

# **Registered designs**

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# Chapter 6

## Registered designs

### Introduction

The protection available for designs is something of a patchwork, with a less than logical structure. Designs may be registrable, in which case no enforceable rights whatsoever accrue in the design until it has been registered. Other designs (or other aspects of a design, some aspects of which are registrable) which do not meet the criteria for registration, were formerly protected as copyright works but are now accorded only a short-term, tailor-made right known, memorably, as unregistered design right (but often shortened to ‘design right’).

The principal difference between the two forms of protection is that a registered design is an absolute monopoly right. This means that nobody may produce an article to a design which matches the registration for the duration of the right, without permission from the registered design proprietor, whether or not they knew of the existence of the registration. In contrast, copyright and unregistered design right are not infringed if the apparent copy is in fact a genuinely independent design, even if it results in an identical article. Registered designs can also be protected for an effective 25 years, as opposed to only ten for unregistered design right. However, there is nothing to be gained by drawing comparisons since there is no choice to be made between them – as mentioned above, they apply to different categories or aspects of design (both of which may subsist in any given article).

Registered designs are an under-utilised form of intellectual property in the UK: comparatively few are registered and even fewer actively and successfully enforced. This is in marked contrast to the position in continental Europe, where registered designs are taken far more seriously as assets and enforced rigorously. There is, however, no operative international design registration regime equivalent to that for patents or trademarks; instead, every national registration must be applied for individually.

This chapter deals with rights in UK registered designs: what designs may be registered, how this is done, who owns a design, what acts will infringe a registered design and the remedies which will be available. Unregistered design right is the subject of the next chapter.

## Requirements for registration

The substantive requirements for registrability are that the design must have ‘eye-appeal’ and must be new. Even designs which meet these requirements, however, will only be registrable if they relate to features of shape, configuration, pattern or ornament to be applied to an article by an industrial process, and do not fall into any of the exceptions.

### Eye appeal

The most important criterion for a design to be registrable is that features constituting the design must appeal to and be judged by the eye of the customer (not the designer). Provided that aesthetic considerations are taken into account by prospective purchasers to some degree, however small, then the design will be registrable. This does not, however, restrict registrability to those cases where the eye appeal is immediately apparent to the customer purchasing the article. For example, a design of a toy included inside a hollow chocolate egg might be registrable even though the customer did not see it at all before purchasing. It is simply that the design will not be registered if the appearance of the article is completely immaterial in the eyes of those acquiring or using articles of that description – such as, for example, the electric terminals used in a washing machine.

### Case study: *Interlego v Tyco*

*This case concerned the design of LEGO bricks for children: essentially a small rectangular plastic brick with round knobs on the upper surface and a hollow underside containing tubes into which the knobs of the brick below will connect. Interlego AG, the makers of LEGO bricks, whose registered designs had expired, wanted to invoke copyright protection (which lasts longer, but cannot subsist in a registrable design) to extend the total period of protection. They therefore argued that the registrations had been improper and that all of these features were purely functional, with no aesthetic qualities whatsoever. However, the evidence showed that although the features did have a predominantly functional purpose, their particular dimensions and shape had been chosen so as to produce a brick which, taken as a whole, was an attractive object. Indeed, one of the judges pointed out that a child’s toy has by definition to appeal to the eye of the intended player – that is the very purpose of the article.*

### **Novelty**

A design can only be registered if it is 'novel'. Novelty in this context means new in a similar sense to the equivalent concept under patent law – that is, that the design must not previously have been published – but with an important difference: only prior publications in the UK, rather than anywhere in the world, are relevant. Thus, a registration can be obtained for a design which has already been commercialised abroad, as long as it has not been either registered or published in the UK in respect of the same or any other article, at the date for registration of the application. Publication for these purposes can include drawings, written descriptions (if they clearly and unambiguously direct the reader how to produce the design) or use, as long as such use has been visible to the public – even if only by an article being on display to visitors to a private house. It is not yet clear what effect the inclusion of the design on a web site on the Internet accessible from the UK, but not otherwise available in the UK, will have as there have been no cases. On the other hand, confidential disclosure by the proprietor, or by a recipient in breach of confidence, will not destroy the novelty of the application.

Where there is a prior publication in respect of a very similar design, the design may still be novel if it differs from that design in more than immaterial details or variants commonly used in the trade.

A detail is immaterial only if it is of no importance to the prospective purchaser. For example, for a door or window-frame spacer the use of a polygonal arch with regular apertures was considered to be materially different from the use of a U-shaped arch with irregular apertures, so that the former could be registered even though the latter had been published.

Variants commonly used in the trade might be, for example, the presence or absence on a running shoe of spikes to improve grip – so a design consisting solely of adding spikes to an old design of running shoe will not be sufficiently novel to be registrable. It will also be unusual for a mere change of colour to be enough to make a design novel. On the other hand, if there is only one prior instance of a particular variant being used, or only one manufacturer or supplier supplying that variant in the UK, then adding such a variant to a pre-existing design may be enough to confer novelty.

### **Statement of novelty**

Where only part of the overall design is novel, it must be specified in the design application which aspect this is. This claim of novelty needs to be worded very carefully, since the scope of protection obtained will be limited by any limitations in that statement. Conversely, a statement in too broad terms may bring the design within the scope of the prior art.

## Other requirements

### *Features of shape, configuration, pattern or ornament*

To be registrable, a design must relate to a feature of shape, configuration, pattern or ornament, although it is possible to claim a design comprising all four features.

Generally, 'shape and configuration' relate to three dimensional aspects of a design – for example, the shape of a television set. 'Pattern or ornament' relate to two dimensional features, such as surface decoration or a textile design.

## Article

An 'article' means something made and sold separately on the market. This can range from a sheet of wallpaper to a pre-fabricated building; it is generally not an issue, but becomes problematic when spare parts are concerned. The question is considered from an economic point of view: does a market exist for the article separate from that for which it is primarily manufactured? This is of particular significance to spare parts, since parts which have no reality as articles of commerce apart from their forming part of a complete item cannot be said to be made and sold separately, and so cannot be considered as 'articles'. For example, an application for a design registration in respect of an icon on a computer screen was rejected for several reasons, one being that it was not capable of being sold in isolation

### **Case study: Ford's application**

*The Ford case concerned, amongst other car spare parts, door panels which are sold either as a part of the car for which it was designed to fit, or as a spare part to that particular car. Although they are indeed made and sold separately from the car to which they relate, the application was rejected on the grounds that they are in reality a mere adjunct to that car as a whole. Thus, they were not 'articles' and the design for them could not be registered. By way of contrast, many steering wheels or wing mirrors can be fitted to a variety of different cars and, therefore, can be said to be made and sold separately, and so be considered 'articles'.*

Designs for certain types of articles are expressly excluded from registration:

- Works of sculpture,
- Wall plaques, medals and medallions,
- Printed matter primarily of a literary or artistic character.

(These may have intellectual property protection under other rights, such as copyright or unregistered design right.)

### **By an industrial process**

This requirement normally goes without saying, particularly since ‘industrial process’ includes hand-application, as long as this is carried out as part of an industrial arrangement – for example, a design used on mass-produced hand-painted china would qualify even though the design was applied to the article by hand in every instance.

A complete building operation, which must necessarily be tailored in each case to the circumstances of the site, does not constitute an industrial process – thus, a design for a petrol station was considered unregistrable.

## **Exceptions to registrability**

### **Method or principle of construction**

A design will not be registrable if it constitutes a method or principle of construction. This requirement is rarely of any effect; it is designed to prevent monopolies arising from these rights in industrial techniques which would more appropriately be patented. For example, a design for a basket woven in a certain way has been held not to be registrable as, in a very early case, was an application which attempted to cover the way a bicycle’s spokes relate to the rim and hub – unless the applicant agreed to restrict the effect of the registration solely to the particular arrangement of spokes shown in the drawing and not to include all possible arrangements.

### **Function**

Where the design relates to features of shape or configuration, those features must not be dictated solely by the function which the article has to perform. Thus, a shape is excluded if it possesses no features beyond those which are necessary to enable the article to fulfil its function. It is normally possible to avoid this exclusion by showing that, as in the LEGO case cited above, however functional the features may be, their particular proportions and/or dimensions were selected with eye appeal in mind.

### **Must match**

This exception relates again to the debate over the degree of protection which ought to be provided for motor vehicle spare parts (although of course it also

applies to parts intended for inclusion in any other larger whole). Features of shape or configuration of an article are excluded if they are dependant upon ('must match') the appearance of another article of which the article is intended by the author of the design to perform an integral part. The effect is that some vehicle parts, such as body panels, will be excluded from registered design protection, even if held to be 'articles', since they can only be sold to match the overall shape of the vehicle for which they are intended and are not interchangeable, either upon the same vehicle or for use with other models.

## How to register

To register a design, the proprietor must send to the UK Designs Registry:

- i) A set of drawings showing the design from all relevant angles. Specimens may in some cases be requested by the Registry, if the filed drawings are not sufficiently clear;
- ii) A statement as to the article to which the design is to be applied (and thus in respect of which protection is required) and
- iii) A statement of novelty.

The new application will be examined against all existing registrations and a selection of trade catalogues, to establish novelty. It will also be checked for compliance with the conditions for registration generally. If everything is in order, then the design may be registered.

If the Registry is not satisfied with the application for any reason, they will send the applicant a statement of their objections, giving two months in which the applicant may either write back commenting on the objections, or ask for a hearing (at which the applicant may try to persuade them to grant the application). If the application is still refused after a hearing, it is possible to appeal to the Appeal Tribunal.

## The monopoly obtained

Once a design has been registered, the registered proprietor has the exclusive rights to:

- Make or import an article to the design for sale or hire or for use or for the purposes of a trade or business, or
- Sell, hire or offer or expose for sale or hire such an article.

Mere possession of an article using the design, even for commercial purposes, is not an infringement (in contrast to the position under patent law).

It should be noted that the rights apply only in respect of the design applied to the article in respect of which the design is registered. The proprietor has no rights to stop anyone using the same design but applying it to an article different to that in the certificate of registration. Further, there is no exclusive right to make an article to which the registered design is applied; the exclusivity applies only to making it for one of the specified purposes, that is, essentially for commercial purposes.

Finally, the monopoly does not extend to being a defence to an allegation of infringement of someone else's registered design. A registered design can still infringe another registration.

## **Ownership and dealings**

The author or creator of a design will be the proprietor and entitled to register, unless he or she produced the design under a commission arrangement or in the course of his or her employment. If this was the case, then the commissioner or employer owns the rights in the design.

A registrable design can be assigned, either before or after registration, in whole or in part - thus, the assignment should spell out exactly what elements of the design are being assigned. After registration, the registration can also be licensed or mortgaged.

Any transaction in a registered design must be notified to the Registry so that the Register correctly shows who has an interest in the design at all times. A transaction which has not been registered cannot be relied upon in court, should it prove necessary to enforce the design.

If the proprietor of a registered design does not sufficiently exploit it in the UK, then any person interested in exploiting it in their stead (other than solely by import from outside the European Union) can apply to the Registry for a compulsory licence under the design. Further, if the proprietor is the subject of an unfavourable Monopolies and Mergers Commission report, the Registry may endorse the Register to show that licences under the design are available as of right. In both cases, the terms of such licences are settled by the Registrar if the parties cannot agree; the royalty rate set will be, as far as the Registrar can determine, that which would apply between a willing licensor and willing licensee in an 'arm's length' negotiation.

Once the design has been endorsed 'licence of right', then anyone who is sued for infringement of the design can set an upper limit to the possible damages which may be awarded against them, by undertaking to take such a licence if they are indeed found to infringe. The damages awarded will then be no more than double the royalty which would have been payable under a licence.

## **Duration**

Since 1 August 1989, the period of protection for all new registered designs is 25 years. (Up to that date, duration was 15 years from date of registration.) The period of protection is given in five year chunks – so it is vital that the registration is renewed after the initial five year period has expired. There is, however, a six month grace period for payment of the renewal fee after each five year period expires.

If the renewal fee is not paid either before a five year period expires or within six months thereafter, then the registration lapses. It is possible for the formerly-registered proprietor to make an application for the registration to be restored at any time up to 12 months after the latest five year period has expired, if they can show that they took reasonable care to have the protection period extended – that is, to pay the necessary renewal fee. For example, delegating the payment of the fee to a specialist renewal agency and then (when sent a reminder notice by the Registry) taking steps to ascertain what is happening, will be enough to show that reasonable care has been taken. If the registration was assigned in the period after it had lapsed but before it was restored, this will take effect as if the registration had been in effect all along.

## **Infringement**

### **Infringing acts**

A registered design is infringed when a design identical to or not substantially different from the novel aspects of that registered is used commercially on an article in respect of which the design is registered. These rights apply only once the registration has been effected. No proceedings can be brought for the period between application and registration, even retrospectively once the registration is in place.

### **Determining if there is infringement**

To decide whether a design which is not absolutely identical to the registration infringes the registration, it is necessary first to work out exactly what the registration covers, bearing in mind what is claimed in the statement of novelty. This is a process of subtraction. That is, identify from the drawings what exactly is claimed to be new (and so protected) and so disregard everything else. From the resulting design, any features which are solely functional, immaterial, common trade variants or 'must match' should also be disregarded.

The remaining allegedly novel features must then be compared against the potentially infringing article, to see whether the features of the infringement are identical to or at least not substantially different from the protected features of the design.

### **Test of substantial difference**

In almost all cases there is at least a slight difference between the alleged infringing article and the registered design. In trying to decide whether this difference is substantial or not, the courts look first at how close the registered design is to the prior art. If it is only slightly different from previously existing designs in that field, then the scope of the registration will be narrow: another design would have to be similarly close to the registration to infringe it. If, on the other hand, the registration was quite unlike anything that existed before it, then it will have a broader scope: more of the possible variations on it will be within the scope of the registration and accordingly infringe.

The test also takes into account human fallibility – consumers do not have perfect recollection of goods they have previously seen. Thus, it is not sufficient merely to consider the two designs side by side. The question should be approached from the viewpoint of someone who, having at some point seen the article bearing the registered design but no longer having it in front of them, is presented with the allegedly infringing design and asked to determine whether the two are the same. The viewer is assumed to be interested in matters of design, but not to have any special skill in identifying or distinguishing them. Evidence that consumers have actually confused the two products will, in many cases, materially assist in establishing that the design has been infringed.

Finally, if the registered design has some particularly striking feature and the alleged infringement does not have this feature, it is unlikely to be held to infringe even if it shares many of the lesser details which make up the registered design as a whole.

**Case study: *Sommer Allibert (UK) Ltd v Flair Plastics Ltd***

*Sommer Allibert made a range of plastic chairs, one of which, called the 'Madrigal', had grooves moulded into the back. They owned a registered design for a chair, which showed the grooves in the back. Flair Plastics began manufacturing similar plastic chairs without the grooves, which they called 'Sonata', and Sommer Allibert sued for infringement. They argued that the grooves shown in the registration were only features of pattern or ornament, and therefore not necessary to the design, which claimed novelty only in the shape and configuration of the chairs.*

*Unfortunately, the courts were not convinced. As the grooves were three-dimensional, and formed as part of the moulding of the chair itself, they were considered to be part of its configuration. Further, since the purely functional elements of the chair - four legs, seat and back - had to be disregarded, the grooves were one of the principal and most striking features actually covered by the design. The court decided that under normal conditions of use of the two chairs the eye would not confuse the two designs. Hence, there was no infringement.*

**Who can sue**

Notably, only the registered proprietor has a statutory right to bring proceedings for infringement - a licensee, even an exclusive licensee, has no such rights. Thus, when taking a licence the licensee should always ensure that it includes an express right to bring proceedings in the registered proprietor's name, to avoid being left without any remedy should the proprietor for whatever reason not wish to cooperate in suing any infringer.

**Remedies**

The remedies available include injunctions, damages or (alternatively) and account of the profits made by the infringement, and delivery up or destruction of infringing articles.

The basis for an award of an injunction is that the infringer threatens to continue to infringe unless restrained. The proprietor can apply for an injunction as part of the final order at trial, but can also ask for a temporary or 'interim' injunction at the outset of proceedings, if the effect of the infringer continuing to infringe until trial will seriously damage the proprietor's business. However, injunctions are rarely granted at the interim stage in registered design cases.

The court also has a discretion to award damages instead of a final injunction, taking into consideration whether the proprietor can be adequately compensated by money and whether it would be oppressive to grant an injunction. For example, if the proprietor routinely licenses the technology, then it is assumed that damages in the sum of the licence fees the infringer ought to have paid will be adequate compensation. In these circumstances an interim injunction is also unlikely to be granted.

An injunction may similarly be refused if the proprietor, despite knowing of the infringing activity, has delayed to the point where the alleged infringer was entitled to believe they were free to continue to act.

Damages for loss of the proprietor's profits are obtainable in theory, but it may be very hard to establish that any sales were lost due in particular to the application of the design to the defendant's goods and not to some other reason such as price difference. Damages will therefore be calculated only on the basis of a reasonable royalty. Further, no damages are available for any period when the defendant did not know and had no reason to suppose that the design was registered. Thus, opting for an account of the defendant's profits may be a more certain route to take for financial compensation.

Delivery up to the design proprietor or (if the proprietor prefers) destruction verified on oath of any infringing articles can also be ordered, to ensure that they do not filter back onto the market.

If successful, the proprietor will also be awarded the usual proportion (two-thirds to three-quarters) of their legal costs of the action.

Having successfully defended the validity of the registration, the proprietor may ask the court for a certificate of contested validity which, if the design is ever again challenged and successfully defended in court, can lead to a more generous award of costs in the proprietor's favour in those later proceedings.

### **Defences**

It is usual to argue as a defence that the defendant's design is substantially different from the registration and so does not infringe, or that the aspects of the defendant's design which are palpably the same as the registration are either functional, common trade variants or immaterial differences from the prior art.

In addition, the design registration will be put at risk as the defendant will almost inevitably counterclaim for the registration to be revoked on the grounds that it is invalid. Although this is not a defence as such, it is an equally effective way for the defendant to avoid any liability, if it is successful.

## Other points to note

### Threats

If threatened with legal proceedings over an alleged infringement of a UK registered design, the recipient of the threats or anyone else aggrieved by them can bring an action against the threatener. To be actionable the threats must relate to alleged infringement by any infringing act other than manufacture or import of the allegedly infringing articles. Almost any intimation of possible legal proceedings constitutes a threat, as opposed to a very neutral notification that the design exists, which is allowed.

The remedies available will be an injunction against repetition of the threats and damages for any loss which can be shown to have been suffered as a result of the threats. This may be slight, and in any event is not easy to quantify in most cases; thus, the threats action is most used for obtaining an injunction stopping threats being made by a competitor against customers.

The usual defence the threatener will bring is to attempt to show that the threats were justified – that is, that the design was indeed infringed. This will lead to a counterclaim for invalidity as in normal infringement proceedings, the threatener/proprietor thus ending up exactly where they would have been had they sued for infringement, but without the initiative in the court proceedings.

### Crown use

Crown use of a registered design is possible without the proprietor's consent, as in the case of Crown use of a patent, although compensation is payable.

## Summary

Designs are relatively easy to register, as long as the principal requirements of 'eye-appeal' and novelty can be complied with. The down side is that it can often also be relatively easy for a genuine trade competitor to avoid infringement by making very slight modifications. Nonetheless, a design registration can still be a useful tool against out-and-out counterfeiters, who often sell slavishly exact copies and may have a significant impact on the market by the extent to which they undercut prices