumers, and other stakeholders, while acting as a deterrent to unauthorized use.

In any event it should be made clear that the use of such symbol is voluntary, and certainly not obligatory to obtain design protection and that it has no effect on the enforceability of a design right.

Visibility/perceptibility

Amendment 29 Regulation (Recital 10), Amendment 51 Regulation (Article 1 – paragraph 1 – point 9 a (new)), Amendment 22 Directive (Recital 18), Amendment 35 Directive (Article 3 – paragraph 3 – point a), Amendment 36 Directive (Article 3 – paragraph 3 – point b)

It is, in our view, clear that EU design law protects visible features of a design – that is, the features that can be perceived by the eye, not some other organ. We are strongly against proposal to change the wording in Directive and Regulation from existing “visible” to proposed “perceptible”.

To perceive something is to become aware of, know, or identify by means of senses. As humans we have many senses, vision, hearing, smell, taste, touch, balance, etc. We find that the design system has never been intended to protect sound, smell or taste designs and using word perceptible could be interpreted as introducing new forms of design. We are unaware of any other jurisdiction that provides design protection for how something feels, tastes or sounds – all the jurisdictions of which we are aware apply design law only to visual aspects of a product or part of a product. Introducing protection of all these new forms of designs that can be perceived by human senses into the European design regime would mean introducing a major rift between Europe’s and the rest of the world’s design laws. While design law may be partly harmonized in Europe, it remains one of the IP rights for which worldwide alignment is still strongly required. Efforts being made towards such convergence should not be hampered by extending design protection to aspects beyond visual aspects.

Moreover, it is unclear how these new perceptible designs shall be disclosed by publication in a fashion which enables third parties clearly, reliably and objectively to understand the subject-matter of protection? The difficulty in accessing such information – provided it can ever be properly entered in the records of the Register – may give rise to legal uncertainty for third parties.

In the light of this we strongly oppose to proposed change to introduce word “perceptible” in both Directive and Regulation instead of current word “visible”.

Abusive copying

Amendment 52 Regulation (Article 7(3) Regulation)

ECTA, INTA and MARQUES fully support the proposed amendment and addition to the wording to Article 7(3) Regulation to add “or copying of the protected design”. The existing provision is unclear on this point, and if an illegal copy of an unregistered design were used as a disclosure against a later registered EU design, the rights of legitimate users of the design system would be significantly harmed.

Recital on technical function

Amendment 30 Regulation (Recital 10 a [new]), Directive (Recital 21)

We support adding the following Recital to the Regulation (new Recital e.g. 10a or 10b) and Directive (revising Recital 21):

*“Technological innovation should not be hampered by granting design protection to designs consisting exclusively of features or the arrangement of features dictated solely by a technical function. It is understood that this does not entail that a design must have an aesthetic quality **and that designs having a technical function are not excluded per se from design protection.**”*

This is from our point of view important to emphasize that functional and/or technical products are not excluded per se from design protection. It is essential that also functional and/or technical products can benefit from design protection. In fact, most designs are not mere design objects in the classic sense but are industrial products having a function. Design protection presents a major marketing asset also for functional and/or technical products and should therefore be available and not unreasonably limited.

Elimination of “Geschmacksmuster” in German language versions (change to “Design”)

We note that the German versions of the drafts still use the German term “Geschmacksmuster”. However, this terminology is outdated, and German law has already been using the term “Design” instead of “Geschmacksmuster” since 2014 (see: [DesignG](#) - Gesetz über den rechtlichen Schutz von Design.) A more contemporary translation would be “EU design”, just as German national laws speak of “design” and no longer of “Geschmacksmuster”.

ECTA was founded in 1980 and brings together IPR professionals who practice in the field of trade marks, designs, geographical indications, copyright and related matters. These professionals are lawyers, trade mark and patent attorneys, in-house counsels focusing on IPR matters, and also other specialists in these fields. ECTA has members from all EU Member States and, at the same time, ECTA is proud to have associate members from more than 50 countries globally outside of the EU. The extensive work carried out by the Association, following the above guidelines, combined with the high degree of professionalism and recognized technical capabilities of its members, has established ECTA at the highest level and has allowed the Association to achieve the status of a broadly recognized expert body on all questions related to the protection and use of trade marks, designs, geographical indications, copyright and domain names in and throughout the European Union. For more information, please visit: www.ecta.eu.

The **International Trademark Association (INTA)** is a global association of brand owners and professionals dedicated to supporting trademarks and complementary intellectual property (IP) to foster consumer trust, economic growth, and innovation, and committed to building a better society through brands. Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association's global trademark resources, policy development, education and training, and international network. Founded in 1878, INTA is headquartered in New York City, with offices in Beijing, Brussels, Santiago, Singapore, and the Washington, D.C., Metro Area, and representatives in Amman, Lagos, and New Delhi. For more information, visit inta.org.

MARQUES is the European Association representing the interest of brand owners. It was established in 1986 and is incorporated in the UK as a not-for-profit company limited by guarantee. **MARQUES** unites European and international brand owners across all market sectors, to address issues associated with the use, protection and value of IP rights, as these are vital to innovation, growth and job creation, which ultimately enhance internal markets. Its current corporate membership includes the owners of many of the best-known brands in the world, covering a wide range of industry sectors. Apart from corporate members owning brands, the membership is also made up of IP professionals and others with an interest in brand management and protection. Overall, there are members from more than 80 countries worldwide, including the 27 Member States of the EU and the UK. **MARQUES** is an accredited organization before the European Union Intellectual Property Office (EU IPO), appointed observer at the EUIPO's Management Board and Budget Committee, an official non-governmental observer at the World Intellectual Property Organization and a registered interest representative organization (ID 97131823590-44) 34 in the Transparency Register set up by the European Parliament and the European Commission, which extends and replaces the former Register of Interest Representatives, opened by the Commission in 2008. More information about **MARQUES** can be found on its website at www.marques.org.