

Bird & Bird & DesignWrites

May 2017

10th edition



Welcome to the 10th edition of DesignWrites by Bird & Bird

At Bird & Bird we're passionate about design. DesignWrites will unravel and explore the seemingly complex world of design protection, offering practical advice by looking at recent design cases, hearing from industry experts and sharing stories from the wider design community.

Get in touch

If you would like advice on how best to protect your designs or take action to stop copycats, please contact Ewan Grist via ewan.grist@twobirds.com



In this edition.....

Welcome to the 10 th edition of DesignWrites.....	1
Overview of articles in this issue by jurisdiction.....	2
INDUSTRY FOCUS	
Q&A with MADE.COM's studio designer Ruth Wassermann and General Counsel Lisa Tomlins.....	5
INTERNATIONAL	
International Design Protection: top tips.....	8
ASIA-PACIFIC	
Expected Reforms to Australian Design Law.....	10
USA	
US Supreme Court ruling to reduce damages payable by Samsung to Apple for infringement of iPhone designs.....	12
EUROPE	
EU General Court decision reiterates the importance of clarity in representations of designs for registered Community design applications.....	15
Consumable Products: a special part of design law.....	17
Design Class: database tool.....	19
Focus on Furniture: unregistered design rights in furniture items put to test	20
Proposed Extensive Amendment to Slovak Design Law.....	24
Obligatory stay of design infringement proceedings in case of invalidation.....	26
GLOBAL	
2017: upcoming industry events and awards.....	28

Welcome to the 10th edition of DesignWrites



By Ewan Grist

London

ewan.grist@twobirds.com

This is as good a moment as any to reflect on the striking developments and stories in product design law which have taken place since we launched our first edition of DesignWrites back in June 2013 and how these have affected designers and design-heavy organisations.

At an international level, we have seen progressive growth in the signatories to the Hague system for filing international designs, including the US and Japan, with the UK expected to follow suit shortly. With many of the big markets now signed up, the system is a more attractive option for international design filing projects than was previously the case. The Community design regime continues to be an incredibly popular and user friendly system for protecting designs throughout the EU. The registered Community right is extremely quick to obtain (often within 48 hours of application) and relatively inexpensive. The unregistered Community right provides invaluable additional protection to designers, particularly in fast moving industries, such as fashion, where designs are expected to be short lived.

Amongst the many high profile product design cases of recent years, Apple's battle with Samsung over various designs relating to tablet computers stands out. It has unfolded in a number of territories, with the latest chapter being the US Supreme Court's decision on the 'total profit' rule for calculating awards following a finding of infringement (reported on p. 12). In the UK,

the long running Trunki case finally reached a conclusion before the Supreme Court, the first time a design case has ever made it that far (reported in our 8th edition). Whilst the outcome disappointed many, it did at least provide some valuable guidance to designers on the importance of selecting the best images for filing.

A shadow has inevitably been cast by Brexit. Upon Brexit, Community designs will cease to have any effect in the UK although there will doubtless be a conversion mechanism allowing existing registered Community designs to be converted into the equivalent UK registered designs. Losing the unregistered Community design in the UK is much more problematic as the unregistered UK right is narrower in scope. It is generally hoped that the UK will introduce a new unregistered right mirroring the outgoing unregistered Community right but it remains to be seen whether this can realistically be achieved before Brexit. In the meantime, registering designs becomes more important than ever before.

We hope you will enjoy this anniversary edition as much as previous ones.

Overview of articles in this issue by jurisdiction



Q&A with MADE.COM

UK

p.5

Focus on Furniture: unregistered design rights in furniture items put to test

UK

p.20

Apple vs Samsung – US Supreme Court Decision


USA

p.12

EU General Court decision reiterates the importance of clarity in representations of designs for registered Community design applications

Luxembourg

p.. 15



**Obligatory stay of design
infringement proceedings in case of
invalidation**

Poland
p. 26

Design Class: database tool

Belgium
p. 19

**Proposed Extensive Amendment to
Slovak Design Law**

Slovakia
p. 24

**Expected reforms to Australian
Design Law**

Australia
p. 10

**Consumables: a special part
of design law**

The Netherlands
p.17



Q&A with MADE.COM's studio designer Ruth Wassermann and General Counsel Lisa Tomlins



Ruth Wassermann and Lisa Tomlins
MADE.COM

[MADE.COM](#) is an online design brand selling furniture and homewares. It was founded on the belief that great, original design can be delivered at affordable prices. It achieves this by cutting out "middlemen" high street stores and connecting consumers directly with the designers.

Ruth Wassermann is one of those designers, working as Head of Design for MADE. Lisa Tomlins, a dual US/UK-qualified lawyer joined the retailer, which now exists in six European markets, at the end of 2014 as General Counsel. We spoke to them about the legal and business challenges that they face in the current market.

Some people say "imitation is the highest form of flattery". What are your views on this statement?

Ruth: In my experience people say this in response to a complaint about copying! As designers we all take inspiration and it's clear that aesthetics will always form part of a design brief, and so looking at, admiring and being inspired by other people's work is a totally normal part of the process. But copying is never ok, and if that's what imitation means then it is never acceptable.

Lisa: I see first-hand how much creative energy and hard work our designers put into creating original designs every single day. So when I see that someone has ripped off one of our designs, I don't feel flattered on our designers' behalf; I feel indignant that someone has decided to take credit for their hard work.

It is common practice for designers to look to a variety of sources for inspiration, but there is a fine line between inspiration and copying. How do you deal with this challenge as a designer and as a business?

Ruth: We try to reference a wide selection of sources, and reference details, materials and broad aesthetic directions rather than particular specific designs.

Lisa: I can confidently say that neither MADE nor any of our designers would ever intentionally copy another's design. I focus, therefore, on helping our team understand how a third party or court of law *could* nonetheless conclude that a MADE design was (inadvertently) too close to another design and how they can take proactive measures to mitigate that risk. For example, we recently ran a design rights training session (led by Bird & Bird's IP team) for our in-house designers and buyers. By giving them an overview of the legal framework, and working through real-world case studies, the team got a much better understanding of where the fine line between inspiration and copying is drawn. Importantly, they were also reminded how little things, such as consistently dating and saving all their design drawings, could really help from an evidentiary perspective in the event of an infringement allegation.

[What are the biggest challenges that MADE, as a product design business, are facing at the moment?](#)

Ruth: Our pace of development is extremely fast, and coping with the administration, record keeping and general workload that comes with this. We release three new collections every week. With a very compact team, our job is quite challenging and never boring.

Lisa: The business is growing at incredible speed. We're releasing, on average, three new collections every week. We're collaborating with new external designers and supplier partners all the time. We've launched in three new countries since I joined the business, and have many others on our radar. That means more contracts to negotiate, more legal issues to consider, more legal risks to manage – and all with a one-woman legal team! Juggling it all can be very challenging, but the breadth of projects and issues definitely keeps things interesting!

[What is your favourite design object or product \(excluding MADE designs\)?](#)

Ruth: I am currently wondering whether I'll ever get my hands on a Belts sofa by Patricia Urquiola for Moroso.

Lisa: I've always loved the Tulip Dining Table in Arabescato Marble by Eero Saarinen. It's such a simple yet timeless design that exudes understated elegance.

[Which trends do you think have the most influence on design today?](#)

Ruth: There is a new Nordic aesthetic which has developed as a move on from the retro mid-century Danish styles that have been popular. It is a look that is easy to live with and really making its way into the mainstream, characterised by pale woods, soft curves and silhouettes, and pastel shades. It's a very developed style at MADE and one that can be seen in furniture for all rooms.

[How would you describe MADE's approach to its product design work?](#)

Ruth: Our design team loves the fact that we are MADE customers so feel a real affinity with the products we

develop. We consider ourselves as design-led and thoroughly enjoy creating new pieces that reflect the products we'd like to live with. Our approach starts off very broad with rather abstract lifestyle references such as thinking about holiday destinations, space exploration or even weirder! We then narrow our thinking closer to home interiors, architecture and fashion until we finally create a suite of projects that reflects the season's directions and work to that.

[What is the biggest challenge that you, as a designer, are currently facing in relation to your work?](#)

Ruth: For me it's finding the time to actually do any design work, but I know the team always struggles to find enough time to devote to each project to feel like they have put 100% of the detail that they would like into a design. Following a recent training session by Bird & Bird, I am aware that my time-saving method of using 3D CAD design software to create sketches, 3D models and drawings within one single and changeable file is not the best way to keep a comprehensive record.

[What value do you place on your IP as a business asset and how do you ensure that your IP assets are protected? For example, we know that you are starting to register your designs, why did you make this decision?](#)

Lisa: Original design is at the heart of MADE's business – our vision is to make great design accessible to everyone. Protecting our IP is therefore one of my key legal priorities.

Our IP protection strategy is underpinned by a multipronged approach focusing on the three R's: register, record and respond. Registration is about proactively ensuring that we have the right portfolio of IP rights – including both design rights and trademark registrations – so that we are better equipped to pursue infringers. Recording is about ensuring we have a robust set of contracts and design history documents that allow us to prove what IP rights we have in our products and brands. Responding focuses on taking effective action against those who infringe our IP rights.

In relation to our registration strategy, my initial focus was on ensuring that our brands and trademarks were appropriately registered in our different geographic markets and product categories. I am delighted that we have now started also registering a selection of our most valuable designs. It sends a clear message to our customers, competitors and investors that we place great value on our designs. Crucially, while we already benefit from a good level of protection through the unregistered design rights and copyrights in our products, design registration will enhance this protection and make it easier for us to tackle copycats.

How do you deal with the challenge of being General Counsel and therefore having to enforce legal boundaries in an inherently creative company?

Lisa: It's all about being balanced and approachable rather than rigid and risk-averse, and being a partner rather than a policeman (or policewoman). I try hard not to say "no". Instead, I aim to apply a creative and entrepreneurial mindset to legal challenges, and to find a way to say "yes" that balances risk in an appropriate manner.



International Design Protection: top tips

The key to a successful and cost-effective international design filing programme is to start by considering the What, Where, When and Who – although not necessarily in that order.



By Patricia Collis and Daisy Dier

London

patricia.collis@twobirds.com; daisy.dier@twobirds.com

What?

The first consideration should be what you are trying to protect. This seems obvious but can often be a bit more complicated than it seems. Do you want to protect the appearance of the product exactly as it is? Or do you want to obtain protection that extends to different materials or colours? The answers to these questions will inform which images you use when filing for protection. Don't forget that you can register the design of almost anything, from jewellery to toothpaste packaging, from boats to shoes, from handbags to furniture. Design filings are not just limited to 3D objects either, it is also possible to register 2D drawings or graphical user interfaces.

Where?

Where you file is a very important issue. Registered design rights are territorial in nature so you should think carefully about both:

- where you are planning to sell your goods and
- where your designs are most likely to be copied.

This second consideration is one that is often overlooked yet is extremely important, particularly as design registrations can be a powerful tool in the fight against counterfeiters. It's always a good idea to work out the 'Where?' as early as possible. Due to the nature of product design law, and differences in the registration systems across the globe, how and when you file in one country can affect your ability to file in other countries.

As a result, it's best to put together an overall filing strategy as early as possible.

When?

In the world of product design rights, when you file is vital. In some jurisdictions there is a 'grace period' which allows you to obtain registered protection after your design has been made available to the public, as long as the filing is lodged within a certain number of months from the first disclosure. However, there are a number of territories that do not have such a 'grace period' and only designs that have *never* been made public *anywhere in the world* can be protected. Even if you haven't put your product on the market in the country in which you want to obtain protection you may be prevented from protecting the design of that product if you have put it on the market in another country. A design application itself can count as making a design available to the public. However, a number of systems let you keep your application hidden from public view until you're ready for people to see it.

Who?

Before filing you should always make sure you know who owns the rights in a design, and who is to own the registration, making sure all paperwork is in order. Even if the designer is not the owner of the rights, in many countries they will still need to sign local paperwork.



Expected Reforms to Australian Design Law

The Australian government has committed to the implementation of a number of recommendations made by the Advisory Council on Intellectual Property in its recent review of Australian design law. Those recommendations include the continuation of efforts to encourage international harmonisation, amendments to provide a more flexible threshold for protection and further review of the types of subject matter suitable for protection.



By Shehana Wijesena and Liam Maguire

Australia

shehana.wijesena@twobirds.com; liam.maguire@twobirds.com

International Harmonisation

The government has committed to investigating the implications of Australia joining the Hague Agreement which governs the international registration of industrial designs. The government also accepted a recommendation that the maximum term of protection for designs in Australia be increased from 10 to 15 years if a decision is made to join the Hague Agreement.

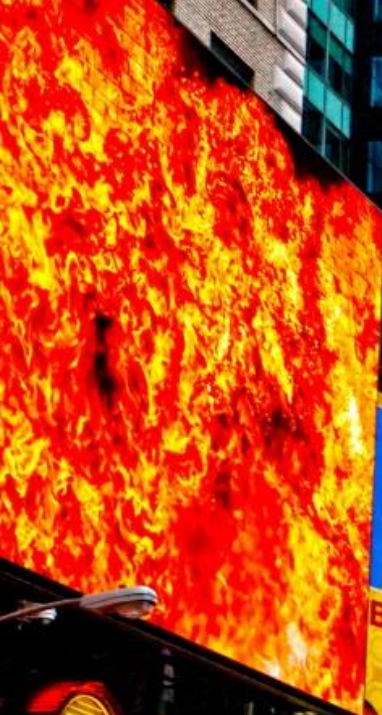
Threshold for Protection

Australian design law provides that applicants may submit a statement identifying particular visual features of the design, to which particular regard is then had when determining the validity of the registration and infringement of the design. Currently, such statements cannot be effectively amended after registration. This limits the utility of the statements, because it precludes applicants from distinguishing their designs from prior art discovered after submission of the statement. The government has accepted, in principle, a recommendation that applicants ought to be able to amend those statements up to the point of certification of the design (which is a step necessary to enforce a design in Australia) provided the amendment does not broaden

the scope of the applicant's right. Australian design law does not currently provide a general grace period for designs - which is a period prior to an application for rights during which disclosure of a design is not included in the prior art. As a result, applicants can ruin their own chances of obtaining a valid registered design by prematurely publishing their design. The government has accepted a recommendation for the introduction of a grace period (of a duration to be determined after consultation), together with a 'prior user' defence that would allow third parties to continue to use the design if their use commenced prior to the filing date.

Subject Matter Suitable for Protection

Australian design law currently does not comfortably accommodate protection of non-physical designs, such as graphical user interfaces. This is because a design must relate to a 'product', which is defined to include 'a thing that is manufactured or handmade' and because the practice of the Designs Office requires the design of a product to be visible when the product is in its unpowered 'resting state'. The government has accepted a recommendation that the treatment of non-physical designs be reconsidered.



LEW
BEST NEW COMEDY

WINNER!
2010 TONY AWARD
BEST MUSICAL
MEMPHIS

DON'T BELIEVE THE LIBERAL MEDIA!
TheTruth2012.org
media research center

TOSHIBA
LED LIGHTING
TOSHIBA

STOK

PETRILL

SONY

McDonald's Restaurant
m m m m

US Supreme Court ruling to reduce damages payable by Samsung to Apple for infringement of iPhone designs



By Ewan Grist

London

ewan.grist@twobirds.com

The long-running design patent litigation between Apple and Samsung finally went before the US Supreme Court in late 2016, with Samsung hoping to alter the US approach to calculating the profits recoverable by a claimant whose design patents (broadly equivalent to registered designs in the UK/EU) have been infringed.

The case stems from a 2015 Federal Circuit Court of Appeal decision, in which a number of Samsung's smartphones were found to have infringed three of Apple's design patents for the iPhone covering the look and feel of the front, the bezel and the iOS icon layout. Samsung was ordered to pay Apple \$399 million: the entirety of the profits made on those smartphones.

The historic approach for assessing the compensation payable in the US, set out in 35 U.S.C. §289 and known popularly as the "total profit" rule, is derived from statute originally laid down in 1887. Under this law, an infringer is liable "to the extent of his total profit" from the "article of manufacture", i.e. the product incorporating the infringing design.

In a world of increasingly complex technological products which may each embody many different designs at once, the prospect of having to turn over all profits made simply because a single (and potentially even unimportant) feature of the overall product is infringing can lead to awards that seem arbitrary and disproportionate. Indeed, Samsung illustrated this with the example of a car manufacturer paying out all profits

on a line of cars simply because they used an infringing cup-holder design.

This issue fiercely divided support. Technology companies, including Google, Facebook, Dell and Hewlett Packard, generally lined up behind Samsung arguing that the total profit rule is unfair and fails to reflect the reality of modern product design which is becoming increasingly complex (potentially incorporating many different designs simultaneously) and ever more integrated. Support for the total profit rule however has come from, for instance, fashion companies including Tiffany and Adidas. The reason for their support is clear: the existing approach has long been a harsh deterrent to would-be copycats. New technologies which allow, for instance, instant online publication of the latest designs from the catwalk, have made it easier and quicker than ever before to copy a design, while those such as 3D printing are likely to start facilitating mass production. The total profit rule stops an infringer from deriving any financial benefit from its infringement.

Samsung asked the Supreme Court to consider whether, in cases where a design patent covers only one



component/feature of a product, any award of the infringer's profits should be limited only to those profits attributable to that component/feature. Thus, the "article of manufacture" should not be seen as the entire product, but rather that specific component/feature covered by the design patent. If a claimant is only entitled to an infringer's profits attributable to that component/feature, rather than on the entire product, awards will be substantially reduced, including Apple's award of \$399m.

The Supreme Court ultimately ruled that profits due to the proprietor of an infringed design patent must be as divisible as the scope of his patent protection. Statute and case law hold that an inventor may obtain design patent protection for individual components as "articles of manufacture". It follows, the Court concluded, that those individual components must remain "articles of manufacture" for the purposes of determining the profits owed. Samsung's profits payable to Apple were therefore those attributable to those articles of manufacture which infringed Apple's designs, rather than all profits from the sale of the relevant Samsung products. This decision was understandably welcomed by Samsung, which will return

to the Federal Court for an undoubtedly more favourable assessment of what it needs to pay over.

The position in the US now broadly reflects the approach taken by the UK courts to the question. The UK courts are well accustomed to applying a "broad brush" approach to determining the appropriate amount of an infringer's profits that a claimant is entitled to recover, by assessing the infringing feature's significance to the product of which it forms part. This is of course an imprecise exercise, but that does not deter the courts from undertaking it: in *Ifejika v Ifejika*¹, for instance, the court had to decide the portion of profit attributable to a particular feature of a contact lens casing which was protected by an unregistered design right. In his assessment, the judge held that it was not appropriate to assess the portion of profits solely by reference to the feature's physical proportion; functional importance was relevant. The judge settled on 2%, a figure he felt to be "about right".

¹ [2014] EWHC 2625 (IPEC)



EU General Court decision reiterates the importance of clarity in representations of designs for registered Community design applications



By Louise O'Hara

London

louise.o'hara@twobirds.com

The EU General Court, in *Mast-Jägermeister v EUIPO*², considered an EUIPO Board of Appeal Decision on a Registered Community Design application for 'beakers'.

The decision focused in part on an examination report which was drawn up in respect of the Community Design Applications 2683615-0001 and 2683615-0002. The examiner explained that the indication of the product, namely 'beakers', did not correspond to the representations filed, which showed both beakers and bottles.

The Court agreed with the Board of Appeal that as the representations showed two products, they were unclear as to what particularly was to be protected.

Art.36(1) of the Community Design Regulation (No.6/2002, the "CDR") imposes mandatory conditions for applications for registration of designs. These are: a request for registration; information identifying the application; and representations of the design which are suitable for reproduction.

The Court decided it was necessary to determine whether Art.36(1) applies "only to situations where the representation of the contested design is 'physically' muddled or vague" as a result of poor print quality for

example, or whether it applies also to "a lack of precision, certainty or clarity" regarding what was intended to be protected by the registration.

Art.36(1)(c) requires that applications must comply with conditions set out in Regulation No.2245/2002, Art.4(1)(e) of which states that the design must be "of a quality permitting all the details of the matter for which protection is sought to be clearly distinguished".

The Court used this wording to conclude that Art.36(1) applies to situations where representations lack clarity in more than a physical sense, and therefore upheld the Board of Appeal's decision that the representations showing both beakers and bottles did not fulfil the requirements imposed by Art.36(1).

² Mast-Jägermeister v EUIPO, Case T-16/16, 9 February 2017

Comment

This decision further emphasises the need for representations of designs to be clear. Any confusion with the representation of the design will not necessarily prevent the design from being registered, but, in addition to potential difficulties in enforcing the registration, could delay the registration process whilst the problem is

rectified. Art 46 of the CDR states that the date of filing the application is to be fixed as the date on which the deficiency relating to Art.36(1) is rectified. A change in the filing date of an application can be problematic for priority claims and calculating grace periods.



Consumable Products: a special part of design law

The District Court of The Hague has recently upheld the validity of a Registered Community Design (RCD) for toner cartridges.³ This judgment gives some valuable insight into the interesting position of replaceable parts in design law in the EU.



By Richella Soetens and Nina Dorenbosch

The Hague

richella.soetens@twobirds.com; nina.dorenbosch@twobirds.com

Design Right Protection of Spare Parts

Design right protection of spare parts traditionally plays a significant role in the automotive industry. Car manufacturers want to achieve a high level of protection for their spare part designs, whereas independent spare part manufacturers wish to see a liberalisation of the spare parts market.⁴

The question arises whether toner cartridges and other consumable products like vacuum bags and video game cartridges must also be considered 'spare parts', like car bumpers or grills. The definition of a spare part – or in the words of the Community Design Regulation (CDR)⁵ "a component part of a complex product" – is crucial, since design right protection for such parts is limited.

Community design right protection is only available if the component part itself meets the standard requirements of novelty and individual character. However, even so, a 'component part' will not constitute a valid RCD if:

- a the component part is not visible during normal use of the complex product of which it forms a part (article 4(2) CDR);
- b all design features of the component part are solely dictated by technical functionality (article 8(1) CDR);
- c all features of the component part must necessarily be reproduced exactly in order to fit with another product, so that either product may perform its function (article 8(2) CDR: the so called 'must-fit' parts); or
- d the component – e.g. a car bumper – is used to repair the complex product – e.g. the car – of which the component forms a part (article 110 CDR).

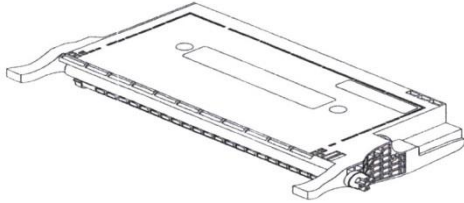
³ District Court The Hague 30 November 2016, ECLI:NL:RDBHA:2016:14383 (Samsung v Maxperian).

⁴ See also DesignWrites article by Roman Brtka & Richella Soetens: "Focus on the automotive industry: the protection of spare parts using Community designs".

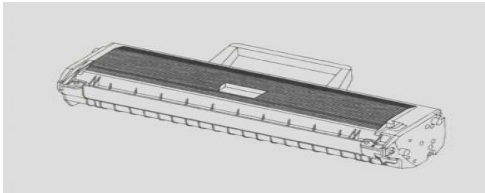
⁵ Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs

Samsung v Maxperian

In Samsung v Maxperian, the debate centred around the question of whether a toner cartridge should be considered a component part of a complex product. Samsung relied on the following RCDs:



Source image: EUIPO Register, RCD
000853551



Source image: EUIPO Register, RCD
001200687

The District Court in The Hague agreed that a printer should itself be seen as a complex product. However, according to the Court this did not mean that the toner cartridge should be considered a component of that printer. After all, without a toner cartridge, a printer would still be considered a complete product. Conversely, a car which is missing its tail lights or brakes would be considered incomplete.

As a consequence, and after dismissing several other grounds for invalidity, the Court held that Samsung's toner cartridge RCDs were valid.

The Future of Consumables under Community design law

Does this decision mean that there is a bright future ahead for consumable products like toner cartridges? At least in terms of RCD protection, this remains to be seen. After all, there are other hurdles to overcome, such as technical functionality. In the case before the Court of The Hague, Maxperian also alleged that all features of the Samsung toner cartridge were dictated by technical functionality. The Court did not consider this point, but only because of a lack of substantiation by Maxperian.

Would a RCD for a toner cartridge have passed this hurdle if better substantiated? A comparison can be drawn between toner cartridges and video game cartridges; both are parts which are to be inserted into complex products. In a 2014 decision, the EUIPO Board of Appeal held that an RCD for a video game cartridge was not valid, because it subsisted solely in features dictated by technical functionality.⁶ With the Dutch court's favourable decision, the first hurdle for RCD protection of consumables has been taken. Future cases will have to show whether consumables also pass the test on other points.



⁶ EUIPO BoA 14 April 2014, R 1772/2012-3 (Nintendo v Compatinet)

Design Class: database tool

To register a design it is necessary to cite a product indication that describes the type of goods to which the design applies. Over the years different practices in relation to this have developed between different IP offices.



By Domien Op de Beeck and Sylvia DeGraaf

Brussels

domien.op.de.beeck@twobirds.com; sylvia.degraaf@twobirds.com

With the ambition of harmonising product indications for designs, the EUIPO worked together with 24 participating EU IP Offices, 4 non-EU IP Offices, 2 User Associations, and WIPO to create a product indications database.

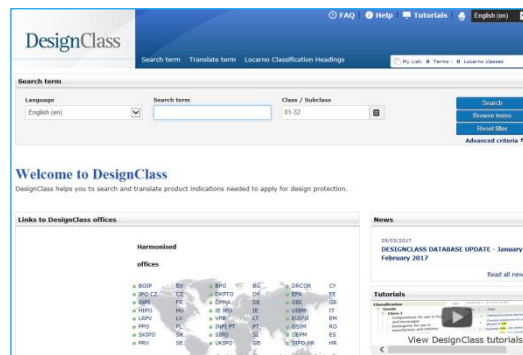
The database contains about 15,000 product indications following the Locarno Classification structure, but also taking into account other classes accepted by national offices. It comes with an advanced search tool called DesignClass, which is freely accessible online and was launched in January 2017.

If you wish to register a design, DesignClass is a helpful and user-friendly tool for identifying the most suitable product indication. It enables you to either search for a term directly or to browse through a list of classes.

DesignClass associates images with product indications, thereby enabling you to visualise the product indications and help you select the most relevant one. If you search for a classification that does not exist, the tool will suggest alternative options, if there are any. DesignClass even allows you to save relevant classifications and is available in all 23 EU languages.

The idea is that DesignClass will decrease both the risk of formal objections being raised in relation to product classifications, and the unwanted costs associated with overcoming these objections, thereby making design registrations more attractive overall.

More information, including FAQs and tutorials, can be found on the DesignClass webpage <http://euipo.europa.eu/designclass/>



Focus on Furniture: unregistered design rights in furniture items put to test



By Sara Nielsen

London

sara.nielsen@twobirds.com

Two significant cases from 2016, *Raft v Freestyle* and *Action Storage v G-Force Europe*, give us guidance on assessing originality of furniture items, show the importance of using design charts when pleading cases and the significance of evidencing IP ownership even as a sole director.

Design Rights in the Furniture Industry:

- There are two categories of unregistered design rights (UDR) in the UK; UK unregistered design rights (UK UDRs) and Community unregistered design rights (UCDs).
- Both UK UDRs and UCDs arise automatically and protect the whole or part of its appearance arising from its shape or configuration. UCDs however also provide protection for the appearance of a product arising from its colour, texture, materials and/or ornamentation – so it can, for instance, also protect fabric patterns.
- UK UDRs grant rights holders protection for a period of 10 years from first marketing the product or 15 years from the date it was first recorded in a design document. UCDs last for just 3 years from first disclosure to public.
- Unlike registered designs, in order to succeed in a claim for infringement of a UDR (Community or UK) it is necessary to show that the relevant design was copied by the alleged infringer.
- Approximately 12% of RCDs are for furniture⁷

⁷ European Commission Furniture Industry report

Raft v Freestyle⁸

Date: 13 July 2016

Court: IPEC

Rights: UK unregistered design right

Outcome: Infringement

The case concerned a UK UDR infringement claim, a passing-off claim and issues of IP ownership.

The Claimant, a well-known furniture manufacturer and retailer, claimed the Defendants had made and sold, infringing sofas. The allegedly copied sofas were two variations of Raft's 'Loft Sofa'. Infringement was admitted by Freestyle however it argued Raft's sofa style was not original and therefore UK UDR did not subsist in the first place.

Subsistence of design right

UK UDR subsists in a design if it is an original design. Of course many designers are inevitably influenced by earlier designs however it does not follow that the designs they create are not original.

Sofa design is a field where competing designs can be very similar – there is a crowded design corpus. Even a change in the height of the back of the sofa can completely change its look and feel. The judge accepted that what may appear to be small dimensional differences on paper, may lead to a difference in appearance sufficient to influence the customer in his or her purchasing decision.

The designer of the Loft sofa gave detailed evidence on the evolution of its design, sufficient to convince the judge that it was original and hence UK UDR subsisted in it.

Raft's 'Loft' Sofa



Infringing sofas



⁸ Raft Limited v (1) Freestyle of Newhaven Limited (2) Christopher Eric Horsnell (3) Highly Sprung Limited [2016] EWHC 1711 (IPEC), HHJ Hacon, 13 July 2016

Action Storage v G-Force Europe⁹

Date: 7 December 2016

Court: IPEC

Rights: UK unregistered design right

Outcome: Infringement

The most recent case of Action Storage v G-Force Europe once again throws unregistered design right (UK UDR) into the spotlight as the court considered whether or not UK UDR could subsist in storage lockers.

The Claimant's plastic storage lockers sold under the brand name 'eXtreme Lockers' came in three sizes and could be fitted together to make a block of lockers.

The Claimant alleged that the design of the Defendant's SuperTuff Lockers was created by copying the eXtreme Lockers and the Defendants were thereby infringing Action Storage's UK UDR in the design of the eXtreme Lockers as a whole, and also in the designs of certain aspects of the lockers.

The judge rejected the Defendant's arguments that the design of the eXtreme Locker as a whole lacked originality or was commonplace. Reference was made to *Raft v Freestyle* in Hacon J's assessment of originality: anything in the creation of the design requiring more than slavish copying will result in the design being original. The judge did however agree with the Defendant's "must fit" argument, finding that the shapes of the top and base panels of the eXtreme Locker allowed the lockers to be stably stacked, and as a consequence design right did not subsist in those features.

The judge provided valuable guidance on how the question of infringement of UK UDR should be approached. There are two principal steps to establishing infringement: firstly, the claimant must show that his

Defendant's SuperTuff Locker



Claimant's eXtreme Locker



⁹ Action Storage Systems Limited v (1) G-Force Europe (2) Fletcher European Containers Limited [2016] EWHC 3151 (IPEC), HHJ Hacon, 7 December 2016

design was directly or indirectly copied. Secondly, the claimant must show that such copying was done so as to produce articles exactly or substantially to the claimant's design. If copying is not established, there is no infringement. If copying is established, assessment of infringement moves on to the second step. In the second step, features in which design rights do not subsist because they fall within the 'must fit' or 'must match' exception (or any other feature excluded by section 213(3) CDPA¹⁰) are to be disregarded. Features found to lack originality are not however disregarded from the assessment in this second step. If copying is established, and if the 'must fit' or 'must match' exception has not eliminated design rights such that no relevant design is left, it is highly likely that the infringing articles will have been made exactly or substantially to the protected design. Even disregarding the top and bottom panels, the judge held that taking all the designs' features into account, the SuperTuff Lockers were made substantially to the design of the eXtreme Lockers, thereby finding that there had been infringement of both the designs of the lockers as a whole. He also found infringement of various individual features of the lockers.

Use of Design Charts

The judge strongly approved of the claimant setting out in his Particulars of Claim the significant features of the design or designs and the extent to which those features are to be found in the defendant's article, possibly using a labelled diagram if helpful. The Defendant in turn may

choose to adopt the claimant's list or propose amendments, but he should admit or deny the presence of significant features in the design of his accused article. The judge commented that it would greatly clarify the points of dispute between the parties at trial if the arguments on infringement and design right subsistence can all be anchored to a single list of significant design features even if that list is not fully agreed.



¹⁰ 1. Section 213(3) CDPA provides that UKUDR does not subsist in:

- (a) a method or principle of construction;
- (b) features of shape or configuration of an article which
 - (i) enable the article to be connected to, or placed in, around or against, another article so that either article may perform its function (the so-called must fit exception), or
 - (ii) are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part (the so-called must match exception), or
- (c) surface decoration.

Proposed Extensive Amendment to Slovak Design Law



By Zuzana Fialová Kamenská

Bratislava

zuzana.fialova-kamenska@twobirds.com

In January 2017, a draft law was proposed to amend the industrial property laws in Slovakia and this will extend to the law on designs. If the changes are adopted, this will be the most extensive amendment to the current Act 444/2002 Coll. on Designs (the "Act on Designs") in Slovakia to date.

Although the proposed amendment (the "Amendment") primarily concerns patents, the Slovak Industrial Property Office (the "Slovak IPO") is of the opinion that the industrial property laws (e.g. design law) should all be governed by the same procedural principles and be harmonised with other industrial property laws (e.g. the law of designs, trademarks and utility models). This article discusses the key changes introduced by the Amendment.

Employee's design

The Amendment introduces the term "employee's design", which constitutes a change in the legal regime of designs created by employees in the course of their employment. Under the Amendment, the right to employee's design belongs to the employer from the moment of its creation, unless the employer fails to claim this right within a three month period following the creation of the design, provided that the employee duly notified the employer of the design's creation. Moreover, the duty of confidentiality is proposed to extend for both parties up to the moment of disclosure of the design to the public. Under certain conditions, the employee as the designer is proposed to have a right to additional remuneration. An employee will have a new information claim towards the employer, whereas the employer will have a corresponding duty to provide the employee with the information necessary to determine the additional

remuneration. However, the employee may claim the additional remuneration and its information claim towards the employer only after three years, so as to allow sufficient time for assessment of the real utilisation and economic benefit of the design for the employer. The right to additional remuneration shall last at least for the duration of the employee's design protection.

Co-ownership of a design

With respect to design co-ownership, the Amendment proposes that the consent of all co-owners is required for a licence to be granted, unless all co-owners agree otherwise.

Exhaustion of rights

The Amendment proposes a legislative change in order to comply with the Designs Directive of 1998¹¹ by supplementing that regional exhaustion of rights applies (covering the EEA) as opposed to national exhaustion. The current version of the Act on Designs is silent on this.

Licence agreement

According to the proposed Amendment, a new rule will be enacted, under which by granting an exclusive licence, the licensor himself may no longer use the design, unless agreed otherwise in the licence agreement.

¹¹ Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs

Moreover, a non-exclusive licensee may enforce the rights resulting from the design against an infringer only if he has acquired consent from the design owner. As for an exclusive licensee, he may enforce these rights only if the design owner himself fails to enforce these rights within an adequate period after having been notified of the infringement by the exclusive licensee.

These new rules proposed are based on the EU Directive on the approximation of the trademark laws of the Member States¹² (the "Directive"), and although the Directive applies to trademarks and not designs, the Slovak IPO has taken the view that these rules should be consistent among industrial property laws, including design law.

Extension of validity of a registered design

Under the new regime, two new types of persons can apply for extension of validity of a registered design in addition to the design owner – a pledgee and generally a person who can prove legal interest in doing so. Under the currently applicable law, this can only be done by the design owner or co-owner.

Enforcement of rights

Importantly, the new proposal introduces a statute of limitation of six years (which is longer than the general statute of limitation varying from two to four years depending on its basis) to claim damages, adequate satisfaction and return of unjust enrichment in the event of infringement. The period starts to run from the occurrence of the infringement of rights. This longer period has been proposed on the basis that it usually takes a longer time for the design owner to gather all the information on the infringement and damages to be able to claim them. In the meantime, the general statute of limitation could lapse. It is further proposed that, when granting an urgent injunction, the court may impose equal obligations on the defendant as in a judgment on

the merits. Currently, this is the case only if any delay in imposing such obligations would cause irreparable harm to the right holder.

Determination proceedings

It is proposed that the so-called "determination proceedings" are to be fully removed. Within these proceedings, the Slovak IPO assesses whether a specific object is covered by a particular registered design. As these proceedings represent an unusual exception compared to foreign jurisdictions, and as such assessment is of a more legal than technical nature, it is now proposed that such proceedings be ended.

Levy of execution

A newly introduced provision stipulates that a levy of execution (administrative enforcement of a court judgment) may be registered on the design register, if the Slovak IPO receives all the required documents evidencing the execution of the property (including the specific registered design). This is a requirement of the Directive for trademarks; however, for the abovementioned reasons, the draft proposal also contains this option for registered designs.

Conclusion

If duly passed and adopted, the Amendment would come into force on 1 January 2018 with the exception of several provisions which require a longer period to enter into force and would come into force only on 1 January 2019. After assessment and implementation of multiple comments to the legislative proposal from the stakeholders, the Slovak IPO is now aiming to submit the material to the Slovak Government for further discussion.

¹² Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks

Obligatory stay of design infringement proceedings in case of invalidation



By Piotr Dynowski and Marcin Choluj

Warsaw

piotr.dynowski@twobirds.com; marcin.choluj@twobirds.com

The Polish Supreme Court recently ruled that proceedings for the infringement of registered designs should be stayed if those right(s) are subject to invalidation proceedings brought before the Polish Patent Office¹³.

Case facts

A furniture manufacturer brought an action for infringement of his registered Polish design rights (the "Design") for a bunk bed design. The alleged infringer filed a motion for invalidation of the Design with the Polish Patent Office ("PPO") on the grounds of lack of novelty. He then requested that the court stay the infringement proceedings until the motion for invalidation was ruled on. The defendant produced evidence of other designs having been made available to the public before the filing date of the enforced Design. The courts, when hearing the action at first and second instance, refused to stay the infringement proceedings, and disregarded the evidence of lack of novelty. The defendant filed a cassation appeal with the Polish Supreme Court against the final ruling of the Court of Appeal on the grounds of a breach of a provision of the Polish Civil Procedure Code ("CPC") governing the stay of proceedings.

Legal background – absolute bifurcation

The Polish Industrial Property Law of 30 June 2000 ("IPL") upholds the rule of absolute bifurcation. This means that actions for infringement of industrial property rights and motions for invalidation (revocation) are dealt with by different authorities following different

procedures. Actions for infringement are heard by common courts, whereas motions for invalidation (revocation) are heard by the PPO. Therefore, unlike Regulation 6/2002, the IPL does not allow an alleged infringer to bring a counterclaim for invalidation to the court.

The question of bifurcation is connected with the rules governing the stay of court proceedings. Under Article 177(1)(3) of the CPC, the court may stay the proceedings if the substantive decision depends on a preliminary decision by an administrative body.

The Supreme Court ruling

Having examined the cassation appeal, the Supreme Court found that the refusal to stay infringement proceedings contravened Article 177(1)(3) of the CPC.

The Supreme Court's ruling contains useful guidance on:

- preliminary character of the PPO's decision declaring a registered design invalid;
- discretion enjoyed by the court with respect to the stay of proceedings; and
- burden of proving that the request for the stay has reasonable grounds.

¹³ Judgment of the Polish Supreme Court dated 18 February 2016, reference no. II CSK 282/15

The Supreme Court stated that the PPO's decision declaring a registered design invalid is preliminary within the meaning of Article 177(1)(3) of the CPC. It further elaborated that such a decision would have the effect as if a design had never been afforded protection.

Consequently, a court hearing an action for infringement is bound to dismiss the action to the extent that the design relied upon is declared invalid. Therefore, there is a direct link between those two substantive decisions which may justify the stay of infringement proceedings.

However, the Supreme Court emphasised that the preliminary character of the PPO's decision on invalidity does not itself necessitate the stay of proceedings. When deciding whether to stay the proceedings, the court should take account of all facts of the case. If it is obvious from the facts of the case that the alleged infringer filed an unfounded motion for invalidity with a view to delaying the infringement proceedings, the court should not grant the stay. On the other hand, if it has been demonstrated that the design being enforced is likely to be declared invalid, the proceedings should be stayed.

It should be borne in mind that the burden of proving that there are reasonable grounds to believe that the registered design is invalid rests upon the alleged infringer. To that end the alleged infringer should adduce evidence which may raise doubts as to the novelty or individual character of the registered design.

Registered designs and beyond

The Supreme Court ruling strikes the right balance between the effective enforcement of registered designs and the need to counter the abuse of rights conferred by their registration. On the one hand, it ensures that infringement proceedings are not hindered by obviously unfounded motions for invalidity. On the other, it enables the court to stay infringement proceedings where the alleged infringer has demonstrated that the design being enforced against him is likely to be declared invalid. The Supreme Court ruling may also apply to other industrial property rights, such as patents or rights in utility

models. However, unlike rights in registered designs, these rights are obtained after substantive examination and therefore the burden of proving that these rights are likely to be declared invalid is harder for the alleged infringer to satisfy.



2017: upcoming industry events and awards

The Design Conference

24 – 27 May 2017

Brisbane, Australia

A vibrant gathering for professional designers in Australia. An international roster of award-winning designers is expected to regale attendees with their latest projects.

<https://thedesigconference.com.au>

What Design Can Do!

23 – 24 May 2017

Amsterdam, the Netherlands

Designers from around the world gather to discuss the impact of design.

<http://www.whatdesigncando.com/>

REDO Cumulus

31 May - 1 June 2017

Kolding, Denmark

The biannual conference aspires to “playfully inspire, challenge and develop the role, relevance and scope of design, art and media.” Hosted by the Design School Kolding, the roster of speakers include politicians, researchers and professional designers. A “Design Dating” event is planned to pair like-minded attendees working in similar fields.

<http://cumuluskolding2017.org>

Design Week Awards

13 June 2017

London, UK

The Design Week Awards are the leading accolade in the design industry, catering for every area of commercial design.

<http://awards.designweek.co.uk>

IDSA International

16 – 19 August 2017

Atlanta, Georgia, USA

Hear from legendary product designers, inventors and theorists in this annual gathering organised by the Industrial Designers Society of America. The forum explores the rise of chief design officers in big corporations and design’s central role in shaping business strategy.

<http://www.idsa.org/International2017>

London Design Festival

16 - 24 September 2017

London, UK

This lively city-wide festival testifies to why London is one of the best cities for design. Expect hundreds of imaginative installations, parties and rare access to local studios during the 9-day programme.

<http://www.londondesignfestival.com>



Contacts



Ewan Grist

Tel: +44 (0)20 7415 6000
ewan.grist@twobirds.com



Manon Rieger-Jansen

Tel: +31(0)70 353 8800
manon.rieger.jansen@twobirds.com

Follow us



@twobirdsIP



www.linkedin.com/company/318488

twobirds.com

Aarhus & Abu Dhabi & Beijing & Bratislava & Brussels & Budapest & Copenhagen & Dubai & Dusseldorf & Frankfurt & The Hague & Hamburg & Helsinki & Hong Kong & London & Luxembourg & Lyon & Madrid & Milan & Munich & Paris & Prague & Rome & Shanghai & Singapore & Stockholm & Sydney & Warsaw

Bird & Bird is an international legal practice comprising Bird & Bird LLP and its affiliated and associated businesses.

Bird & Bird LLP is a limited liability partnership, registered in England and Wales with registered number OC340318 and is authorised and regulated by the Solicitors Regulation Authority. Its registered office and principal place of business is at 12 New Fetter Lane, London EC4A 1JP. A list of members of Bird & Bird LLP and of any non-members who are designated as partners, and of their respective professional qualifications, is open to inspection at that address.