

Intellectual Property Teaching Kit

IP Advanced Part I

Patents, utility models and designs

Designs



IP Advanced Part I Designs

Part of the IP Teaching Kit

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Introduction

Intellectual property (IP) reaches into everyone's daily lives. A basic awareness and understanding of IP is therefore essential for today's university students, who are the engineers, researchers, lawyers, politicians, and managers of tomorrow.

It is vital that students become acquainted with elementary aspects of IP, so that they can benefit from it fully in whatever career they eventually pursue. Students and universities should be aware too of how they can utilise the incomparable wealth of technical and commercial information to be found in IP documentation, and understand the need for universities to convert their research into IP rights, manage their IP portfolios and engage in technology transfer to industrial partners for value creation and the benefit of society as a whole.

Last but not least, students and universities should be aware of the consequences of failing to protect IP assets correctly, including the risk of reverse engineering, blatant copying and even industrial espionage.

This is where the IP Teaching Kit (IPTK) comes in. Produced by the European Patent Office (EPO) in co-operation with the European Union Intellectual Property Office (EUIPO), the IPTK is a collection of materials – including PowerPoint slides, speaking notes and background information – which can be used to put together lectures and presentations on all kinds of IP, including patents, utility models, trade marks, copyright, designs and trade secrets. The materials can be tailored to the background of the students (science or engineering, business or law), their knowledge of the topic, the time available and their learning objectives.

With the IPTK you have at your disposal an extensive set of freely accessible, professional teaching materials which represents one of the most comprehensive IP teaching resources in the world.

About IP Advanced Part I

IP Advanced Part I is part of the IPTK. It has been designed for teachers of students with little prior knowledge of IP, in order to provide them with advanced teaching material about patents, utility models and designs.

In addition to the main presentations, IP Advanced Part I contains case studies and exercises on patents and designs that demonstrate their use in the real world.

IP Advanced Part I consists of ready-made PowerPoint slides with speaking notes and additional background

information. The speaking notes can be read out as they stand. The background information provides additional details which will help you prepare for the more advanced questions that students might have. It is not intended for this information to be included in the lecture.

For online access to the extensive IPTK collection, plus updates and further learning opportunities, go to www.epo.org/learning-events/materials/kit.html where you will also find a tutorial for teachers and lecturers.

Slide 1

IP Advanced Part I

Title slide



IP Advanced Part I

Intellectual Property Teaching Kit

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5 Designs

Designs

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Designs



Slide 106

Core concepts

The aim of this presentation is not to turn students into experts on designs but to give them a general overview of the core concepts of design law and how designs work. These concepts are listed on the slide.

The presentation focuses on design law in Europe, including various aspects of the Community design system.

Core concepts

- **Definition**
 - What designs are and what they protect
- **Protection**
 - How to obtain design rights
 - Requirements for protection
 - Difference between registered and unregistered designs
 - The EU design system
- **Enforcement**
 - Scope of protection
 - Design infringement/allowed uses

This slide lists the core concepts we will be looking at in this module.

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Example of a design

The example on the slide gives students an idea of the sort of thing that can be considered a design. It illustrates the fact that designs relate to the outward appearance of a product.

The design pictured is registered Community design No. 1019913 0001, registered by Vitra Patente with the product indication "chairs". There are three different views of the same design. You can find this or any other registered design by going to eSearch Plus (for registered Community designs, or RCDs) or Designview (for registered designs from various EU countries) and entering the design number.

Example of a design



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Here is an example of what we mean by a design.

The slide shows a registered Community design owned by Vitra Patente and registered with the product indication "chairs".

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What is a design?

A design is the outward or visible appearance of the whole or parts of a product, resulting from its features.

These features can be:

- lines
- colours
- shapes
- textures
- contours
- materials
- ornamentation.

This is a very broad definition, without limitation. Any creation with visible aspects can be included. It is also an objective criterion. The appearance of the product is judged objectively. All subjective elements are excluded. The outward appearance of the product does not have to be aesthetically pleasing, attractive, appealing to the eye or particularly creative.

Designs are defined in Article 1(a) Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs ("Designs Directive"). This directive harmonised the design laws of the member states of the EU with regard to definition, requirements for protection, limitations to the design right, scope and term of protection and grounds for invalidity and refusal, but not with regard to procedural provisions, or provisions relating to sanctions, remedies and enforcement.

The same definition was adopted in Article 3(a) of the Community Designs Regulation (Council Regulation No. 6/2002 of 21 December 2001), or CDR. This regulation established the Community design system.

For more information about registered Community designs see the EUIPO Manual of Design Practice, available at <http://oami.europa.eu/ows/rw/pages/RCD/legalReferences/EUIPODesignManual.en.do>

What is a design?

- The outward appearance of the whole or parts of a product
- Resulting from the features of the product, such as:
 - lines
 - colours
 - shapes
 - textures
 - contours
 - materials
 - ornamentation

A design is the outward or visible appearance of the whole or parts of a product, resulting from its features. These features include lines, colours, shapes, textures, contours, materials and ornamentation.

This definition is without limitation and includes any creation with visible aspects.

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What is a product?

A "product" is any industrial or handicraft item (Article 1(b) Designs Directive and Article 3(b) CDR).

Almost any industrial or handicraft item can be eligible for design protection, including the following:

- the packaging of products
- the design of normal single products
- the design of composite products
- sets of articles
- parts of products
- graphic symbols (and logos)
- typographic typefaces
- computer icons
- drawings and artwork
- ornamentation that can be put on several different items
- web designs
- maps
- get-ups: the arrangement of the interior of a room (e.g. a hotel or conference room) or shop can also be protected as a design.

A product does not have to be produced on an industrial scale in order for it to be a design. The concept covers all products without limitation as to production method or volume of production. Designs protect all applied art.

We also talk about complex products, which are products made up of multiple components which can be disassembled and reassembled, for example a car or a blender (Article 1(c) Designs Directive and Article 3(a) CDR).

What is a product?

- Any industrial or handcraft item, including:
 - packaging
 - normal single products
 - parts of products
 - graphic symbols (and logos)
 - get-ups (interiors of rooms or shops)
- Complex products

When we talk about "products" we mean any industrial or handcraft item.

A few examples are shown on the slide, but there are obviously many, many more. Almost any industrial or handcraft item can be eligible for design protection. A product does not have to be produced on an industrial scale in order for it to be a design.

Complex products are products composed of multiple components which can be replaced, permitting disassembly and reassembly of the product.

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More examples of designs

Design rights can apply to many different types of product, i.e. industrial and handicraft items, created by many different industries and in many different sectors. The examples on the slide are as follows:

Packaging of products

Packaging for chocolates (RCD 785522 0001),
Febreze sprayer (RCD 97969 0001)

Designs of normal single products

Clock (RCD 23692 0008),
chair (RCD 731849 0001)

Parts of products

Part of an item of footwear (RCD 1800244 0001)

Graphic symbols

Louis Vuitton print (RCD 84223 0001)

Logos

UPS logo (RCD 139860 0001)
(Note that this logo is also protected as a trade mark, i.e. a distinctive sign, European Union trade mark No. 3121787)

Computer icons

Weather icon (RCD 910807 0002)

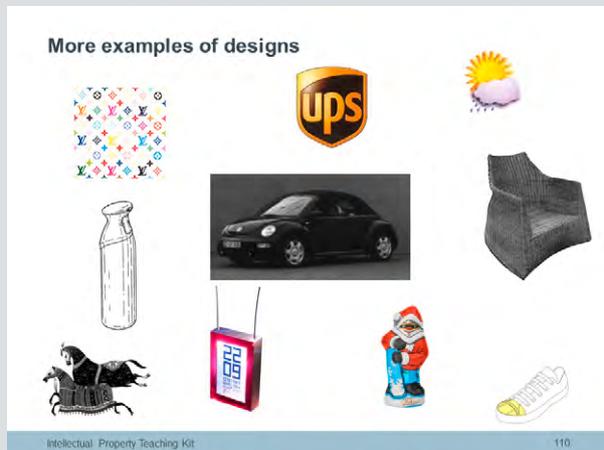
Ornamentation that can be placed on various different items

Hermès horses (RCD 537782 0012)

Complex products (*products which are composed of multiple components which can be replaced, permitting disassembly and reassembly of the product*)

Volkswagen Beetle (RCD 3165 0002)

Community designs can be found in EUIPO's eSearch Plus search database, which has basic and advanced search functions.



Here are some more examples of designs that can be protected.

- Packaging, such as for chocolate figures or for a Febreze sprayer.
- Normal single products, such as a clock and a chair.
- Parts of products, such as part of a shoe.
- Graphic symbols, such as a Louis Vuitton print.
- Logos, such as the UPS logo, which by the way is also protected as a trade mark.
- Computer icons, such as the weather icon in the top right-hand corner.
- Ornamentation that can be placed on various different items, in this case the Hermès horses.
- And finally, complex products such as the Volkswagen Beetle.

These examples show the range of industries and sectors that designs are used in.

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What cannot be classed as a design?

Functions of the product

Designs protect the outward or visible appearance of a product. They do not protect its technical function. They do not protect the abstract invention, although protection is available for the specific embodiment, in which case the same item will have multiple protection. The way a product solves a technical problem, i.e. the invention, will be protected by a patent or a utility model. However, the specific embodiment of the product may also be protected as a design, if, of course, it complies with the requirements for protection (for example, RCD 34269 001 – Profile milling tools with individual bits – is also protected by a German patent). Another condition for design protection is that the features of the product are not dictated entirely by its technical function.

Non-compliance with the definition of a design

According to the definition, a design is the outward appearance of a product. Therefore, a mere idea, e.g. "the process of producing fertiliser", cannot be protected.

Smells and fragrances, like music and sounds, do not in themselves have any visible or outward appearance. However, the graphical representation of a musical composition could qualify as a design.

The following are also excluded, because they are not industrial or handicraft items:

- Products belonging to the natural world. Living organisms are not products. They are not industrial or handicraft items. A design which simply discloses the appearance of plants, flowers, fruits, etc. in their natural state will be refused.
- Colours per se without shape or contour. A single colour may be an element of a design, but on its own it does not comply with the definition of a design.
- Words in a standard typeface or sequences of letters without any additional figurative elements. Words or sentences as such, i.e. in standard characters in black and white, cannot be protected as designs. For example, the phrase "Win my wage" is not a design. However, with additional styling and the addition of a figurative element, it can be protected as a graphical symbol, which is considered to be a product (see RCD 837299 001).

It is important to be clear about what is protected by a particular design and what is not. For instance, blueprints, plans for houses and other architectural plans and interior and landscape designs will be considered "products" and will be accepted as "printed matter". However, the 2D plan or blueprint of a house is not the same as the 3D interior of the house. An objection will be raised if the product indicated in the application for a design consisting of the blueprint of a house is "houses".

Computer programs are excluded from design protection by law. They are, in particular, excluded from the definition of a product (Article 1(b) Designs Directive and Article 3(b) CDR). This concerns only the appearance of computer programs as such. Computer icons, web designs and graphical user interfaces are not excluded from protection.

What cannot be classed as a design?

- Functions of the product
- Any item that does not comply with the definition of a design
 - lack of outward or visible appearance
 - not an industrial or handicraft item
- Computer programs

Neither the technical function of a product nor the abstract invention of the product can be protected by a design. However, design protection is possible for the specific embodiment of the product, in which case the same item will have multiple protection, that is design protection and patent or utility model protection.

Any item that does not comply with the definition – in other words where there is a lack of outward appearance or the item does not have an industrial or handicraft nature – is excluded.

A design is the outward appearance of a product. Ideas, smells, fragrances, music and sounds cannot be designs in themselves.

The following are also excluded, because the product is not an industrial or handicraft item:

- products belonging to the natural world;
- colours per se, without shape or contour; and
- words in a standard typeface without any additional figurative elements.

Computer programs are excluded from design protection, although computer icons, web designs and graphical user interfaces are not.

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Why designs should be protected

Designs are used to enhance the attractiveness and value of products. Take mobile phones as an example. Consumers now also buy the products because of the way they look.

A design can be an important element in enhancing a corporate image or brand. It can become an asset with increasing monetary value. If the designer or the company does not protect the creation, others might benefit from their investment. However, designs do not have to be attractive or aesthetically valuable in order for them to be protected as a design, as they are judged objectively.

A design can represent great added value to a company. It can make a business stronger on the market than its competitors. In some companies, it can represent the core business and be a key competitive advantage. Think, for example, of Crocs, or consider the value of the iPad for Apple Inc.

IP rights are intended to protect the creativity of businesses and individuals. However, they do not cover the same aspects:

- Designs do not have to be distinctive. There is no requirement for distinctiveness, as in the case of trade marks. Designs do not indicate the commercial origin of the products. That is not their function.
- The value of a design is not related to its technical functionality. Inventions which are products or processes that offer a new technical solution to a problem can be protected by patents.

Why designs should be protected

- Designs enhance the attractiveness and value of products
 - but this is not a legal requirement for protection
- Without protection, others can benefit from the company/designer's investment
- Differences over other IP rights:
 - trade marks
 - patents

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Designs are used to enhance the attractiveness and value of products. However, there is no legal requirement for a design to be attractive or aesthetically valuable in order for it to be protected as a design.

Designs can represent great added value for a company - think of Crocs, for example, or Apple. If the designer or company doesn't protect their creation, others might benefit from their investments.

Unlike trade marks, for example, which must possess distinctive character, designs do not have to indicate the commercial origin of the product.

Furthermore, the value of a design is not related to the technical functionality of the product. Inventions which are products or processes that offer a new technical solution to a problem can be protected by patents.

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How to obtain design rights

We will now look at the different types of design protection available and how to obtain them.

Design rights can be either registered or unregistered.

Registered design rights can be obtained by registering the design with an IP office.

Unregistered design rights are obtained through disclosure to the public and use. There is no need for any type of registration. Unregistered designs can be useful for those types of product that have an exceptionally short lifespan, e.g. in fashion or in seasonal or holiday-related items. In such cases, the registration process might take too long compared with the time for which the design will be valuable. At EU level, the legislature has provided for unregistered Community designs (UCDs) as well as registered Community designs (see next slide).

In addition, some member states and national design systems – for example the UK – provide protection for unregistered designs. The advantages and disadvantages of the two types of design right will be explained in the following slides.

How to obtain design rights

- Two possibilities:
 - with registration: registered design rights
 - without registration: unregistered design rights
- Copyright can co-exist with design protection

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We will now look at the different types of design right and how to obtain them.

Design rights can be either registered or unregistered.

Registered design rights can be obtained by registering the design with an IP office.

Unregistered design rights are obtained through disclosure to the public and use. Unregistered design rights can be useful

for those types of product that have an exceptionally short lifespan, where the registration process might take too long compared with the length of time for which the design will be valuable.

Designs can also be protected by copyright law, provided that the outward appearance of the product meets the legal conditions for copyright protection. Design rights and copyright can therefore co-exist for the same product.

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The Community design system

The Community design system comprises two kinds of protection (Article 1(2) CDR):

- unregistered Community designs (UCDs)
- registered Community designs (RCDs)

Both have a unitary character, which is to say that they have equal effect throughout the EU. The same principle applies to decisions on invalidity and prohibition of use (Article 1(3) CDR).

Advantages of UCDs: no filing necessary, so no costs. Protection is automatic after the design has been disclosed for the first time in the EU, for a period of three years (Article 11 CDR).

With UCDs, there is no need for a grace period, because protection starts after the first disclosure in the EU. There is also no initial filing date, so no priority has to be invoked. The invalidity of the design can be invoked only at a Community design court and not at the EUIPO, because there is no registration.

On the other hand, UCDs offer protection against copying only. There is no protection against independent works or creations that may be identical or similar to it. Copying cannot be said to have taken place if the designer can reasonably be thought not to have been familiar with the design made available to the public. Furthermore, the designer will have to prove that the infringer has copied his earlier design. Proof of the date of the design's first disclosure is also required, and, while many types of evidence are permissible, this can nonetheless be difficult to establish. This minimal degree of protection is the main weak point of the UCD (Article 19(2) CDR).

For the designer, it is best to disclose the unregistered design for the very first time within the EU. Designs that are first disclosed outside the EU will destroy the novelty of the unregistered design (Article 110a(5) CDR). Protection as a UCD will, therefore, not be possible any more, since there is no grace period for unregistered designs. If the designer still wants protection in the EU, he will have to file for an RCD within one year after disclosure.

RCDs, on the other hand, offer full protection, not only

against copying but also against independent creations and similar or identical designs. Proof of use is not necessary. There is no need to prove disclosure, since the design is registered. The certificate of registration is sufficient.

RCDs are protected for a longer period of time, i.e. five years, with renewal possible up to a maximum of 25 years. But be careful! The designer has to take into account the 12-month grace period. An RCD must be registered within the first 12 months after disclosure of the design if it is not to run the risk of being cancelled because of a lack of novelty. RCDs also enjoy the benefit of a six-month priority period. (The difference between the grace period and the priority date will be explained later.)

This kind of full protection comes at a cost. Registration at the EUIPO is necessary and fees have to be paid, although these are not expensive. The cost is minimal, while the protection that is offered through registration is significant. After registration, invalidity proceedings can be introduced at the EUIPO. In some cases, i.e. counterclaims, invalidity matters can be dealt with by the Community design courts.

The Community design system

Unregistered Community designs

- No application procedure
- No cost
- Protection against copying
- Protection for 3 years
- No grace period
- No priority

Registered Community designs

- Application with EUIPO
- Fees payable to EUIPO
- Full protection
- Min. 5 years, max. 25 years
- 12-month grace period
- 6-month priority period

The Community design system comprises two types of design right: registered and unregistered Community designs. This slide compares the two.

With unregistered Community designs, no filing is necessary and so there are no fees due. The downside is that they only offer protection against copying.

Registered Community designs, on the other hand, offer full protection against independent creations and similar or identical designs. Proof of use is not necessary. However, registration fees are payable, but these are reasonable and unlikely to be a concern for designers.

Registered designs also offer protection for a longer period of time – anywhere from 5 to 25 years.

Ultimately, it is a good idea to register designs in order to benefit from the stronger protection registration provides.

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The registration procedure at national, international and EU level

National level

At national level, designs are registered with the relevant national intellectual property office.

International level

At international level, applications are filed directly with the International Bureau of WIPO. Applicants must designate in the application the exact countries where protection is wanted. It is not possible to designate any other country later, because of the novelty requirement.

The International Bureau receives the application, but does not examine it on substantive grounds. All it does is check the formalities before sending the application to the national offices of the designated countries or the designated regional offices. These offices will examine the application according to their national laws. An international application thus results in a bundle of nationally or regionally registered designs and not in an internationally registered design as such.

The international route has many advantages compared with the national route. The application procedure and subsequent management of the design rights are simplified greatly. Instead of filing multiple applications with multiple offices, involving multiple languages, currencies, registrations and renewals, applicants can register with one single office, using a single language and currency and requiring a single renewal.

EU level

At EU level, it is possible to obtain a registered Community design which is valid for the whole of the EU. This also has many advantages:

- one simple and fast registration procedure to get protection in the entire EU
- one single application
- one language of filing
- one administrative centre (EUIPO)
- one single file to be managed
- one single payment in euros
- the possibility of filing multiple applications (i.e. of including several designs in one application, such as a whole range of similar products)
- the possibility of keeping the design confidential for up to 30 months, i.e. deferred publication
- a broadened scope of protection. Disputes concerning the infringement or validity of a Community design can be brought before the Community design courts. These are national courts designated by EU member states to have jurisdiction in respect of Community designs. Their decisions may have effect throughout the whole territory of the EU. This can avoid the need to prosecute infringers in each member state. For more on the Community design courts, see Articles 80-92 CDR.

The registration procedure at national, international and EU level

- National level
- International level
 - direct application through WIPO
 - for countries designated at the time of filing
- EU level
 - with the EUIPO
 - for the whole of the EU

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At national level designs are registered with the relevant national IP office.

International applications are filed directly with the International Bureau of WIPO, the World Intellectual Property Organization. Applicants must make sure that they designate in their applications all the countries in which they want to obtain protection, as, because of the novelty requirement, it is not possible to add more countries later.

An international registration does not result in an internationally registered design as such. Rather, the result is a bundle of different nationally or regionally registered designs.

The international route has many advantages compared with the national route, not least of which is the fact that the application procedure is much simpler. It involves a single application, with a single office, in a single currency, and with a single renewal application and fee.

At EU level, it is possible to obtain a registered Community design, which is valid for the whole of the EU. This also has many advantages. Applicants can register a single application with the EUIPO, in any one of the EU languages, for one single payment.

Registered Community designs also offer broader legal protection through the Community design courts.

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The registration procedure for RCDs

The EU registration procedure is very fast. This is important because of the limited lifespan of some designs. In the textile or shoe industries, for example, a design may be valuable only for a couple of months or for one season.

RCD applications can be filed either directly with the EUIPO or with any of the national IP offices of the EU member states. Applications to the EUIPO may be filed online (recommended, as the quality of the representations of the design is less likely to be compromised), by fax (not recommended, as the quality of the representations may suffer, for example discoloration may occur when documents are scanned) or by mail. Forms are available for applicants wishing to file an application by fax or mail.

The examination of the application is very limited and comprises:

- A formalities examination, which includes checking the name, address, signature, priorities, fees, indication of product and classification etc. The indication of the product must be worded in such a way that its nature is clear, preferably using the terms appearing in the list of products according to the Locarno Classification. The applicant can consult the EUIPO's own online classification tool, EuroLocarno. The indication of the product and the classification do not affect the scope of protection.
- An examination of the two possible grounds for refusal of a design. First, is it a design? In other words, does the subject of the application constitute a "design" in accordance with the definition? The registration will be rejected if the item does not consist of the outward appearance of a product or part of it, or if it is not an industrial or handicraft item. If the item complies with the definition of a design, the second question can be asked: is the design contrary to public policy or morality?

There is no substantive examination regarding the novelty or individual character of the design, or whether or not the component parts are visible during normal use, or whether or not the design is solely dictated by its technical function. The examiner does not look into the existence of earlier rights or whether or not the applicant is entitled to register the design.

If the result of the examination is positive, the application will be registered in the Community Design Register and then published in the RCD Bulletin (Part A). The applicant may choose however to delay the publication of the RCD by a maximum of 30 months from the date of filing the application (or from the date of the earliest priority claimed), which is known as "deferment of publication" as established in Article 50 RCD.

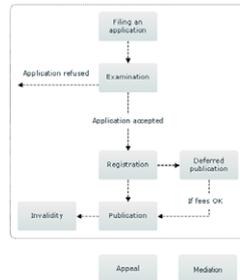
During the examination process, the EUIPO does not check whether an application for an RCD infringes an intellectual property right belonging to a third party, and it is not possible for such a third party to introduce an opposition procedure against the registration. However, once a Community design has been registered (and following publication of the registration), a third party may apply for a declaration of invalidity. This means that, throughout an RCD's life, it may be declared invalid following invalidity proceedings. The EUIPO has exclusive jurisdiction with regard to direct invalidity applications. The different national Community design courts also have jurisdiction, but only regarding counterclaims in infringement proceedings. The different grounds of invalidity will be discussed later.

Any final decision by one of the Office's bodies, in so far as it has adversely affected a party, is subject to appeal on the initiative of that party. The party adversely affected by a decision is either the applicant, in the case of total or partial rejection of his design application, or the losing party in an invalidity decision. The appeal is brought before the Office's boards of appeal (Article 55 et seq. CDR). However, the EUIPO offers a mediation service in inter partes proceedings. If the parties choose mediation, the appeal proceedings are suspended. Mediation allows the parties to reach an amicable settlement without the requirement for a decision from the boards on the substance of the conflict.

For more information on the registration process, go to <http://oami.europa.eu/ows/rw/pages/RCD/regProcess/regProcess.en.do>

The registration procedure for RCDs

- Fast procedure
- Examination of:
 - formalities
 - grounds for refusal
 - not a design
 - against public policy or morality
- No opposition
 - only invalidity procedure



The chart shows the different steps in the registration procedure.

RCD applications can be filed either with the EUIPO itself or with any of the national IP offices of the EU member states.

The examination of applications is very limited. It is made up of a formalities examination, which includes checking whether the application indicates the product the design is applied to, and examination of the two possible grounds for refusal of a design, that is non-compliance with the definition, and breach of the provision concerning public order and morality. The examination will also include a verification that the different views refer to the same design.

If the result of the examination is positive, the application will be registered in the Community Design Register and then published in the RCD Bulletin.

The RCD registration procedure has no opposition procedure. A third party can invoke the invalidity of a registered design only after publication of its registration. The EUIPO has exclusive jurisdiction with regard to direct invalidity applications.

Any final decision is subject to appeal on the initiative of the adversely affected party. Appeals are brought before the Office's boards of appeal. The parties can also opt for the mediation service offered by the EUIPO.

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Requirements for protection

Before a design can be protected, it has to fulfil two essential and substantive conditions. It has to be new, and it has to possess individual character (Article 3(2) Designs Directive and Article 4(1) CDR).

If it lacks either novelty or individual character, it will not be protected against infringement or copying by third parties. Even if it fulfils the two requirements, it can still be excluded from protection. In national and EU law, some designs in particular are excluded, e.g. for reasons of public interest.

Note that designs which lack novelty or individual character can still be registered with some IP offices (e.g. the EUIPO), owing to a lack of ex officio examination of these conditions by the office in question. However, a design which is not new and/or not individual will risk invalidity after registration.

Requirements for protection

- Protection only if the following requirements are fulfilled:
 - novelty
 - individual character
- May still be excluded from protection

A design can be protected only if it fulfils both of the substantive requirements shown here, novelty and individual character. A design that is new but without individual character is excluded from protection, likewise one that has individual character but is not new.

However, even if a design does fulfil the two requirements, there are still certain circumstances under which it can be excluded from protection, for instance for reasons of public interest.

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Novelty (I)

All designs must be new. What does this mean exactly?

No identical design

The novelty requirement can be fulfilled only if no identical design has been made available to the public earlier, i.e. before a certain date.

Identical designs include designs whose features differ only in "immaterial details". This means that the two designs do not necessarily have to be identical in all features. An example of an immaterial detail is a slight variation in the shades of the colour palettes used in the compared designs (see, for example, Boards of Appeal decision of 28/07/2009, R 0921/2008 3 – 'Nail files', paragraph 25).

No disclosure

A design must also be new in the sense that the designer may not have made his own design available to the public before the date of filing an application. Once the design has been made available to the public, it is no longer new. The designer must keep the design confidential. This obligation is somewhat weaker than in patent law, in that the designer enjoys a so-called "grace period" of 12 months.

The 12-month grace period precedes the filing date or priority date of the national or Community design. Disclosure of the design is not taken into consideration if it was made available by the designer (or his successor in title) and within the 12-month period. The Community or national design must thus be registered within the first 12 months after disclosure. If the designer does not register his design within that period, the design is no longer novel. Only the designer can enjoy the benefit of the grace period.

What is the difference between the grace period and the priority date? If the applicant claims priority when applying for a design, this means that, within six months from the filing date with the national office or the EUIPO, the applicant can file a national design or an RCD under the priority of the first application. Protection will run from the first date, i.e. the date of the first application.

The right of priority is laid down in Articles 41–44 CDR and Article 4 of the Paris Convention for the Protection of Industrial Property (Paris Convention"), which can be consulted at www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P145_20374

Relevant date

The relevant date for establishing whether another identical design has been made available to the public earlier differs depending on the type of design. For registered designs, the relevant date is the date of filing of the application or the priority date. For unregistered designs, there is no application and thus no filing date. The date on which the design was disclosed to the public, e.g. through advertising or use, is the date to be taken into account.

The relevant legal texts with regard to assessing novelty are Articles 5 and 7 CDR and Articles 4 and 6 Designs Directive.

Novelty (I)

- No identical design has been made available to the public
 - includes designs that differ in immaterial details only
- No disclosure of own design
 - however, 12-month grace period
- Relevant date to assess novelty
 - registered designs: date of filing
 - unregistered designs: date of first disclosure

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All designs must be new. What does this mean exactly?

Firstly, no identical design must have been made available to the public at an earlier date.

Secondly, no other designer or undertaking must have made an identical design available to the public earlier, that is before a certain date.

Identical designs include designs that differ in "immaterial" details only. An example of an immaterial detail is a slight variation in the shades of colour patterns in the designs under comparison.

Designers must not have made their design available to the public before the date of filing of the application. They must keep the design confidential. This obligation is weakened by the 12-month grace period that precedes the filing date or priority date of the national or Community design.

What is the difference between the grace period and the priority date? Well, the 12-month grace period precedes the filing date or the priority date of the national or the Community design. Disclosure of the design is not taken into consideration if it was made available by the designer (or his successor in title) and within the 12-month period. The Community or national design must therefore be registered within the first 12 months after disclosure. If the designer does not register his design within that period, the design is no longer novel. Only the designer can enjoy the benefit of the grace period.

If the applicant claims priority when applying for a design, this means that, within six months from the date of filing the application with the national office or EUIPO, he can file another national design or RCD under the priority of the first application. Protection will run from the first date, i.e. the date of the first application.

The relevant date for assessing novelty differs depending on the type of design in question.

For registered designs, it is the date of filing of the application or the priority date.

For unregistered designs, it is the date on which the design was disclosed to the public.

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Novelty (II)

A design is considered to have been made available to the public if it has been exhibited, used in trade, published (following registration or otherwise) or in any other way disclosed (through the internet, in a magazine, etc.). This concept is very broad: any disclosure anywhere in the world and at any point in time will be taken into account.

However, the concept has a very important limit. Unlike in the case of patents, the prior design will be deemed not to have been made available to the public if the act of disclosure could not reasonably have become known in the normal course of business to specialised circles in the relevant sector in the EU. Therefore, the design will be deemed to have been made available to the public only if specialised circles within the EU in a given sector are aware of or have knowledge of the design. If specialised circles outside the EU have knowledge of a particular design but those within the EU do not, the design will be deemed not to have been made available to the public.

Additionally, as in patent law, there is no disclosure if the design was disclosed to a third party under explicit or implicit conditions of confidentiality. For example, disclosure of a design to a third party within the context of commercial negotiations is ineffective if the parties agreed that the information exchanged should remain confidential. Concluding a non-disclosure agreement can be sufficient.

See Article 6(1) Designs Directive and Article 7(1) CDR.

Novelty (II)

- Considered to have been made available to the public after:
 - exhibition
 - use in trade
 - publication
 - disclosure in any other way
- Not considered disclosed if:
 - not known in specialised circles
 - disclosed only under condition of confidentiality

A design is considered to have been made available to the public if it has been exhibited, used in trade, published (following registration or otherwise) or in any other way disclosed, for example through the internet or in a magazine. Any design made available to the public anywhere in the world at any time can constitute a prior design.

This broad concept of disclosure has two important limits.

Firstly, unlike in the case of patents, a design will be deemed to have been made available to the public only if specialised circles within the EU in a given sector are aware of or have knowledge of it.

Secondly, disclosure of a design to a third party under a condition of confidentiality does not destroy the novelty of the design.

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Individual character

In addition to meeting the novelty requirement, a design must also have individual character. In other words, it can be new – i.e. no other identical design exists – and yet still lack individual character.

The requirement for individual character means that the design must give a different overall impression from any other design disclosed earlier. The overall impression which a design produces on the informed user must differ from the overall impression produced on such a user by any other earlier design which has been made available to the public.

Overall impression

"Overall impression" means that the designs have to be compared globally. The way the product is used by the informed user has to be taken into account. When assessing the overall impression, the informed user will pay less attention to features that are banal and common to the type of product in question. He will concentrate on the features that are arbitrary and different from the norm.

Informed user

The "informed user" is an intermediate character. He is neither a designer nor a technical expert. He is a person who has some awareness of existing designs in the sector concerned. He possesses a certain degree of knowledge with regard to the features that those designs normally include. As a result of his interest in the products concerned, he shows a relatively high degree of attention when he uses them. However, his degree of attention or his awareness is not so high that he would know which aspects of the product are dictated by its technical function. The informed user is neither a manufacturer nor a seller of the products. However, sometimes the informed user is made up of two groups, depending on the nature of the product in question.

Legal texts: Article 5 Designs Directive and Article 6 CDR.

Relevant case law:

- Overall impression: European Court of Justice judgment of 20/10/2011, C 281/10 P, 'Metal Rappers'.
- Informed user: European Court of Justice judgment of 20/10/2011, C 281/10 P, 'Metal Rappers'; General Court judgment of 9/09/2011, T 10/08, 'Kwang Yang'; General Court judgment of 14/06/2011, T 68/10, Sphere Time; and General Court judgment of 22/06/2010, T 153/08, 'Shenzhen Taiden'.

For more about the Grupo Promer/Metal Rappers case, see the design case study module.

Individual character

- Overall impression on the informed user must differ from that made by any other design made available to the public earlier
- Overall impression: global comparison
- Informed user: intermediate character
 - not a designer or a technical expert
 - not an average consumer
 - some awareness of prior existing designs
 - relatively high degree of attention

In addition to fulfilling the novelty requirement, designs must also have individual character.

This means that they must create a different overall impression from any other designs disclosed earlier. Whether or not the overall impression is different must be assessed from the point of view of the informed user.

"Overall impression" means that the designs have to be compared globally, while taking into account the way in which the product is used by the informed user and the comparative weight this user attributes to the different features of the designs.

The "informed user" is an intermediate character, situated somewhere between a designer or a technical expert and an average consumer. His level of attention and awareness of prior designs is relatively high.

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Exclusion from protection

Some items/designs are excluded from protection.

Public policy and morality

A design may not be contrary to public policy or accepted principles of morality. Obscene, racist or immoral images or messages are not acceptable. Flags and religious symbols used in a proper and decent way are tolerable. The same applies to images of famous people. Designs depicting them without their permission are allowed. However, it is not always easy to differentiate between an offence to morality and mere bad taste. For example, RCD 80841 was accepted as a Community design.

Given the unitary character of Community designs, if a design causes offence to morality in one member state, that is sufficient to exclude it from protection in the whole territory of the EU (Article 1(3) CDR) – see, by analogy, the judgment of the General Court regarding a Community Trade Mark application representing the Soviet coat of arms (judgment of 20/11/2011, T 232/10, ‘Couture Tech’, paragraphs 37 and 62). (Article 8 Designs Directive and Article 9 CDR.)

Technical function

If the features of the appearance of the product are solely dictated by a technical function, the design is excluded from protection. This applies where the features of the product were chosen exclusively in order to design a product that would perform its function. If at least some features of the product were, to some degree, chosen for the purpose of enhancing the visual appearance of the product, the design was not dictated solely by the product's technical function. The technical features of a design can be protected by a patent or a utility model. Only if all the features of the design are solely dictated by its technical function will the design as a whole be declared invalid. If only one feature is dictated by its technical function, then that particular feature will be denied protection. (Article 7(1) Designs Directive and Article 8(1) CDR).

Complex products

For component parts of complex products there exists a visibility requirement. Parts that are not visible during "normal use" of the product are excluded from protection. Normal use is the use that is made of the product by the end consumer. This excludes maintenance, servicing and repair work by experts. For example, the component parts of a car that are located under the bonnet of the car are not visible during normal use. The headlights of the car, on the other hand, are visible during normal use and can be protected as designs. (Article 3(3) Designs Directive and Article 4(2) CDR).

Must-fit exemption

Designs of interconnection are also excluded by law. This is the so-called "must-fit" exemption. There can be no design protection for features of a product which must be formed in a certain way to make that product fit into another product or to mechanically interconnect the products. In this case, the appearance of this feature of a product must necessarily be reproduced in a precise form and to precise dimensions; otherwise, the product will not fit into or cannot be connected to another product (Article 7(2) Designs Directive and Article 8(2) CDR).

There is only one exception to this must-fit exemption: interchangeable products within a modular system are excluded. This is called the "Lego exemption", after the toy building bricks (Article 7(3) Designs Directive and Article 8(3) CDR).

Exclusion from protection

- Contrary to public policy and morality
- Design exclusively dictated by its technical function
- Component parts of complex products not visible during normal use
- Designs of interconnection
 - "must-fit" exemption

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Some items or designs are excluded from protection.

This is the case if the design is contrary to public policy or to the accepted principles of morality. Obscene, racist or immoral images or messages are not acceptable. Flags and religious symbols which are used in a proper and decent way are tolerable.

Design protection is also not available if the features of the appearance of the product are solely dictated by a technical function. This applies where the features of the product were chosen exclusively to design a product that performs its function.

For component parts of complex products, there is a visibility requirement. Parts that are not visible during "normal use" of the product, that is use by the end consumer, are excluded from protection.

Designs of interconnection are also excluded by law. This is the so-called "must-fit" exemption for features of a product which are necessary to interconnect it mechanically with another product.

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What happens after registration (I)

After registration, designs are protected for an initial period of five years. Protection runs from the date of filing of the application, not from the date of registration. The term of protection can be renewed for one or more periods of five years each. The maximum term of protection is 25 years from the date of filing. This means that designs can be renewed a maximum of four times (Article 10 Designs Directive and Article 12 CDR).

Use of a design is not obligatory. Non-use does not constitute grounds for invalidity of the design.

Design law differs from trade mark law in this respect. Trade marks must be used. A lack of so-called "genuine use" of a trade mark constitutes grounds for revocation.

In terms of the different territorial scope of protection, Community designs have effect in the entire EU, i.e. in all the member states. National designs offer protection in the individual member states in which they are registered. Designs registered at the Benelux Patent Office are protected in the three Benelux countries.

What happens after registration (I)

- Lifespan of a registered design right:
 - five years
 - renewable
 - maximum 25 years
- Use not obligatory
- Territory of protection
 - national design rights in national territory
 - EU design rights in the whole of the EU

After registration, designs are protected for an initial period of five years from the date of filing of the application. The term of protection can be renewed for one or more periods of five years each, up to a maximum of 25 years.

Use of a registered design is not obligatory, and non-use does not represent grounds for invalidity of the design.

Community designs have effect throughout the entire EU, in all the member states. National designs offer protection in the member state or states in which they were registered.

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What happens after registration (II)

Some designs may be declared invalid during their lifespan. A third party can invoke the invalidity of a design. In the case of RCDs, any natural or legal person can submit a direct application for a declaration of invalidity to the EUIPO (Article 52(1) CDR).

There are several grounds on which both RCD and national designs may be declared invalid (Article 25 CDR and Article 11 Designs Directive).

- The design does not correspond to the definition of a design and is therefore not a design.
- The design does not fulfil the requirements of protection, i.e. novelty, including disclosure, and individual character.
- The design is excluded from protection. This includes the component parts of the complex product which are not visible during normal use, the design is solely dictated by the technical function, it constitutes a design of interconnection or the design is contrary to public policy or morality.
- The registered holder is not entitled to the design. In this case, a court decision might be needed.
- The design is in conflict with a prior design.
- The design makes unauthorised use of an earlier distinctive sign, e.g. a trade mark, or a work protected by copyright.
- The design constitutes an improper use of items listed in Article 6ter of the Paris Convention or other emblems of public interest in a member state.

Once a design has been declared invalid, it is deemed not to have had any effects from the outset (Article 26 CDR).

What happens after registration (II)

- Invalidity claims can arise because:
 - the design fails to meet the definition of a design
 - the requirements for protection are not fulfilled
 - the design is excluded from protection
 - the holder is not entitled to the design
 - the design is in conflict with a prior right
 - the design uses certain emblems

There are various grounds for invalidity. They include cases where the design fails to meet the definition of a design and where the requirements for protection are not met. This means that the design is not novel or has no individual character.

Invalidity claims can also arise where the design is excluded from protection because the component parts of a complex product are not visible during normal use, the design is dictated by the technical function, it is a design of interconnection, or the design is contrary to public policy or morality.

Other cases include where the registered holder is not entitled to the design, the design is in conflict with a prior design, or the design constitutes an improper use of items listed in the Paris Convention or other emblems of public interest in a member state.

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What rights does the designer have?

The protection offered by registered rights. It gives the designer the exclusive right to use the design and to prevent others from using it. This covers, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied. It also covers the stocking of such a product for any of these purposes (Article 12 Designs Directive and Article 19(1) CDR).

Designers of unregistered designs can prevent third parties from making, offering, etc. any product into which the design is incorporated, but only if that use results from the copying of the protected design.

The protection is against the unauthorised use of the design, no matter what product it is applied to. The (Community) design protection covers the design itself, independently of the type of object to which the design is applied.

For example, if someone registers a radio as a Community design and someone else copies it, or uses the same design for another type of device, or even prints it on a T-shirt to be sold, then the right-holder could stop him from doing so.

What rights does the designer have?

- Full protection for registered design rights
- Exclusive right: protects the design from unauthorised use
 - protection covers the design itself
 - not the product
- Prevents others from using the design

The protection offered by registered design rights gives the designer the exclusive right to use the design. This includes the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied.

Any of these actions relating to a product into which the design is incorporated or to which it is applied needs the authorisation of the right-holder. The exclusive right also covers the stocking of such a product for any of these purposes.

The protection is against the unauthorised use of the design. It therefore covers the design itself, that is the appearance of the product, no matter what product it is applied to.

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Scope of protection

Article 10 CDR and Article 9 Designs Directive offer protection against:

- any identical design
- any design which differs in "immaterial details" (the design is deemed to be identical)
- any design which does not produce on the informed user a different overall impression.

The right-holder has the exclusive right over a registered design with the same overall appearance.

However, when determining the scope of protection, the degree of freedom of the designer in developing his design must be taken into account. This degree of freedom depends on the nature and intended purpose of the product into which the design is incorporated and the type of (industrial) sector to which the product belongs. The only constraints to the degree of freedom of the designer that can be taken into account are those resulting from the technical function of the product or the statutory requirements that are applicable in the sector.

The more a designer's freedom is restricted, the more likely it is that minor differences between two designs at issue will be sufficient to leave an overall impression on the informed user. A design that differs in details is deemed to be an infringement only if the degree of freedom of the designer is high. If the degree of freedom is high, then minor differences will not be sufficient to produce a different overall impression.

Relevant case law: European Court of Justice judgment of 20/10/2011, C 281/10 P, 'Metal Rappers'. For more details see the design case study module.

Scope of protection

- Design rights offer protection against any design which:
 - is identical
 - differs in immaterial details
 - does not make a different overall impression on the informed user
- Account must be taken of:
 - individual character
 - degree of freedom of the designer
 - constraints

Design rights offer protection against

- any identical design
- any design which differs in "immaterial details", as such a design is deemed to be identical, and
- any design which does not produce on the informed user a different overall impression.

These concepts are the same as the ones we came across in connection with the "individual character" requirement.

When determining the scope of protection, the degree of freedom of the designer in developing his design has to be taken into account. This freedom can be constrained by the technical function of the product or the statutory requirements that are applicable in the sector.

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Infringement and allowed uses

What constitutes an infringement of a design right?

An infringement is any act carried out without the authorisation of the designer or right-holder involving a product to which the design has been applied. The right-holder has the exclusive right to make the design, use it, offer it on the market etc.. Third parties are prohibited from doing this.

However, there are limits to the extent of the protection afforded by the design. Some acts or uses of the design by third parties are permitted, without the need for authorisation (Article 20 CDR and Article 13 Designs Directive).

Allowed use

- Private acts for non-commercial purposes.
- Acts carried out for experimental purposes.
- Academic citations. These are acts of reproduction for the purpose of making citations or of teaching. This use is only allowed provided that such acts are compatible with fair trade practice and do not unduly prejudice the normal exploitation of the design, and that mention is made of the source.
- In some member states, there exists a "must-match exemption" resulting from a "repair clause" in national law. This exemption relates to the use of the design of a component part of a complex product for the purpose of the repair of that complex product to restore it to its original form. The component part must aesthetically match the complex product. Examples of must-match: car chassis, car doors, etc. (Article 14 Designs Directive).
- Exhaustion of rights within the EU. The basic principles of the internal market have to be taken into account, including the free movement of goods. Once a product has been put on the market by the holder of the (Community) design or with his consent, this article is free to circulate in the whole of the EU. A product that incorporates the design or to which the design applies is free to circulate after it has been put on the internal market (Article 15 Designs Directive and Article 21 CDR).

Must-fit and must-match

Some design features enable one product to be functionally fitted or aesthetically matched to another. These features are excluded from design protection. These are the so-called "must-fit" and "must-match" exemptions.

These exemptions ensure that competing designs of spare parts are not kept out of the market. In this way, competitors cannot be prevented from using or copying features of a protected design. They have to copy some features in order to functionally connect or aesthetically match their design to the existing product of the owner of the design.

What is the difference between the two? Must-fit deals with technical connection and fitting. Must-match deals with the aesthetic matching of two products.

Infringement and allowed uses

- An infringement is any act of use of the design by a third party without the authorisation of the designer
- Allowed uses:
 - private acts for non-commercial purposes
 - acts for experimental purposes
 - academic citations
 - must-match exemption
 - exhaustion of rights in the EU internal market

An infringing act can be defined as any act of use of the design by a third party without the authorisation of the designer.

However, some acts or uses of the design are allowed. These include:

- private acts for non-commercial purposes,
- acts carried out for experimental purposes, and
- academic citations, that is, acts of reproduction for the purpose of making citations or of teaching.

In some member states, there exists a "must-match" exemption due to a "repair clause" in national law. This exemption relates to the use of the design of a component part of a complex product for the purpose of the repair of that complex product in order to restore it to its original form.

Finally, a product that incorporates the design or to which the design is applied is free to circulate after it has been put on the EU internal market by the holder of the Community design or with his consent.

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Overlap with other IP rights

Registered designs are not the only form of protection available for the appearance of a product.

Protection by registered design right does not exclude protection by other IP rights, such as unregistered design rights, trade marks or other distinctive signs, patents and utility models, typefaces, civil liability and unfair competition, at national and EU level (Article 16 Designs Directive).

While the shape of a product could be registered as a design, it could at the same time also be a distinctive sign, capable of indicating the commercial origin of the product. The same applies to logos.

Designs registered in a member state are also eligible for protection under the copyright law of that state as of the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such protection is conferred, including the level of originality required, are determined by each member state (Article 17 Designs Directive).

Overlap with other IP rights

- Relationship to other forms of protection
 - protection by other IP rights possible
 - at national and EU level
- Relationship to copyright
 - protection under national copyright law
 - conditions determined by national law

Protection by a registered design right does not exclude protection by other IP rights such as trade marks, patents and utility models.

This applies at both national and EU level.

Designs can also be protected under national copyright law. Copyright is not harmonised at EU level, so the conditions for acquiring protection, such as the level of originality required, are determined by national law.

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Quiz (I)

1. What are the two main elements in the definition of a design?

The two main elements in the definition of a design are "outward appearance" and "product". The appearance results from various features of the product, such as lines, colours and shapes. A product is any industrial or handicraft item, including parts of a complex product.

2. Give examples of items which cannot be considered designs.

Examples include computer programs, items which are not handicraft or industrial items, items that have no outward or visible appearance, and the technical function of the product, more specifically products belonging to nature, colours per se, industrial processes, mere ideas and smells.

3. What do you consider the best option for protecting designs?

The question invites students to consider the pros and cons of registered and unregistered designs. The main weak point of unregistered designs is the fact that they only offer protection against copying of the design. Moreover, the designer or right-holder has to prove the use of the design and the point in time when it was first disclosed to the public.

With registered design rights, protection is stronger and proof of use is unnecessary. The right-holder has a certificate of registration to fall back on.

So, on the whole, registered design rights are the better option. But in some cases unregistered design rights are more useful, particularly for products with an exceptionally short lifespan, for which the registration process might take too long compared with the length of time for which the design will be valuable.

4. Explain the registration procedure at international level. Where can you file? What is the end result? What are the advantages?

The main steps and features of the international registration procedure are as follows:

- International applications are filed with the International Bureau of WIPO (World Intellectual Property Organization).
- Applicants must designate from the start of the procedure all the countries in which they want to obtain design protection. Note that the EU as a whole can also be designated.
- Applications are examined by the relevant national offices or by the EUIPO. The International Bureau merely performs a formalities check.
- The end result is a bundle of nationally or regionally registered designs.
- The main advantage is that the application procedure and the subsequent management of the design rights are simplified.

Quiz (I)

1. What are the two main elements in the definition of a design?
2. Give examples of items which cannot be considered designs.
3. What do you consider the best option for protecting designs?
4. Explain the registration procedure at international level. Where can you file? What is the end result? What are the advantages?

We will now work through a short quiz covering the different aspects of design protection which we have looked at in this module.

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Quiz (II)

5. Can the holder of an RCD oppose the registration of another, identical Community design?

No, there is no opposition procedure. The holder of the earlier RCD will have to wait until after the publication of the registration of the later RCD to introduce an invalidity procedure based on lack of novelty.

6. Besides novelty, which other substantive conditions must a design fulfil to be protected under design law?

A design can be protected only if it fulfils two substantive conditions, namely the novelty requirement and the requirement for individual character. The latter condition means that the design must create a different overall impression on the informed user from that created by any other design disclosed earlier.

Students could also be asked at this stage about the meaning of the terms "overall impression" and "informed user".

7. How is the novelty of RCDs assessed?

Generally speaking, any disclosure anywhere in the world and at any point in time will be taken into account and can destroy the novelty of the design. However, a design will be deemed to have been made available to the public only if specialised circles within the EU in a given sector are aware of or have knowledge of the design. In addition, a design is not considered to have been made available to the public if it has been disclosed to a third party under the explicit or implicit condition of confidentiality.

8. Name some of the allowed uses for which third parties do not need authorisation.

To know which uses are allowed by law, we first need to establish the exclusive rights designs confer and which acts fall within the scope of protection of the design.

- Design protection confers exclusive rights, preventing others from making, offering, using etc. any product into which the design is incorporated or to which it is applied.
- The scope of protection extends to any identical design (including designs deemed identical because, for example, they differ in immaterial details) and any design which does not produce a different overall impression on the informed user.

However, even if a certain act of use falls within the scope of protection, there is no infringement if the use is allowed by law, e.g. mere private acts carried out for non-commercial purposes or acts carried out for experimental purposes.

Quiz (II)

5. Can the holder of a registered EU design oppose the registration of another, identical EU design?
6. Besides novelty, which other substantive conditions must a design fulfil to be protected under design law?
7. How is the novelty of registered EU designs assessed?
8. Name some of the allowed uses for which third parties do not need authorisation.

6 Design case study

Design case study

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Background

This case study focuses on "rappers" or "pogs". Rappers are made of metal or plastic and are used as promotional items to help sell other goods. They are especially used in the food industry, for example in bags of crisps or biscuits. They were extremely popular during the 1990s. Rappers used in this way bear coloured images of a type that would appeal to young children. However, the designs that are registered and owned by the parties in our case study lack any type of colour or image.

Background

- Rappers/pogs
- Promotional gadgets
- Used in the food industry
- Made to appeal to young children

Intellectual Property Teaching Kit

The case study we will be looking at in this module concerns "rappers" or "pogs". Rappers are used as promotional items in the food industry, for example in bags of potato crisps or biscuits. They are especially designed to appeal to young children.

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The two registered Community designs involved

The two parties involved in the dispute in our case study are Grupo Promer Mon-Graphic S.A. and PepsiCo Inc. Grupo Promer is a Spanish promotional marketing agency and the owner of the earlier registered Community design, which was registered with the product indication "metal plates for games". The other party in the case is PepsiCo, a US multinational food and beverage corporation and the owner of the contested registered Community design (RCD), which is registered for "promotional items for games".

The two designs are shown on the slide. A comparison of the designs shows that they have certain features in common.

- Both designs consist of small discs that are almost flat. They are round in shape.
- Both have a concentric circle very close to the edge, intended to convey the idea that the disc curves all the way round the edge.
- Both have another concentric circle approximately one-third of the way from the edge to the centre. This circle is intended to convey the idea that the central part of the disc is raised slightly.
- In both designs, the rounded edge of the disc is raised in relation to the intermediate area of the disc, i.e. the area between the edge and the raised central area.
- The dimensions of the raised central part and the intermediate area of the disc are similar in the two designs.

The designs differ from each other in that:

- PepsiCo's design has two additional circles towards the centre.
- In profile, it can be seen to be more curved.

The relevant registered Community design numbers are:

- Grupo Promer: No. 53186 0001
- PepsiCo: No. 74463 0001

Both designs can be found in OHIM's eSearch Plus database.



The two parties involved in the dispute in our case study are Grupo Promer, the owners of a registered Community design – or RCD – registered for "metal plates for games", and PepsiCo, proprietor of an RCD registered for "promotional items for games", which was registered shortly after the Grupo Promer design. We will see the precise timeline shortly.

What are the similarities and differences between the two designs?

There are similarities with regard to the shape of the discs, the edges and the dimensions.

There are differences between the profiles and the concentric circles.

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Timeline of decisions

On 20 June 2005, EUIPO's Invalidity Division declared the design belonging to PepsiCo invalid on the basis of Article 25(1)(d) of the Community Design Regulation (CDR). It concluded that it produced the same overall impression on the informed user as the Grupo Promer design.

PepsiCo then filed a notice of appeal with EUIPO. By decision of 27 October 2006, EUIPO's Third Board of Appeal annulled the decision of the Invalidity Division and dismissed the application for a declaration of invalidity. The board held that the PepsiCo design was not in conflict with the design belonging to Grupo Promer and that the overall impressions made on the informed user by the two designs were different.

By a judgment of 18 March 2010, the General Court annulled the decision of the Board of Appeal. It upheld the appeal and declared PepsiCo's design invalid pursuant to Article 25(1)(d) CDR. The design was in conflict with the prior RCD.

The Court of Justice upheld the judgment of the General Court and declared that the PepsiCo design was invalid.

Relevant decisions:

- Invalidity Division decision of 20 June 2005, ICD 172
- Third Board of Appeal decision of 27 October 2006, R 1001/2005 3 – 'Metal Rappers'
- General Court judgment of 18 March 2010, T 9/07, 'Grupo Promer'
- Court of Justice judgment of 20 October 2011, C 281/10 P, 'PepsiCo'.

Other related decisions:

- Invalidity Division decision of 1 July 2005, ICD 180
- Invalidity Division decision of 1 July 2005, ICD 198

Timeline of decisions

- 2005: Invalidation Division decision (ICD 172)
 - same overall impression
 - invalidity of PepsiCo design
- 2006: Third Board of Appeal (R 1001/2005-3)
 - different overall impression, no invalidity
- 2010: General Court (T-9/07)
 - same overall impression, invalidity
- 2011: Court of Justice (C-281/10 P)
 - invalidity

Intellectual Property Teaching Kit

On 20 June 2005, the EUIPO's Invalidation Division declared the PepsiCo design invalid on the basis of Article 25(1)(d) of the Community Design Regulation, or CDR. It concluded that it produced the same overall impression on the informed user as the Grupo Promer design.

PepsiCo then filed a notice of appeal with the EUIPO. By a decision of 27 October 2006, the Third Board of Appeal annulled the decision of the Invalidation Division and dismissed the application for a declaration of invalidity.

The board held that the PepsiCo design was not in conflict with the design belonging to Grupo Promer and that the overall impression made on the informed user by the two designs was different.

By a judgment of 18 March 2010, the General Court annulled the decision of the Board of Appeal. It upheld the appeal and declared PepsiCo's design invalid pursuant to Article 25(1)(d) CDR, holding that it was in conflict with the prior design.

The Court of Justice upheld the judgment of the General Court and declared PepsiCo's design invalid.

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Questions raised by the case

The case raises a number of interesting questions.

Some concern Article 25 (1)(b) CDR. If a design lacks novelty and individual character, it will be declared invalid. In order for this ground for refusal to be applicable, the prior design must have been made available – or disclosed – to the public. But how do we define "disclosure"?

Are there any grounds for invalidity other than those mentioned in the Community Design Regulation, for instance bad faith on the part of the applicant of the later design?

What about the ground for invalidity mentioned in Article 25(1)(d) CDR, which concerns designs that are in conflict with prior designs? But what does "in conflict" mean?

The main question in this case is whether or not the later design produced the same overall impression on the informed user as the prior design. But who is the informed user? And what about the degree of freedom of the designer?

Questions raised by the case

- Was there disclosure of the prior design?
- Can bad faith constitute grounds for invalidity?
- Was the later design in conflict with the earlier design?
- Who was the informed user in this case?
- What was the relevant product category?
- What was the degree of freedom of the designer?
- Do the two designs produce the same overall impression on the informed user?

Intellectual Property Teaching Kit

The case raises a number of interesting questions.

When can a prior design be considered to have been disclosed? Can bad faith on the part of the owner of a contested design constitute grounds for invalidity?

Was the later design in conflict with the earlier one?

Who is the informed user? What is the degree of freedom of the designer, and in relation to which products? Do the two designs produce the same overall impression?

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Was the prior design disclosed?

Grupo Promer (GP) invoked Article 25(1)(b) CDR. This ground for invalidity refers to Articles 4-7 CDR, i.e. lack of novelty and individual character. It can be applicable only if a prior design has been disclosed, in other words if it has been made available to the public.

In this case, the relevant date for assessing whether or not the PepsiCo design was novel and had individual character was the date of priority of the RCD, i.e. the date on which the application for the Spanish design was filed. So the question was, had GP's design been disclosed or made available to the public before 23 July 2003?

The next slide shows a timeline of the relevant dates.

Was the prior design disclosed?

- Grupo Promer invoked lack of novelty and individual character.
- This implies disclosure to the public of the prior design.
- Had the Grupo Promer design been made available to the public?

Intellectual Property Teaching Kit

Grupo Promer claimed under Article 25(1)(b) of the Community Design Regulation that the PepsiCo design lacked novelty and individual character. This can only be applicable if a prior design has been disclosed, that is, made available to the public.

In this case, the relevant date for assessing whether or not the PepsiCo design was novel and had individual character was the date of priority of the earlier registered Community design, which is the date on which the application for the Spanish design was filed.

Had the prior design been disclosed?

Let's have a look at the timeline on the next slide.

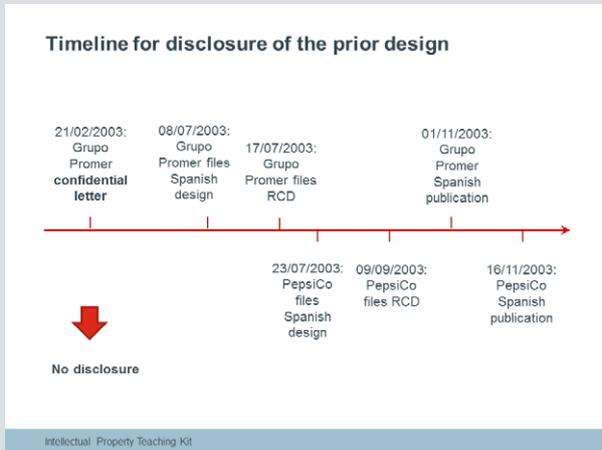
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Timeline for disclosure of the prior design

GP claimed that its design destroyed the novelty and individual character of the PepsiCo design because it had been shown in good faith to a subsidiary company of PepsiCo on 21 February 2003, that is before the date on which PepsiCo filed both the Spanish design application and the RCD application. GP submitted that its prior design had been "disclosed" to PepsiCo on a private and confidential basis by letter within the context of commercial discussions, and that the basic lines of that design had been copied in the contested PepsiCo design.

According to Article 7 CDR, a prior design forms an obstacle to the novelty and individual character of a contested RCD only where it has been made available to the public before the priority date of the contested RCD. However, it shall not 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.

In this case, GP's design had not been made available to the public within the meaning of Article 7 CDR. Since the disclosure to the PepsiCo subsidiary had been made under conditions of confidentiality, the prior design was not deemed to have been disclosed. In such a case, Article 25(1)(b) CDR is not applicable. There was no disclosure.



The prior design was shown to a subsidiary of PepsiCo on 21 February 2003 during private and confidential commercial discussions. It was not made available to the public, since the discussions took place under conditions of confidentiality.

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Can bad faith constitute grounds for invalidity?

GP argued that PepsiCo's design had been registered in bad faith and that PepsiCo had copied GP's design, which had been shown to it under conditions of confidentiality.

The General Court confirmed the decisions of the Invalidity Division and the Board of Appeal and stated that Article 25(1) CDR lists the grounds on which an RCD may be declared invalid. That list must be regarded as exhaustive, since Article 25 stipulates that a Community design may be declared invalid only on one of the grounds specified in it.

The Court noted that no reference is made to the bad faith of the proprietor of a contested design. Therefore, the question of alleged bad faith is irrelevant, since it is not a matter of ruling on the conduct of the proprietor of the contested design (see judgment of 18 March 2010, T 9/07, 'Grupo Promer', paragraph 31).

Can bad faith constitute grounds for invalidity?

- Grupo Promer claims bad faith on the part of PepsiCo
- Acting in bad faith is irrelevant
 - Grounds for invalidity are **exhaustive** and do not include bad faith

Intellectual Property Teaching Kit

Grupo Promer claimed that the PepsiCo design had been registered in bad faith. Could this be grounds for invalidity?

The answer is no. The grounds for invalidity mentioned in Article 25(1) of the Community Design Regulation are exhaustive. They do not include bad faith.

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Was the later design in conflict with the earlier one?

Article 25(1)(d) CDR states that a Community design may be declared invalid if it is in conflict with a prior design which has been made available to the public after the date of filing of the application or, if a priority is claimed, the date of priority of the Community design, and which is protected from a date prior to the said date.

In this case, the prior design belonging to GP had been made available to the public after the priority date of PepsiCo's Community design, which was 23 July 2003. Disclosure of the prior Community design took place on 1 November 2003, i.e. on publication of the Spanish design.

The concept of "conflict" is not defined in the Regulation. It was up to the courts to provide clarification.

The Invalidity Division and the Board of Appeal took the view that a conflict arises when – taking into consideration the degree of freedom available to the designer in developing the design – two designs produce the same overall impression on the informed user (see judgment of 18 March 2010, T 9/07, 'Grupo Promer', paragraph 52). When dealing with an application based on Article 25(1)(d) CDR, the same test as for the assessment of individual character under Article 25(1)(b) CDR read in conjunction with Article 6 CDR will be applied.

The basic issue that has to be resolved is whether or not the two designs produce the same overall impression on the informed user. This question can be answered only by taking into consideration the degree of freedom of the designer in developing the contested Community Design.

The General Court has confirmed this point of view. It refers to the scope of protection of Community designs as laid down in Article 10 CDR, which states that the scope of protection conferred by a design is to include any design which does not produce on the informed user a different overall impression and that, in assessing the scope of that protection, the degree of freedom of the designer in developing his design is to be taken into consideration. Moreover, the Court indicated that the overall impression was a visual one (see judgment of 18 March 2010, T 9/07, 'Grupo Promer', paragraph 50).

Was the later design in conflict with the earlier one?

- Article 25(1)(d) Community Design Regulation
- Interpretation by the General Court:
 - scope of protection of design
- Conflict when designs create the same overall impression on the informed user, taking into consideration the degree of freedom of the designer

Intellectual Property Teaching Kit

Article 25(1)(d) of the Community Design Regulation states that a Community design may be declared invalid if it is in conflict with a prior design which has been made available to the public.

As the concept of "conflict" is not defined in the Regulation, it was up to the General Court to interpret the notion. It referred to the scope of protection of a Community design. The scope of protection includes any design which does not produce a different overall impression on the informed user.

Article 25(1)(d) of the Regulation therefore has to be interpreted as meaning that a Community design is in conflict with a prior design when, taking into consideration the degree of freedom available to the designer, that design does not produce on the informed user a different overall impression from that produced by the prior design.

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Who is the informed user in this case?

According to the Invalidity Division, the informed user in this case is familiar with promotional items for games. He knows that they are marketed with their surfaces covered by graphical elements. The informed user is aware that the targeted consumers would pay more attention to these graphical elements than to small variations in the basic shape of the items.

The Board of Appeal found that the informed user could be a child in the approximate age range of five to ten years (since the products are promotional items intended for young children) or a marketing manager in a company that makes goods which are promoted by giving away 'pogs' or 'rappers'. It made little difference which of these categories of person was treated as the informed user. The point was that both would be familiar with the phenomenon of rappers.

The General Court confirmed this assessment. It found that the informed user was:

- neither a manufacturer nor a seller of the products into which the designs were intended to be incorporated or to which they were intended to be applied;
- particularly observant and with some awareness of the state of the prior art, i.e. previous designs relating to the product in question that had been disclosed on the date of filing of the contested design or on the date of priority claimed.

It too took the view that the informed user may, on the one hand, be a child in the approximate age range of five to ten years, since the rappers are intended specifically for children, and, on the other, a marketing manager in a company that uses this type of goods in order to promote its own products, by giving away these rappers or pogs. It makes little difference which of these two is the informed user. The important point is that both those categories of person are familiar with the phenomenon of rappers.

Who is the informed user in this case?

- Invalidity Division
 - familiar with promotional items for games
- Board of Appeal
 - child or marketing manager
- General Court
 - not a manufacturer or a seller
 - particularly observant, aware of existing designs in the sector (= the state of the art)

Intellectual Property Teaching Kit

In order to assess whether the two designs in this case produce the same overall impression on the informed user, a decision had to be taken as to who the informed user is.

The Invalidity Division found that the informed user is someone who is familiar with promotional items for games.

The Board of Appeal found that the informed user could be either a child aged five to ten or a marketing manager. It makes little difference which of them is treated as the informed user, as both are familiar with the product concerned.

The General Court confirmed the Board's view and found that the informed user is neither a manufacturer nor a seller of the products. He is particularly observant and has some awareness of the state of the prior art, and could be a child or a marketing manager.

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Court of Justice: the informed user as an intermediate notion

The Court of Justice confirmed that the concept of the informed user is an intermediate notion that lies somewhere between that of the average consumer in trade mark law and an expert with detailed technical expertise (see judgment of 20 October 2011, C 281/10 P, 'PepsiCo', paragraph 53).

The level of attention of the informed user, therefore, also lies somewhere between the level of attention of an average consumer and that of an expert in the sector. The informed user is a particularly observant one. This is the result of either his personal experience or his extensive knowledge of the sector in question. Thus the informed user is not the well-informed and reasonably observant and circumspect average consumer, who normally perceives a design as a whole and does not proceed to analyse its various details. In addition, he is not an expert, a designer or a specialist capable of examining in detail the minimal differences that may exist between designs in conflict (see paragraph 59 of the same judgment).

"Informed" means that the user (1) knows the various designs which exist in the sector concerned, (2) possesses a certain degree of knowledge with regard to the features which those designs normally include and (3), as a result of his interest in the products concerned, shows a relatively high degree of attention when he uses them.

The Court also stated that the very nature of the informed user means that, when possible, he will make a direct comparison between the designs at issue. However, it cannot be ruled out that such a comparison may be impracticable or uncommon in the sector concerned, in particular because of specific circumstances or the characteristics of the devices. It is not necessary to take as a starting point the view that an informed user would in all likelihood make a direct comparison of the designs at issue. The assessment will not always take the form of a direct comparison. The method of comparison might be based on an imperfect recollection of one of the designs in question (see paragraphs 55–58 of the 'PepsiCo' judgment).

The Court came to the conclusion that in this case the General Court was right in holding that the informed user could be either a child or a marketing manager.

Court of Justice: the informed user as an intermediate notion

- Intermediate notion:



- Level of attention also intermediate
- Definition of "informed"
- Will not always make a direct comparison

Intellectual Property Teaching Kit

The Court of Justice confirmed the General Court's finding. It held that the notion of the "informed user" is an intermediate concept, and that there is a clear difference between the informed user and, on the one hand, the average consumer and, on the other, the expert in the sector with detailed technical expertise.

The level of attention of the informed user is also intermediate. The informed user is more than just reasonably observant. He is a particularly observant user, but is not capable of examining minimal differences in detail.

According to the definition, to be "informed" means having a knowledge of the various designs, a knowledge of the normal features of such designs and a relatively high degree of attention during use.

Assessments made by the informed user do not always take the form of a direct comparison. He might base his assessment on, for example, an imperfect recollection of one of the designs in question.

The Court concluded that the informed user could be a child or a marketing manager.

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Relevant product category

When the two designs in our case study were compared, the degree of freedom of the designer had to be taken into account. The assessment of the degree of freedom depends on the category of products that is taken into account.

The Invalidity Division decided to consider all promotional items for games as the relevant category. This was the product indication on the PepsiCo application. The Board of Appeal, on the other hand, took into consideration only the particular type of promotional items in question, namely rappers or pogs.

This, of course, affected what they considered to be the degree of freedom of the designer (see next slide).

The General Court confirmed the Board's decision on this. It referred to Article 36(2) CDR, which states that an application for an RCD must contain an indication of the products into which the design is intended to be incorporated or to which it is intended to be applied. However, that information does not affect the scope of protection of the design. The Court also stated that the design itself must be taken into account in so far as it can make clear the nature of the product, its intended purpose or its function (see judgment of 18 March 2010, T 9/07, 'Grupo Promer', paragraphs 55 and 56).

The General Court confirmed that only the particular category of rappers is relevant and not the entire category of promotional items (paragraph 60 of the same judgment).

Relevant product category

- Invalidity Division
 - all kinds of promotional items
- Board of Appeal
 - a particular type of promotional item
- General Court
 - a particular category of promotional items

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Another factor in our case study was the degree of freedom of the designer. Any assessment of the degree of freedom of the designer depends on the category of products that is taken into account.

The Invalidity Division decided to consider all promotional items for games. The Board of Appeal took into consideration only the particular type of promotional item in question, namely rappers or pogs.

The General Court confirmed the Board's decision on this. The indication of the product in the design application does not affect the scope of protection. The design itself has to be taken into account. In this case the design belonged to a particular category of promotional items, that is game pieces known as rappers.

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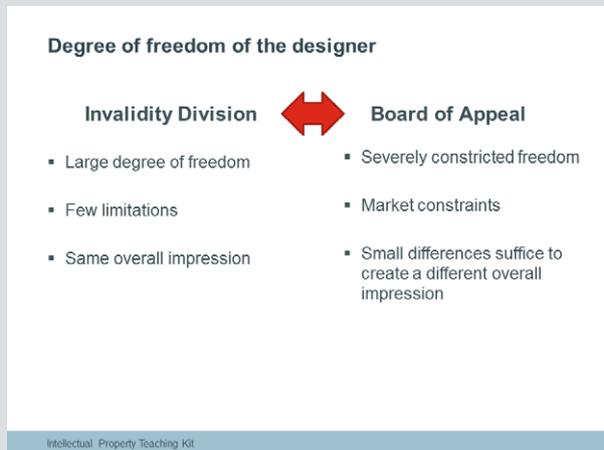
Degree of freedom of the designer

Because the Invalidity Division considered that the relevant product category was all promotional items, it found that the designer enjoyed a large degree of freedom when developing the design. His freedom was restricted only in that the items must be inexpensive, safe for children and fit to be added to the promoted products. As a result, the fact that the two designs were both round in shape with an outer edge surrounding a central area was in itself sufficient for the Division to conclude that the overall impression produced on the informed user was the same.

The Board of Appeal, on the other hand, considered that the degree of freedom that the designer had in developing the design was severely restricted. It noted that the paradigm for this type of product consists of a small, flat disc made of plastic or metal. Often, the disc is curved towards the centre, so that a noise is made when a child presses his finger on the centre of the disc. The Board observed that a rapper which did not possess these characteristics was unlikely to be accepted in the marketplace.

Note that the Board of Appeal considered not only technical constraints but also the common features of the rappers dictated by market constraints, i.e. limitations dictated by commercial or economic considerations.

A designer working within these constraints has little freedom. It follows that, in these circumstances, even relatively small differences will suffice to create a different overall impression.



The Invalidity Division considered that the relevant product category was "all promotional items". The Board of Appeal considered that it was rappers only. This difference had an impact on the degree of freedom each attributed to the designer.

The Invalidity Division decided that the designer enjoyed a large degree of freedom, indicating only that the items must be inexpensive, safe for children and fit to be added to promoted products.

It held that the designs gave the same overall impression.

The Board of Appeal considered that the freedom of the designer was severely restricted, and that the designer also had to take account of market constraints. As a result, it held that relatively small differences were sufficient to create a different overall impression.

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General Court decision on the degree of freedom of the designer

The General Court confirmed the Board of Appeal's findings.

It noted that the designer's degree of freedom in developing his design is established by, inter alia:

- the constraints of the features imposed by the technical function of the product or an element thereof
- statutory requirements applicable to the product (see judgment of 18 March 2010, T 9/07, 'Grupo Promer', paragraphs 67 and 72).

Those constraints result in a standardisation of certain features, which will thus be common to the designs applied to the product concerned.

It also held that the Board of Appeal was correct in stating that the designer's freedom was severely restricted, since he had to incorporate the required features common to all rappers into his design for the product in question.

General Court decision on the degree of freedom of the designer

- Freedom is constrained by:
 - technical function
 - statutory requirements
- Result: standardisation of certain features
- Confirmed Board of Appeal's finding

Intellectual Property Teaching Kit

The General Court confirmed the Board of Appeal's findings on the degree of freedom of the designer.

It noted that the designer's degree of freedom in developing his design is established by, amongst other things, technical constraints and statutory requirements. These constraints result in a standardisation of certain features, which will be common to all designs in a certain category.

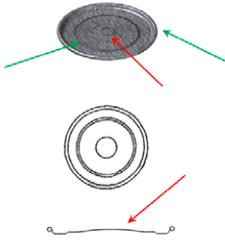
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Same overall impression?

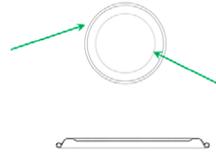
The final question was whether or not the two designs produced the same overall impression on the informed user. This, of course, had to be assessed taking into consideration the degree of freedom of the designer, which in this case was deemed to be severely restricted.

Same overall impression?

- Contested RCD – PepsiCo



- Earlier RCD – Grupo Promer



Intellectual Property Teaching Kit

The final question was whether or not the two designs produce the same overall impression on the informed user.

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Board of Appeal: different overall impression

The Board of Appeal came to the conclusion that the overall impression produced on the informed user was different. The Board found that the designer's freedom was severely restricted, not only by technical or statutory requirements but also by market constraints.

It stated that, in determining whether or not two designs produce the same overall impression on the informed user, it is necessary to disregard elements that are totally banal and common to all examples of the type of product at issue. The informed user will automatically discard such features when appraising the overall impression caused by two designs and will concentrate on features that are arbitrary or different from the norm.

The two designs have many similarities. However, these are features common to all rappers or pogs on the market. They have to be small and nearly flat. The fact that the discs are curved towards the centre is a market constraint. Otherwise, the disc will not make any noise when a child presses the centre with his finger and will therefore not be accepted in the marketplace.

Considering the many common features, the difference in the contours of the raised areas in the centres of the discs can hardly be dismissed as insignificant. It results in a difference between the discs that will not go unnoticed by an observant user. Given the limited freedom of the designer in developing the design, the difference between the profiles of the two designs is sufficient to produce different overall impressions on the informed user.

Board of Appeal: different overall impression

- The informed user will concentrate on arbitrary features.
- He will disregard common features dictated by (market) constraints.
- The difference in the designs' profiles will not go unnoticed.

Intellectual Property Teaching Kit

The Board of Appeal came to the conclusion that the overall impression produced on the informed user was different. It found that the designer's freedom was severely restricted, not only by technical or statutory requirements but also by market constraints.

The informed user will disregard elements that are totally banal and common to all examples of the type of product at issue. Instead, he will concentrate on features that are arbitrary or different from the norm.

The Board stated that the two designs have many similarities. However, these are features common to all rappers on the market. They have to be small and nearly flat. The fact that the discs are curved towards the centre is a market constraint, because otherwise the disc won't make a noise.

Given the limited freedom of the designer in developing the design, small differences suffice to leave a different overall impression on the informed user. The difference in the profile of the two designs will therefore not go unnoticed.

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General Court: same overall impression

When the General Court summed up the similarities and differences between the two designs it indicated how they would be perceived by the informed user.

Similarities

- Small, almost flat discs. This common feature of the type of design at issue would not be remembered by the informed user in the overall impression.
- A concentric circle very close to the edge, intended to convey the idea that the disc curves all the way round the edge. This similarity is dictated by safety considerations. Since the designs at issue may be applied to metal products and the product is intended for children in particular, that rounded edge may, therefore, constitute a constraint on the designer, obliging him to ensure that the product does not have a sharp edge if it is made of metal, or even of plastic or cardboard. This feature will therefore not attract the informed user's attention.
- Another concentric circle, approximately one-third of the way from the edge to the centre, intended to convey the idea that the central part of the disc is raised slightly. The Court found that the central part could have been delineated by a shape other than a circle, such as, for example, a triangle, a square, a hexagon or an oval (see judgment of 18 March 2010, T 9/07, 'Grupo Promer', paragraph 79). In this regard, the designer did enjoy some freedom, according to the General Court. However, it should be borne in mind that, in commerce, the discs are covered by images. A shape other than a circle could distort the image covering the disc. According to the Court, however, a triangular or hexagonal shape, or even a square or oval, would not distort the image any more than a circle. At this point, the General Court referred to two other variants of the Spanish design by PepsiCo, in which the central area is delineated by a triangle and a hexagon. It is worth noting that these designs were registered as Community designs but were later declared invalid by the Invalidity Division of EUIPO because they produced the same overall impression on the informed user as the prior Grupo Promer design.
- The rounded edge of the disc is raised in relation to the intermediate area of the disc, i.e. the area between the edge and the raised central area.
- The respective dimensions of the raised central part and the intermediate area of the disc are also similar.

The General Court considered that the last three similarities were not dictated by any technical or statutory constraints. The designer had thus been free to develop a design which differed from the prior design. Those similarities would therefore attract the informed user's attention, all the more so because the upper surfaces were the most visible.

Differences

- The PepsiCo design has two additional circles towards the centre.
- When the designs are viewed in profile, it can be seen that the contested design is more curved.

The General Court found that, since the degree of curvature was slight and the discs were thin, the difference would not be easily perceived by the informed user, particularly if the products were viewed from above. It concluded that the differences were insufficient for the contested design to produce a different overall impression on the informed user. The Board of Appeal had, therefore, erred in law.

It is clear that the General Court did not take into account the market constraints, i.e. the curved central area and the circular central bulge. These features make it possible for the rappers to produce sound when the centre is pressed and also allow the discs to be stacked. Rappers with central bulges which are not circular cannot be stacked with the vast majority of rappers, which do have this circular bulge.

The question was raised before the Court of Justice of whether or not it was necessary to consider these market constraints when determining the degree of freedom of the designer. The Court found this ground inadmissible. A finding of a factual nature made by the General Court cannot be called into question.

General Court: same overall impression

- Many similarities
- Difference in curvature:
 - not enough to produce different overall impression
 - enough freedom in developing design, e.g.:



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In assessing the overall impression created by the two designs, the General Court summed up the similarities and differences between them. It also commented on the manner in which they would be perceived by the informed user.

The similarities included the fact that both discs were almost flat, which is a common feature of rappers. They both had a concentric circle very close to the edge, intended to convey the idea that the disc curved all the way round the edge, and another concentric circle, approximately one-third of the way from the edge to the centre, intended to convey the idea that the central part of the disc was slightly raised slightly. Both had a rounded edge, for safety reasons, and similar dimensions.

The General Court held that these similarities would therefore attract the informed user's attention, all the more so because the upper surfaces were the most visible.

As far as the differences were concerned, the PepsiCo design had two additional circles towards its centre, and there was a slight difference in curvature between the two designs.

The Court concluded that these differences were insufficient for the contested design to produce a different overall impression.

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Outcome of the case

PepsiCo's registered Community design was declared invalid. It did not produce on the informed user a different overall impression from that created by the prior design.

This was confirmed by the Court of Justice.

Outcome of the case



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PepsiCo's registered Community design was therefore declared invalid.

7 Design exercise

Design exercise

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Design exercise

DESIGN EXERCISE

Slide 149

Requirements for registration

We will start by recapping the requirements for registration.

For a design to be successfully registered, certain conditions have to be met.

First of all, there are two substantive conditions. If either one of them is not fulfilled, the design will not be registered.

- The design must comply with the definition set out in Article 3(a) of the Community Designs Regulation (CDR), which states that a design is the appearance of the whole or a part of the 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.
- It must not be contrary to public policy and morality.

Applications for registration must also comply with certain formalities requirements. According to Article 36 CDR, they must contain:

- a request for registration
- information identifying the applicant
- a representation of the design that is suitable for reproduction
- an indication of the products into which the design is intended to be incorporated or to which it is intended to be applied.

Requirements for registration

- Designs must:
 - comply with definition
 - not be contrary to public policy or morality
- Applications must:
 - comply with formalities requirements

We will start this module by recapping the requirements for design registration.

For a design to be successfully registered, it has to fulfil two substantive conditions. Firstly, it must comply with the definition of a design. Secondly, it must not be contrary to public policy and morality.

In addition, applications for a registered Community design must comply with certain formal requirements. They must contain a request for registration, information identifying the applicant, a representation of the design, and a product indication.

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Representation of the design

To register a design successfully with EUIPO, a good-quality representation of the design is essential.

The representation can consist of photographs, computer drawings or drawings by hand. These can be in black and white or in colour.

The representation may contain no more than seven different views of the same design. Any one graphic or photographic reproduction may contain no more than one view.

The reproduction must be of a level of quality that makes it possible to distinguish clearly all the details of the design for which protection is sought.

The design must be reproduced on a neutral background. The representation may not be retouched with ink or correcting fluid. If all of the views of the design are of poor quality and/or are not reproduced on a neutral background, the applicant will be given an opportunity to replace them with new ones. The filing date will be the date when the new views are received. If only some of the views are unacceptable, the applicant has two options: he can replace the deficient reproductions with improved ones and consequently obtain as a filing date the date on which the new views are received by EUIPO, or he can simply withdraw those views and benefit from the original date of filing of the acceptable views. If there is no response at all from the applicant regarding the incorrectly submitted views, the application will be rejected.

Another important requirement is that all (seven) views must show the same product.

Furthermore, the reproduction may not contain any explanatory text, numbers or symbols. The applicant does have the option to explain the representation of the design, but, if he chooses to do so, he has to include a description of the design in the application separately from the representation of it.

The representation must show the design as a whole. It is not permissible to include detailed views of parts of the design. This situation must be distinguished from one in which an applicant wishes to register only a part of a specific product, e.g. part of an item of footwear. In such a case, the applicant must draw attention to the part of the product he wants to register as a design. He

can do this by putting the relevant part in colour where the rest of the product is in black and white; by circling it; by drawing it using unbroken lines where the rest of the product is drawn using dotted lines; or by slightly blurring the other parts.

When an application is filed for the design of a set of articles or a complex product, at least one representation must consist of a global view of the product.

For more on the representation of designs, see Article 4 of the Community Designs Implementing Regulation (CDIR).

Representation of the design

- Good quality
- Neutral background
- Maximum of seven views, of the same product
- No explanatory text
- No detailed views

As far as the representation of the design is concerned, it can consist of photos, computer drawings or drawings by hand, in black and white or in colour. What is essential is that they are of good quality.

The representation must be provided on a neutral background. It may contain no more than seven different views of the same design, which must all be of the same product.

It may not contain any explanatory text. It must show the design as a whole, and may not show detailed views of parts of the design.

Slide 151

Grounds for invalidity

A Community design may be declared invalid if it lacks novelty or individual character (Article 25(1)(b) CDR).

According to Article 5 CDR, registered Community designs (RCDs) lack novelty if an identical design has been made available to the public prior to the date of filing of the RCD. A design is deemed to be identical if its features differ in immaterial details only.

According to Article 6 CDR, an RCD lacks individual character if the overall impression it produces on the informed user is the same as the overall impression produced on such a user by any design which has been made available to the public prior to the date of filing of the RCD. When individual character is assessed, account is taken of the fact that the degree of freedom available to the designer may be limited.

The informed user is an intermediate character who is neither a designer nor a technical expert. He is a person who has some awareness of prior existing designs in the sector concerned. He possesses a certain degree of knowledge with regard to the features that those designs normally include. As a result of his interest in the products concerned, he shows a relatively high degree of attention when he uses them. However, his degree of attention and awareness is not so high that he would know which aspects of the product are dictated by a technical function. The informed user is neither a manufacturer nor a seller of the products.

The designer's degree of freedom in developing his design is established by the constraints of the features imposed by the technical function of the product or by statutory requirements applicable to the product. Those constraints result in a standardisation of certain features, which will thus be common to the designs applied to the product concerned (see judgment of 18/03/2010, T 9/07, 'Metal rappers').

The greater the designer's freedom, the less likely it is that minor differences between the designs at issue will be sufficient to produce a different overall impression on an informed user. Conversely, the more the designer's freedom in developing the challenged design is restricted, the more likely it is that minor differences between the designs at issue will be sufficient to produce a different overall impression (see judgment of 09/09/2011, T 10/08, 'Design of an internal combustion engine').

If the designer enjoys a high degree of freedom in developing a design, this reinforces the conclusion that similar designs without significant differences will produce the same overall impression on the informed user.

The grounds for invalidity of lack of novelty and lack of individual character both require proof that an earlier design conveying an identical or a similar overall impression was made available to the public before the date of filing the application for registration of the RCD.

The design must have been disclosed to the public prior to the filing date (Article 7 CDR). The public in question is made up of the members of specialised circles in the sector concerned, operating in the EU. Whether or not a design enjoys legal protection is irrelevant. It is not necessary for the design to be registered or otherwise protected as a copyrighted work, trade mark, utility model or other. What matters is that it constitutes a design within the meaning of Article 3(a) CDR, i.e. the appearance of the whole or a part of a product resulting from its features.

A design is considered to have been made available to the public when it is published following registration, or if, for example, it is exhibited or used in trade. Disclosure anywhere in the world and at any point in time can be taken into account. Events that could not reasonably have become known in the relevant circles in the EU are not considered.

Grounds for invalidity

- Lack of novelty
- Lack of individual character
- Condition:
 - disclosure of the design

A Community design may be declared invalid if it lacks novelty - in other words if an identical design has been made available to the public – or if it lacks individual character – in other words if the design does not produce a different overall impression on the informed user.

For the grounds for invalidity to be applicable, the design must have been disclosed to the public, either by way of publication following registration, or of exhibition or use in trade, or in some other way.

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Neutral background (I)

Designs must be reproduced on a neutral background. The representation must show only the design and nothing else.

In the image on the left, it is not clear for which product protection is being sought. Is it the design of the lounge chair? Is it the get-up or interior of the room? The design is not represented on a neutral background. The representation does not comply with the requirements of Article 36(1)(c) CDR and Article 4(1)(e) CDR.

The application will be rejected unless the applicant replaces the view with a representation on a neutral background. The date when the new view is received by the OHIM will be the filing date.

The second image on the slide is a correct and acceptable representation of the design.

Neutral background (I)



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We shall now look at some examples of the formalities requirements that applications for registered Community designs must fulfil, in particular the requirement for a good-quality representation of the design.

In the image on the left, the design is not represented on a neutral background. It is not clear for which item design protection is being sought. Is it the chair, the television, or even the get-up of the room?

The second image, on the other hand, is an acceptable representation.

Slide 153

Neutral background (II)

This representation is acceptable. There can be no confusion about the design for which protection is sought. The background shows only trees and grass, that is objects belonging to the natural world, which cannot constitute a design.

Neutral background (II)



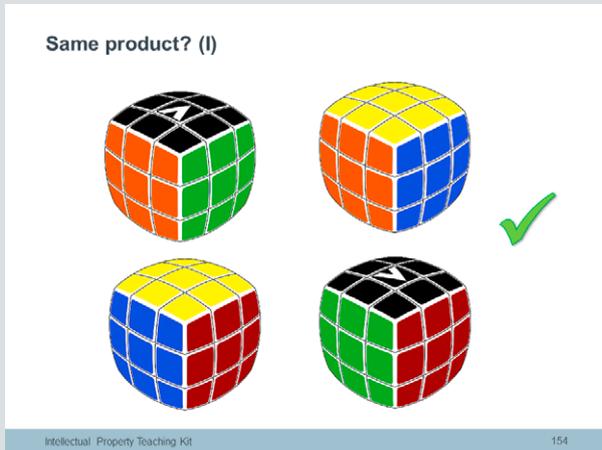
In this example, the background is not neutral, but the representation of the design is acceptable. All the items in the background belong to the natural world, that is they are items which cannot comply with the definition of a design. There can therefore be no confusion about what the applicant wants to register as a design.

Slide 154

Same product? (I)

This example (and the three that follow) deals with the question of whether or not the same product is depicted.

Here, all four representations show the same product but each time from a different angle. The application will be accepted.



The four representations show the same product but from four different angles. The application would be accepted.

Slide 155

Same product? (II)

The slide shows two different products. The second chair has an additional element in the form of the crossbars to the left and right between the front and back legs which are not visible in the left-hand image.

The designs are therefore different and the application would be rejected.

Same product? (II)



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The images on the slide show two different products. The second chair has an additional element – cross-bars between the front and back legs – that cannot be seen in the left-hand image. The application would therefore be rejected.

Slide 156

Same product? (III)

The slide shows the same bottle but from different angles.

The application would be accepted.

Same product? (III)



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The slide shows the same product but from two different angles. The application would be accepted.

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Same product? (IV)

A design is "the appearance of a 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" (Article 3(a) CDR).

Because the designs displayed are in different colours, they do not relate to the same product and therefore the application would be rejected.



The two items on the slide differ in colour. According to the definition of a design in the Community Design Regulation, this means that they do not relate to the same product. This application would therefore be rejected.

Slide 158

Exercise

The second part of this presentation consists of an exercise relating to the grounds for invalidity of a design, including in particular lack of distinctive character.

A designer working for a small European company that designs and makes rugs travelled around the world looking for inspiration for his designs. On one of his trips, he noticed how the locals were making felt balls in all sorts of colours. Afterwards, they would sew them together to make all kinds of different products. It turned out that this was an old tradition in many countries. In Nepal and India, the production of these rugs has become a small fair-trade business.

Back at home, he designed a rug made of felt balls for his company. The rug comes in many different colours. The top seller is a rug made of multi-coloured felt balls. The company has several invoices relating to this rug, including:

- An invoice dated 24 July 2007 and made out to a company in Portugal. Under the heading 'Other Carpets' a reference is made to '4 Balls Rug (Felted), Color Multi' with a size of '140 x 200'.
- Another dated 5 November 2007 and made out to a company in Germany for '32 Balls Rugs Felted Balls, Color Multi'.

The rug also featured in the company's catalogue under the description 'Balls Rug (Multi) Felt Balls'. It was displayed on its exhibition stall at numerous fairs, including the IMM-Cologne trade fair, which was held in January 2007.

One day, the designer came across a rug very similar to his own design. The company producing it had obtained a registered Community design under the number 819313 0008. The filing date was 1 November 2007.

Exercise

- Small business designs and makes rugs
- Top seller: rug made of multi-coloured balls
- Invoices
- Featured in catalogue



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The actual exercise in this module relates to the grounds for invalidity of a design, including in particular lack of distinctive character.

This case involves a designer who works for a small European company that designs and makes rugs. He has designed a rug made of felt balls. The rug comes in many different colours. The company's top seller is a rug made of multi-coloured felt balls. The designer has several invoices relating to the rug, including one dated 24 July 2007 and made out to a company in Portugal, and another dated 5 November 2007 and made out to a company in Germany.

The rug has also featured in the company's catalogue under the description 'Balls Rug (Multi) Felt Balls'. It has been displayed at numerous trade fairs, including the IMM-Cologne fair, which was held in January 2007.

One day the designer came across a rug very similar to his own design. The company producing it had obtained a registered Community design with the number 819313-0008. The filing date was 1 November 2007.

Slide 159

Exhibition of the design

This slide shows the first company's exhibition stall at a trade fair in Cologne. The rug is on the floor.

Exhibition of the design

- Exhibited in Germany



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Here you can see the first company's exhibition stall at the IMM-Cologne trade fair in January 2007. The rug in question is the one on the floor.

Slide 160

Other design: RCD No. 819313-0008

This slide shows one view of the registered design.
We can see the similarities between the two designs,
but we can also see the main difference, which is in the
way the felt balls are arranged.

Other design: RCD No. 819313-0008

- Filing date: 1 November 2007



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This is the rug that is very similar in design.
It is registered Community design
No. 819313-0008, filed on 1 November 2007.

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Questions

Ask the students to imagine that the designer and his company come to them for advice. Go over the relevant questions.

First of all, what are the consequences of the registered Community design? Could it affect the designer's business?

If so, what can the company do to protect itself? What legal grounds can it invoke? Does it matter that it does not have a design registration for its own design?

If legal action is possible, what will be the outcome?

Questions

- Could the registered Community design affect the business of the designer and his company?
- If so: what can they do?
 - Legal grounds?
 - Outcome?

Put yourselves in the position of a consultant advising the designer and his company. Might this registered Community design affect the company's business? If so, what can they do about it?

- Do they have legal grounds for an invalidity action?
- If so, what will be the outcome?

The points to bear in mind are that there are various references to the company's rug, for example in the invoices that were sent out in July and November 2007. Also, the rug was featured in the company's catalogue and formed part of an exhibition stall in January 2007. However, the company never registered the design.

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Points for discussion

Ask the students to think about the scope of protection that registered Community designs offer and the consequences this has for other companies. What options are there to limit this protection or block it entirely?

The company in this example could file an invalidity action before the EUIPO, but which grounds for invalidity would be applicable? Under what conditions are registered Community designs considered to lack novelty or individual character? What condition do the grounds have in common?

The main point for discussion is whether or not the company's design was disclosed to the public before the date of filing.

Points for discussion

- Scope of protection of registered Community designs
- Invalidity of the design?
 - lack of novelty
 - lack of individual character
- Condition:
 - **Disclosure**

What is the scope of protection offered by registered Community designs?

What are the options for limiting or even blocking this protection?

What about invalidity of the design?

With regard to disclosure, does the company have enough evidence to prove its statements?

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Answers

The protection offered by registered designs is complete. They give the designer the exclusive right to use the design and prevent others from making, offering, putting on the market, importing, exporting or using any product into which the design is incorporated or to which it is applied.

In the example, the registered Community design could, therefore, have an impact on the company. The holder of the design could invoke his exclusive right and prevent the company from making the rugs and putting them on the market (the EU internal market, as RCDs offer EU-wide protection).

To protect its business, the company should file an invalidity action before the EUIPO. The action could be based on Article 25(1)(b) CDR. It could be argued that the design does not fulfil the requirements of Articles 4–9 CDR. The design could be declared invalid on the grounds of lack of novelty or lack of individual character.

Whether or not the company has a registered design right for its own rug is immaterial.

Answers

- Why should the company act?
 - Registered Community designs offer exclusive rights.
- What should it do?
 - File an invalidity action under Article 25(1)(b) CDR

Now let's have a look at what the designer and his company should do.

Why is it important for them to act against the owner of the registered design?

Well, the protection offered by registered designs is complete. It gives its holder the exclusive right to use the design. Therefore, the registered design in this example could have an impact on the company. The holder of the design could invoke his exclusive right and prevent the company from making these rugs and putting them on the market.

The company could act by filing an invalidity action under Article 25(1)(b) CDR.

Slide 164

Disclosure

The provisions of the Community Design Regulation do not specify the kind of evidence that invalidity applicants have to furnish. They are free to choose the evidence that they consider useful. The evidence presented must be considered in its entirety. Even if some of the elements may be insufficient in themselves to demonstrate disclosure of a prior design, they can still be considered in combination with other documents or information.

The evidence presented includes a photograph from the company's catalogue with the product description 'Balls Rug (Multi) Felt Balls'. A rug of the type illustrated in the catalogue can be seen on the floor of the exhibition stall. These documents are not dated. This could be a problem when it comes to determining whether or not the design was disclosed prior to the filing date of the registered design.

However, there is another piece of evidence, namely the invoice of 24 July 2007. This document is prior to the filing date of the registered design and has a similar product description to that used in the catalogue. In addition, the size indicated corresponds to the proportions (140 x 200) of the rectangular rug depicted in the photographs from the catalogue and of the exhibition stall.

Considering the evidence as a whole, it can be concluded that the design was disclosed before the filing date of the registered design and that it therefore constitutes a prior design.

The invoice dated 5 November 2007, which is after the filing date of the registered design, has no evidential value in relation to the time of disclosure.

Disclosure

- Evidence presented:
 - photograph from catalogue
 - photograph from exhibition stall
 - invoice dated 24 July 2007

} Sufficient proof of disclosure of prior design

- invoice dated 5 November 2007

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The next question is, was the prior design disclosed? To answer this question, it is necessary to go over the facts and evidence presented by the applicant in the invalidity proceedings.

The evidence consists of two photographs without dates, one from the catalogue and one from the exhibition stall. Two invoices were also presented, one dated 24 July 2007 and the other 5 November 2007.

Is this evidence sufficient to prove disclosure of the prior design? Can all the evidence presented be taken into account?

The two photographs are not dated. This could be a problem when it comes to determining whether or not the design was disclosed prior

to the filing date of the registered design. However, there is another piece of evidence which is dated, and that is the invoice of 24 July 2007. This date is prior to the filing date of the registered design and the invoice contains a similar product description to that used in the catalogue. The size indicated in the invoice corresponds to the proportions of the rectangular rug shown in the two photographs.

Considering the evidence as a whole, we can conclude that the design was disclosed before the filing date of the registered design and that it therefore constitutes a prior design.

The invoice dated 5 November 2007, which is after the filing date of the registered design, has no evidential value in relation to the time of disclosure.

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Which of these grounds for invalidity could be applied?

Lack of novelty

In this example, the rugs clearly differ in their composition. The prior design is arranged in rows, whereas the contested registered design shows a concentric arrangement. This difference is not merely an immaterial detail. Therefore, the two designs are not identical. The contested design does not lack novelty.

Lack of individual character

When determining lack of individual character, the relevant question is whether or not the registered design produces a different overall impression on the informed user, taking into account the designer's degree of freedom in developing the design.

The following slides will explain who should be considered as being the informed user in this case, and what the designer's degree of freedom is.

Which of these grounds for invalidity could be applied?

- Lack of novelty
 - Identical design or only immaterial differences
- Lack of individual character?
 - Who is the informed user?
 - What is the designer's degree of freedom?

The next question relates to which of the grounds for invalidity could be applied: lack of novelty or lack of individual character?

For there to be a lack of novelty in the later design, the designs must be identical, or the differences between them immaterial. In this case, the arrangement of the felt balls in the two rugs is different, so there is no lack of novelty.

When assessing lack of individual character in the later design, one must ask whether or not the registered design produces a different overall impression on the informed user, taking into account the designer's degree of freedom. But who exactly is the informed user?

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The informed user and the designer's degree of freedom

The informed user in this case is someone who habitually purchases rugs, puts them to their intended use and informs himself about the rugs available on the market by visiting furniture stores and browsing the internet and relevant catalogues.

The designer's degree of freedom in relation to rugs is almost unlimited. In order to fulfil their purpose, rugs have to be reasonably flat. This is the only limit to the freedom of the designer. In all other aspects, the designer's freedom is very broad, particularly in relation to the colours, shapes and materials that can be used.

The informed user and the designer's degree of freedom

- Informed user
 - not a technical expert
 - not a designer
- Degree of freedom of designer
 - almost unlimited

According to the Court of Justice, the informed user is neither a designer nor a technical expert, but instead is situated somewhere inbetween.

In this example, the informed user can be described as someone who habitually purchases rugs, puts them to their intended use and has a knowledge of the rugs available on the market.

The degree of freedom of rug designers is limited only in that rugs must be reasonably flat. Apart from that they have almost unlimited freedom.

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Overall impression

The two designs show substantial similarities but also one significant difference.

The contested design and the prior design both show a rug made from a multitude of small, coloured felt balls, with a random distribution of the different colours. The difference lies in the arrangement of the balls. In the contested design, the balls are arranged concentrically and in the prior design they are arranged in rows.

Taking into account the almost unlimited freedom of the designer in relation to rugs, the difference in the particular arrangement of the balls has only a minor impact on the overall impression produced by the designs. Moreover, the informed user will be aware that the different arrangements are the result of the differences in shape. A rectangular shape can be obtained only by arranging the balls in rows, whereas a concentric arrangement will always result in a circular shape.

The contested design therefore lacks individual character within the meaning of Article 6 CDR. It will be declared invalid.

Overall impression

- Similarities?
- Differences?
 - different arrangement
 - results in minor impact on overall impression



Lack of individual character of RCD

Do the two designs produce the same overall impression on the informed user?

The rugs are similar in that they are made from a multitude of small balls, the balls are coloured and made of felt and there is random distribution of the different colours.

The main difference is that in the prior design the balls are arranged in rows, while in the registered design they are in a concentric arrangement.

The impact of the different arrangements is minor.

We can therefore conclude that the registered design lacks distinctive character, for which reason it will be declared invalid.

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Further reading

This slide lists resources which may be of further interest.

Further reading

- Community Designs Regulation
- Community Designs Implementing Regulation
- The EUIPO Manual concerning the Examination of Design Invalidity Applications
- Decision of the Invalidity Division, 28 February 2011
- Decision of the Third Board of Appeal, 27 September 2012



<https://euiipo.europa.eu/ohimportal/en/>

That brings us to the end of this exercise on designs.

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