

Supporting Document BB

Design Rights Call for Evidence Responses

As referenced in Chapter 7, design rights were not explicitly mentioned in the Review's Terms of Reference. This is surprising, given the economic importance of UK design and the strength with which a number of issues relating to this area of IP protection have been raised in evidence to the Review.

The purpose of this Supporting Document is to present a selection of these submissions to demonstrate some of the difficulties designers encounter in enforcing their rights. The Review received 46 responses to the Call for Evidence which related to design rights. The responses presented in this document are intended to be illustrative of views represented in these submissions rather than an exhaustive inventory.

Submissions framed their responses within the Review's Terms of Reference in referring to the range of industries affected by design rights and the general economic imbalances in the IP framework. The submission received from ACID provides a more detailed discussion of design rights, as well illustrative case study examples.

"Design is a diverse profession with over 50 design disciplines, all underpinned by intellectual property rights (IPRs), advertising, screen, product design, music, performing arts, publishing, software and engineering, architecture, art markets, computer & video games, crafts, fashion, etc"

"Many micro firms and SME's are the pioneers of innovation; they are leaders not followers and the true champions of the UK economy. The IP framework does not lead innovation and growth, however, it does provide the legal vehicle and platform with which to protect, register and commercialise tradable IP."

"...we feel that design issues have been sidelined and would like to re-assert our argument for parity with other unregistered rights." *ACID submission*

"Formal IP rights that these SMEs relied on or planned to use included copyright (46%), trademark (40%), patents (32%), registered designs (19%) and utility models (16%)." *Microsoft submission*

"We are conscious that there are some who see IP rights as monopolistic and thereby per se bad. This view fails to take into account the innovation and diversity (and as a result, competition) that such

rights reflect and generate, and the contribution they make to economic and employment growth. It also fails to reflect the subtleties of the inbuilt checks and balances within the IP system itself such as permitted exceptions to the rights and the fact that copyright and unregistered design rights only protect against copying, not independent creation. Such anti-IP views are of particular concern when expressed by regulatory authorities, reinforcing the importance of strong awareness of the economic role of IP” *Anti-Counterfeiting Group and British Brands Group submission*

Several of the responses referred to the differing levels of protection for design rights available (as demonstrated by the boxed text in Chapter 7)

“the law governing registered Community Designs is variously interpreted in different States of the EU; in the UK there is confusion over where the design right starts and copyright ends, and there is little or no meaningful case history to give companies confidence that their understanding of the law will be reflected in any decision in court” *Billings Jackson Design submission*

“There is no obvious reason for the disparity of protection. This may have been overlooked during the frenzied last minute lobbying and amendments made to the CDPA in 1988 as it was passing through Parliament.” *ACID submission*

“The main barriers that most, if not all, businesses face in relation to copyright are:
(a) a hugely differing approach to the protection and enforcement of copyright, designs and databases between the UK and the civil law systems in the rest of the EU; and
(b) the over complexity of overlapping sets of rights to protect copyright works, designs or databases...
...In the UK, the protection of designs is overly-complex, with overlapping sets of rights to protect designs as copyright works, UK registered and unregistered design rights and Community registered and unregistered design rights. This leads to anomalous legal results and expense for industry in either protection of designs (by registration, possibly unnecessarily) or in becoming embroiled in costly disputes, especially given that products are often fast-moving goods.” *Law Society, IPSA and CLLIP submission*

“Consideration of the benefits of bringing unregistered design infringement to the same position in law as copyright infringement. This would provide greater incentive to UK designers and provide the basis for industry sector groups representing design to engage with UK Crime prevention bodies.” *Intellectual Property Awareness Network submission*

“My other suggestion is to do away with UK Registered Designs and rely on European Registered Designs instead. The price difference between the UK IPO and OHIM is minimal and the system is frankly better run at OHIM. First, it is possible to file on-line with digital images at OHIM, where in the UK this is not possible, resulting in poor quality images which have been scanned-in at the IPO. Secondly, OHIM registers the applications in 24 hours! It can take the UK IPO several weeks to do this. I understand that the IPO want to bring in an online filing system for Registered Designs. My opinion is that this is a waste of public money and a duplication of effort considering that the law is harmonised with Europe and there is already an office offering this service which covers the UK, namely OHIM.” *A UK Registered and Chartered Patent Attorney submission*

The following statements reflect scepticism that design rights are effectively enforced, as well as fears that design rights are easily infringed upon.

“It is particularly frustrating for companies like ours which depend upon innovative, technical design, that through copyright, an illustrator, for example, would enjoy stronger protection for his/her drawings than we receive for our designs. The Gowers Review recommended that section 107A of the Copyright, Designs and Trade Marks Act should be enacted so as to allow Trading Standards to act effectively against copyright theft. It is puzzling why no such sanctions are proposed for design right theft.” *Billings Jackson Design submission*

““Out of 99 companies surveyed 85 out of 99 (89.7%) believed that infringement of unregistered designs was blatant rather than inadvertent, 3 said both blatant and inadvertent and 1 did not comment...

...If nothing is done in the current recommendations to put pressure on the Ministry of Justice to remedy the levels of copying and dealings in pirated goods by creating judicial support via a set of damages which hurt the perpetrators sufficiently, the UK design industry is likely to be damaged irreparably” *ACID submission*

“It is not unknown for designs and design ideas to be used without attribution or compensation. Sometimes this happens through carelessness or ignorance of IP issues, or a failure of communication between departments of the commissioning company, rather than through a deliberate intention to cheat the designer. Creative Barcode provides a means for designers and other creators of IP to “tag” their designs with a barcode, and for commissioners to “sign up” to the principle of ethical conduct when dealing with SME-designers.” *Law Society, IPSA and CLLIP submission*

“In one case, an image had been shared on Picassa as an “open” image, which meant anyone could view and download that image. The image was then shared on another website blog as a free-downloadable design for “decoupage” papercrafting papers. I am contracted to design all papercraft products exclusively for a major UK publisher / manufacturer. Therefore the image on the blog was infringed and also could have created an issue for me with one of my largest clients.” *Helz Cuppleditch Illustration submission*

A number of submissions made proposals for Government

“The onus should be on the creative industries to justify the terms of protection they require to recoup their investment in developing intellectual property. However, on the whole, 15-25 years appears to be adequate for technical industries.

In the absence of a justification, “design documents” encapsulating designs, should have a term limited to the length of protection in the design that is encapsulated. This would normally be 10-15 years. The same should also be the case for embedded software.” *Ministry of Defence submission*

“We are conscious that there are some who see IP rights as monopolistic and thereby per se bad. This view fails to take into account the innovation and diversity (and as a result, competition) that such rights reflect and generate, and the contribution they make to economic and employment growth. It

also fails to reflect the subtleties of the inbuilt checks and balances within the IP system itself such as permitted exceptions to the rights and the fact that copyright and unregistered design rights only protect against copying, not independent creation. Such anti-IP views are of particular concern when expressed by regulatory authorities, reinforcing the importance of strong awareness of the economic role of IP.” *Anti-Counterfeiting Group and British Brands Group submission*

“Introduce legal parity for unregistered design rights, including similar criminal provisions as exist for copyright... we have concerns over the lack of availability of criminal penalties for infringement of unregistered design rights. Design right-dependent SMEs are finding their growth is being stifled by post publication revenue being siphoned off by (wealthier) imitators. The ability to have fines imposed in Magistrates Courts (and the attendant reputational damage) would do a lot to help these businesses.” *The Alliance Against IP Theft submission*

“Achieving full compliance by the use of very tough measures may be counterproductive. There will always be some borderline or uncertain cases. If full compliance means that in practice businesses have to be very cautious, so that they can always be sure they never infringe, then that may be counter-productive as they will stay well clear of the borderline in most cases. That is especially true in areas where the scope of the right is not very clear, or its validity may be in issue, such as in the patent field. It is also a significant potential issue in relation to registered designs (which are no longer examined) and community trade marks (where the substantive law allows rights which are much broader than what is genuinely required and consequent cluttering of the register with rights of doubtful commercial value.)” *Chartered Institute of Patent Attorneys submission*

“Government can champion the effective enforcement of IPR in the UK and globally by... Lobbying for a greater role to be played, including financially, by the Office for Harmonisation in the Internal Market (OHIM), the EU agency responsible for registering trademarks and designs.” *CBI submission*

As well as making suggestions for circumventing the inconsistencies in rights registration

“Use the Design Registration process: it costs much less than patents, AND if extended to USA, (or just done there) has a huge advantage that they are called a design PATENT in USA. So you can say, “Copyrights, Design rights, Registered Design and Patented” (or applied for) which sounds more impressive to would be licencees, CFO’s etc.” *MAS-Design Group submission*