



## **JOINT COMMENTS OF ECTA, INTA AND MARQUES ON THE EU'S PROPOSED NEW DESIGN LAW**

**European Commission's proposal of a Directive of the European Parliament and of the Council on the legal protection of designs (recast), and Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 6/2002 on Community designs and repealing Commission Regulation (EC) No 2246/2002, as well as the Commission Regulation amending Regulation (EC) No 2245/2002 implementing Council Regulation (EC) No 6/2002 on Community designs (Implementing Regulation).**

**January 2023**

The signatories of this joint contribution would like to thank the European Commission for the opportunity to provide feedback during the Public Consultation on the above documents.

Our input builds upon the recommendations provided to the European Commission over the past years, in particular, our Joint Paper on Legal Review of EU Designs System, submitted in July 2018, and Joint Comments on the European Commission's Inception Impact Assessment on the review of the Design Directive and Community Design Regulation submitted in January 2021.

As an overarching remark, we would like to welcome the efforts of the European Commission in attempting to achieve greater harmonisation in the area of industrial designs and taking on board some of the proposals and recommendations presented in our earlier joint statements.

We particularly welcome the European Commission's proposals aimed at:

- Introducing significantly greater harmonisation in the Directive and aligning national procedures with those at the EUIPO, including the introduction of administrative design invalidity actions, avoiding costs and delays of court proceedings;
- Broadening definitions of designs and products to encompass new technological developments and allowing users to represent designs dynamically;
- Removing the 'unity of class' requirement for multiple applications, which will reduce costs;
- Simplifying the fee structure and reducing fees for the first ten years of registration;
- Making it an infringement to create, to copy or to distribute anything recording the design (e.g. a computer-aided design (CAD) file) for the purpose of enabling a product incorporating the design to be made.

In this round of consultations, we would like to draw the attention of the European Commission to a few specific areas/points that we have identified when studying the draft documents (Directive, Regulation and Implementing Regulation) and which we deem important to address:

**7-views requirement:** We note that Art. 4 CDIR remains unchanged. As already stated in the Joint Comments of ECTA, INTA and MARQUES of 21 January 2021, we recommend that the 7-view limit as currently provided by Art. 4 (2) CDIR be changed to allow a higher number of representations, as is the case in the design regimes of many other countries. We further recommend that Art. 4 CDIR should take the same approach as the newly proposed Art. 26 (3) of the Directive, namely that *one or more* views be allowed, meaning that just one view is required to obtain protection, but that there be no general limit as to the number of views to be filed. However, if such a limit – again, it should be much higher than 7 – were deemed to be necessary, we recommend that the respective procedure be harmonised between the EUIPO and the national IP offices of the Member States, as provided by the newly proposed Art. 26 (8) of the Directive and as already suggested by the Joint Comments of ECTA, INTA and MARQUES of 21 January 2021. Frequently, sophisticated products or products with moving parts cannot be fully disclosed by 7 views, and this causes severe restrictions for design protection under the EU Design regime compared to other jurisdictions where there are no restrictions to number of views, or where the limit is much higher than 7 views. Users of the Community/EU design system would like to have the 7-view limit abolished already by this consultation and not wait for Member States' central industrial property offices and the Benelux Office for Intellectual Property and EUIPO to reach an agreement on harmonising the number of views used throughout the EU as stipulated in the proposed Art. 26 (8) of the Directive. Using the wording “one of more views is allowed” in CDIR would be in alignment with proposed Art. 26 (3) of the Directive which has the same wording and would thus harmonise the (number of) views requirements within the EU.

**Designs having a (technical) function:** We note that Recital 14 of the **Directive** is suggested to be amended as follows:

*“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. A registered design right may be declared invalid where no considerations other than the need for that product to fulfil a technical function, in particular those related to the visual aspect, have played a role in the choice of the features of appearance. Likewise, the interoperability of products of different makes should not be hindered by extending protection to the design of mechanical fittings. ~~whereas features of a design which are excluded from protection for these reasons should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements for protection;~~”*

We understand that the added sentence 3 of Recital 14 intends to implement case law of the CJEU, namely, its decision of 08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, § 31. However, we are concerned that, without further clarification, this may lead to an unreasonable restriction of designs having a function. It is important 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.

Considering this, we suggest amending sentence 2 of new Recital 14 draft Directive as follows:

*“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.**”*

We also note that the last part of sentence 4 of Recital 14 is suggested to be deleted (*“whereas features of a design which are excluded from protection for these reasons should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements for protection;”*). We do not see the reason for the suggested deletion. The sentence emphasizes that design protection shall be precluded only for designs consisting **exclusively** of features or the arrangement of features dictated **solely** by a technical function. Designs having other features that are not exclusively or solely dictated by a technical function shall be eligible for protection if those features fulfill the further criteria for design protection. We are concerned that the deletion of the sentence might be used as an argument to further narrow the protectability of designs with functional and/or technical features. Considering this, we recommend keeping the last part of sentence 4 of Recital 14 (*“whereas features of a design which are excluded from protection for these reasons should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements for protection;”*).

As regards the draft **Regulation**, we note there is no parallel provision to Recital 14 of the Directive. In fact, we understand that Recital 10 of the current version of CDR dealing with designs having a technical function will be entirely deleted and will not be replaced by a similar provision.

In order to align the Regulation with the Directive and to emphasize that functional and/or technical products are not excluded *per se* from design protection, we suggest adding the following Recital to the Regulation:

*“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. A registered design right may be declared invalid where no considerations other than the need for that product to fulfil a technical function, in particular those related to the visual aspect, have played a role in the choice of the features of appearance. Likewise, the interoperability of products of different makes should not be hindered by extending protection to the design of mechanical fittings. Features of a design which are excluded from protection for these reasons should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements for protection.”*

**Representation:** Again, we note that Art. 4 CDIR remains unchanged. We further note that Art. 4 CDIR seems outdated, since it predominantly refers to paper filing, which today is of little to no practical relevance, but does not reflect the vast technological changes that occurred since its entering into force. In light of these technological changes and as already stated in the Joint

Comments of ECTA, INTA and MARQUES of 21 January 2021, we recommend allowing for a design to be represented in any appropriate form using generally available technologies, and particularly to provide for the option of filing dynamic views (e.g. 3D digital representations and video files). At the same time and as also already stated in the Joint Comments of ECTA, INTA and MARQUES of 21 January 2021, we recommend harmonising the rules on visual disclaimers. We note that the newly introduced Art. 36a CDR allows the Executive Director of the EUIPO to determine the relevant detail on representation of designs. However, for legal certainty and to foster harmonisation between the EU and its Member States, we believe that the general requirements for the representation of an EU design should be stipulated in the CDIR and be aligned with the Directive. We therefore recommend for Art. 4 CDIR to take the same approach as the newly proposed Art. 26 of the Directive.

**Publishing IR Designs:** As already noted in the Joint Comments of ECTA, INTA and MARQUES of 21 January 2021, we further recommend providing for a requirement for the EUIPO to publish IR designs designating the EU in its own database. This could, for example, be achieved by amending Art. 71 of the CDIR. The first reason is to adapt the EU design system to the EU trade mark system. Whereas IR trade marks designating the EU are published in the EUIPO's eSearch database, IR designs designating the EU are not. This means that a search of the EUIPO database in relation to designs is incomplete and not user friendly. The second reason is to clarify the scope of protection of EU parts of IR designs, in particular as regards the number of views. Whereas the EU design system currently allows 7 views of the design only, it is possible to file more views with WIPO when designating the EU. Without a publication of EU parts of IR designs it remains unclear whether the design is protected with all views filed with WIPO or only in relation to the first 7 views. It is also noted that many other offices (e.g. USPTO and JPO) republish national parts of IR design in their national databases which makes a design search very user friendly and transparent.

**New Art. 47a (2), 50e, 50f of the Regulation:** The applicant/owner can amend the representation of the EU design in "immaterial details". We generally support this new option as we find it to be useful to resolve human drafting errors when presenting different views of the design. Under the current regime if there is discrepancy between views of the design an applicant is left with an option either to delete conflicting views or split the application into two or more applications as necessary. This new option should offer a solution to resolve such errors in a more efficient way. That being said, we believe that the term "immaterial details" should be further explained within the regulation as the scope of what is "immaterial details" is not clear. Is it the same "immaterial details" as described under Novelty in Article 5(2) of Council 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. Therefore, a non-exhaustive list of examples of what is to be considered as "immaterial details" or further explanation of what situations these articles are meant to deal with would be necessary. Otherwise we see that this new option will have to be brought before CJEU to receive further guidance on what is the scope of "immaterial details" within these articles. This could be avoided and would bring immediate clarity to users how to use this option if further clarification is introduced into the Regulation at the current review stage. One way to provide more clarification in respect of the term "immaterial details" could be to draw inspiration from a similar provision as in Article 49(2) EUTMR, namely that only "errors of wording or of copying, or obvious mistakes,

provided that such correction does not substantially change the design right” are admissible. This would align addressing corrections in the EU design system with the EU trade mark system. Furthermore, we note that this issue is not addressed in the Directive and users would benefit to have it addressed there as well.

**Proposed wording for Art. 88 (2) of the Regulation:** We note that the Commission has taken a similar approach here to the EUTMR with respect to when national laws are applicable. In the draft Regulation, however, there is no subject matter limitation, and the provision reads “On all matters not covered by this Regulation”. We question whether this was intended, rather than stating “On all design matters not covered by this Regulation...”, similarly to the EUTMR’s provision “On all trade mark matters not covered by this Regulation”.

**Cumulative protection of designs and copyright (Article 96(2)):** In the explanation (page 9) reference is made to “*The principle of cumulation of design and copyright protection is maintained, while taking account of the fact that, since the original legislation was adopted, harmonisation has progressed in the copyright area.*” It is not clear which ‘original legislation’ is being referred to, and what is meant by ‘harmonisation has progressed’. It could be that the national copyright laws of the Member States are being referred to, so we recommend clarifying this. Further, it seems contradictory that the proposed text (“*A design protected as an EU design shall also be eligible for protection by copyright as from the date on which the design was created or fixed in any form, provided that the requirements of Union copyright law are met.*”) considers Union copyright as harmonised, whereas the preamble (page 9) states only that “harmonisation has progressed”.

We generally take it as a positive sign that the Commission considers the copyrightability as harmonised. However, in order to prevent any misunderstandings, we recommend deleting the sentence after the comma “*provided that the requirements of Union copyright law are met*” and thereby limit the article to the coexistence principle of design and copyright only.

**Renewal fees for registered EU designs:** while we welcome the reduction in application fees, we note that renewal fees are increased substantially for the third and (especially) fourth periods. We are not clear as to the justification for this, when the cost to the EUIPO of renewing a design does not depend on whether it is a first, second, third or fourth renewal. The increase in fees serves only to discourage further renewal of design rights, a notion unaligned with an innovation economy, and seems at odds with Recital 6 of the Regulation that the review was “with a view to improving the accessibility and affordability of design protection in the Union”. We have previously called for a reduction in renewal fees, and would reiterate that call, or at the very least that those fees not be increased. As previously mentioned, going forward we support the idea of a Fee Review Study to recommend new fee levels and structures. We ask that the Fee Review Study examine the absence of a “bulk discount” for renewals.

**Introduction of Prior Use Defence in Article 21 Directive:** We note that the introduction of the Prior Use Defence in the Directive only partially reproduces Article 22 CDR, specifically that equivalent provisions to paragraphs 3 and 4 regarding the right of prior use not extending to the grant of a licence and assignment being impermissible other than in certain circumstances have not been brought across into the Directive. We anticipate that the lack of these provisions in the Directive, only partially harmonising these points, will give rise to legal uncertainty and litigation.

It is in the interests of users that the Regulation and Directive should be harmonised as much as possible, and that any discrepancies due to policy or other reasons should be clearly explained.

**Requirement for administrative invalidity proceedings pursuant to Article 31 Directive; Hague System:** Our understanding is that Art 38(1) Directive provides that administrative invalidity proceedings shall be introduced by the Member States no later than 24 months after the coming into force of the Directive. It is in the interests of users, for cost and other reasons, that such proceedings be introduced as soon as possible, so we urge that there be no further delays to this transposition period. Similarly, we note that the recast Directive does not make any mention of the Hague System. Again, harmonisation as to registration options is urgently required and all Member States should adhere to the Hague System and domesticate its requirements.

**Deletion of Art. 110a para 5 sentence 2 CDR:** We note that Art. 110a para 5 CDR sentence 2 was deleted without any further comments. We would like to point out that the mere deletion of this sentence, rather than a clear statement behind it, would likely give rise to legal uncertainty and not put an end to the discussion whether it could be sufficient for an unregistered design to come into effect according to Art. 11 Regulation where the first disclosure was done outside the EU, but could still be known to the relevant circles of experts within the EU. As the Commission will be aware, the German Federal Court of Justice addressed this discussion in its judgment of 9 October 2008 - I ZR 126/06 (OLG Hamburg) *Gebäckpresse*. The Court held that the wording of Art. 11 CDR was not entirely clear in this respect, but that it was clarified by the later introduced Art. 110a para 5 CDR sentence 2, that protection for an unregistered Community design could only arise if the design was made available to the public for the first time within the territory of the EU. If Art. 110a para 5 CDR sentence 2 is now deleted without any further comments, it must be anticipated that cases will be brought to analyse the impact of this deletion. We, therefore, urge the Commission to clarify the intention behind the deletion of Art. 110a para 5 CDR sentence 2 and possibly also make a respective clarification to the wording of Art. 11 CDR.

**Amendment to Article 7 (3) of the Regulation on prior disclosure of infringing unregistered design:** We note that no amendment has been expressly made to Article 7 Regulation to deal with the scenario where an illegal copy of an (unregistered) design is then used as a disclosure against a later registered EU design. We consider that this scenario seriously harms the rights of users of the design system, and whether or not it constitutes “an abuse in relation to the designer” is unclear. We suggest that a clarification be added to Article 7(3) Regulation to deal with this scenario expressly by adding at the end “or copying of the protected design”:

3. Paragraph 2 shall also apply if the design has been made available to the public as a consequence of an abuse in relation to the designer or his successor in title or copying of the protected design.

**Repair Clause Article 20a:** In our Joint Comments on the European Commission’s Inception Impact Assessment on the review of the Design Directive and Community Design Regulation January 2021 we agreed with the Evaluation Report that there should be political agreement on the issue of spare parts in order to complete the single market. Acknowledging that the issue is

of high controversy, we urged that failure to progress on this topic not delay the EU design reform agenda.

The proposed Article 20a Regulation includes a permanent provision addressing the spare parts issue. However, the proposed “repair clause” raises some questions. Community Designs are already subject to a provisional “repair clause” in Article 110a of the Regulation and the CJEU only recently ruled in *Acacia* (Case C-397/16) that parties dealing in spare parts can only rely on the repair clause if they had complied with a “duty of diligence” requiring them (i) to clearly and visibly inform downstream users that the component part incorporates third party design and is for the purpose of repair of the complex product to restore its original appearance only, (ii) to ensure that users comply with the repair clause, for example, by contractual means, and not to sell parts to users reasonably known not to comply with the repair clause. Further the CJEU did not limit the scope of the repair clause to “must match” parts only, i.e. parts whose appearance is dependent on the appearance of the complex product.

The repair clause proposed by the Commission deviates from the principles discussed by the CJEU in *Acacia*. First, the scope of the proposed repair clause is explicitly narrowed down to cover only “must match” components. This is a deviation from the current case law of the CJEU (see decision C-397/16 of December 20, 2017 – *Acacia*, para. 29-54). The draft would limit the repair clause to must-match elements. Therefore, the new wording may allow an interpretation that parts such as car wheel rims are not covered by the repair clause provision.

Secondly, it 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.

From our perspective this might create some uncertainty and we urge the Commission to clarify if it deliberately deviates from *Acacia*.

Thirdly, 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 to include 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.

ECTA, INTA and MARQUES have no specific position on the wording of the repair clause, but the associations have always emphasized the need for a permanent harmonization.

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

We note that the German versions of the draft Directive and the draft Regulation 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 \(gesetze-im-internet.de\)](#)). A more contemporary translation would be "EU design", just as German national laws speaks of "design" and no longer of "Geschmacksmuster". Also, the "Proposal for a Directive of the European Parliament and of the Council on the legal protection of designs" no longer speaks of "Muster" in its German translation, but of "Design".

**We thank the European Commission for the opportunity to provide the above comments and trust that they will be duly considered. Naturally, we remain available for any necessary follow-up.**

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**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.

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