

**AMENDED PROPOSAL FOR A EUROPEAN PARLIAMENT AND COUNCIL
REGULATION ON THE LEGAL PROTECTION OF DESIGNS**

UNICE'S PRELIMINARY COMMENTS

I. GENERAL COMMENTS

Since the publication of the Green Paper on the legal protection of designs in the European Union in June 1991, UNICE has been continuously involved in discussions on the proposals for both a Directive and a Regulation.

UNICE has time and again stressed the need for harmonisation of design law at Community level in order to preserve European companies' innovation and competitiveness. In this context, it welcomed adoption of the directive on legal protection of designs on 13 October 1998 after intense and lengthy discussions.

By harmonising most substantive aspects of design protection across the European Union, the Directive now opens the door for adoption of the Regulation creating the Community design, thus giving EU rightsholders the possibility to acquire one design right valid throughout the territory of the Union.

UNICE is therefore pleased to be able now to offer its comments on the amended proposal for a regulation on the legal protection of Designs. It hopes it will be rapidly adopted, provided it meets UNICE's concerns as developed below.

II. SPECIFIC COMMENTS

1. ARTICLE 1: COMMUNITY DESIGN

- The Commission's original proposal to create an unregistered Community Design alongside to a registered Community Design was one of the attractions of the new system. The possibility to protect unregistered designs responds to the needs of specific sectors whose products have a very short lifecycle or those which create a large number of designs and await reactions from the market.

UNICE cannot accept that protection of unregistered designs is now questioned and hopes that the Commission will continue to support its original position on this question.

2. ARTICLE 4: PROTECTION REQUIREMENTS

- UNICE has noted that the definition of normal use in article 4 of the draft Regulations is different from that in article 3 of Directive. The words "end-users" have disappeared from the definition in the draft Regulation and UNICE wonders what has prompted this drafting change.

3. ARTICLE 8: DISCLOSURE

- UNICE is of the opinion that the new wording of article 8 lacks clarity in particular on the rules applicable to unregistered designs. This needs to be remedied and this article needs further thought.
- UNICE would like to point out in particular that when an unregistered design has been made public as a consequence of an abuse, the period of protection should not be deemed to have began to run. This does not emerge clearly from the present text whose wording needs to be revisited.

4. ARTICLE 10A: TRANSITIONAL PROVISIONS

- This provision should reflect the result of the solutions embodied in articles 14 and 18 of the directive on the legal protection of designs. UNICE regrets to note that this is not the case. The wording of the Regulation goes much further than the "freeze plus" provisions of the Directive and the effect of article 10a is to exclude from registration all designs applied to or incorporated in a product which constitutes a component part of a complex product upon whose appearance the design is dependent.
- This solution prejudices the outcome of the consultation which is about to be launched by the Commission on the protection of spare parts on the basis of article 18 of the Directive. The result of the wording of article 10a is in practice to harmonise design protection at EU level on the UK "must match" clause which goes much beyond the solution adopted by the Conciliation Committee.
- UNICE believes that this is not the right approach to the problem. UNICE believes that rightholders' interests would be better served by favouring another approach and it would like to suggest the following.

The regulation should allow registration of all designs provided that enforcement of designs for spare parts used for repair purposes will only be possible if the law of the

Member State so permits. This is in line with article 14 of the directive which only refers to the use of a design of a component part for repair purposes and consequently does not prevent registration and enforcement of a design right vis-à-vis a competitor using the same design for products which are not meant to be used for repair purposes.

This solution would also have the advantage of enabling users to secure a filing date for designs falling under the article 10a provision, if, at a later stage, the Commission, on the basis of the consultation to take place, extends protection to spare parts.

- UNICE is also concerned to know who is going to decide whether a design proposed for registration covers a component part of a complex product. In some cases it might be very easy to detect but this is not always the case. Refusing registration on the basis of article 10a would imply that OHIM would have to be involved in preliminary examination, which is opposed by industry.
- In UNICE's view, if the fact that a design concerns a component part upon whose appearance the appearance of the complex product is dependent should be a ground for invalidity, the design should only be declared invalid in invalidity proceedings (before the Office or as a counterclaim). This is also the standpoint taken in Article 49a which does not mention Article 10a as a ground for refusal. In consequence Article 67 should be amended so as not to allow the Office to apply Article 10a of its own motion in invalidity proceedings.

5. ARTICLE 15: PLURALITY OF DESIGNERS

- UNICE is of the opinion that the wording of article 15 is not satisfactory, in particular the word "contractual" which is unnecessary.

6. ARTICLE 16: CLAIMS RELATING TO A COMMUNITY DESIGN

- Article 16 (3) provides that legal proceedings for recognition as the legitimate holder may only be instituted within two years from the date on which the Community design came into existence. UNICE wonders whether this provision can be applied for unregistered designs, as the legitimate holder may not during that period have become aware that another person claims a right to the design.

7. ARTICLE 20: RIGHTS CONFERRED BY THE COMMUNITY DESIGN

- UNICE is very unhappy about the wording article 20 paragraph 2 and in particular the new sentence "*only if the use contested results from copying in **bad faith** the design protected*". This sentence, which is new, introduces in a legal text a distinction between copying and copying in bad faith which is dangerously confusing. UNICE would urge the Commission to delete the words "*in bad faith*" and to rethink its approach to this problem.
- UNICE would also like to suggest that a right for the owner to obtain information is introduced in the Regulation. An independent-of-guilt separate right to obtain information in favour of the owner of the Community design against the producer and, above all, also against every seller of copied goods is necessary to track copied goods from the selling counters to the producer and to the person who gave the order to make copies.

8. ARTICLE 27: GROUNDS FOR INVALIDITY

- UNICE believes that the possibility to obtain limited territorial invalidity in respect of only one or some Member States goes against the unitary character of the Community design.

9. ARTICLE 39: CONDITIONS WITH WHICH APPLICATION MUST COMPLY

- UNICE is against the compulsory citation of the designer/team of designers and it would like Articles 19 and 39/1a to be redrafted so that it appears clearly that this is only optional.
- UNICE would also like to urge the Commission to introduce in the draft Regulation the possibility to replace presentation of the design by a specimen in cases of application of a two-dimensional design with a request for deferment of publication was missing and needed to be included. The Hague Agreement on the international deposit of designs was revised a short time ago and permits this. It is important that The EU makes sure the Community design Regulation is in line with the new Geneva Act on this subject.

10. ARTICLE 67: EXAMINATION OF THE FACTS BY THE OFFICE OF ITS OWN MOTION

- UNICE wonders whether this new provision means that OHIM is to become an examining office. As stated above, UNICE believes that it is not the Office's task to deal with preliminary examination.

11. ARTICLE 100: RELATIONSHIP TO OTHER FORMS OF PROTECTION UNDER NATIONAL LAWS

- UNICE believes that the new wording of article 100 is confusing and it suggests that it is made clear that no Member State may maintain or introduce provisions which would reduce the duration or the scope of unregistered design protection offered by the regulation.
- This should apply not only to existing national specific laws on unregistered designs but also to other national legislations used to the same effect such as copyright in some countries.

III. CONCLUSION

- UNICE would like to stress once more its full support for rapid adoption of the Regulation for a Community Design covering registered and unregistered designs.
- It hopes that the Commission and the other EU institutions will study carefully the above remarks and make sure the instrument proposed meets rightholders needs.
- UNICE's experts remain ready to discuss further any aspects of the above comments.