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BUSINESSEUROPE’S COMMENTS ON THE PUBLIC CONSULTATION ON THE REVISION OF THE EU LEGISLATION ON DESIGN PROTECTION

BUSINESSEUROPE is the leading advocate for growth and competitiveness at European level, standing up for companies across the continent and actively campaigning on the issues that most influence their performance. We speak for all-sized enterprises in 35 European countries whose national business federations are our direct members.

BUSINESSEUROPE has taken note of the public consultation on the revision of the EU legislation on design protection¹ launched by the European Commission (DG GROW) to review the legal framework on EU design protection.

BUSINESSEUROPE is happy to contribute to this debate that will have an impact on the EU legislation on design protection over the coming years.

In September 2019, BUSINESSEUROPE adopted its own IP Strategy for the next political cycle, including the priorities in the field of design rights.² It also provided its comments to the Inception Impact Assessment on the revision of the EU design legislation in December 2020.³ We refer to this comprehensive IP Strategy paper and our comments to the Inception Impact Assessment. In this paper, we will limit ourselves to the replies to selected questions of the public consultation questionnaire published on the Better Regulation portal.

MAIN MESSAGE

BUSINESSEUROPE fully supports the proposal to modernise, clarify and strengthen the EU legislation on design protection. Efficiency and suitability for the digital transformation should be the way forward. The EU legislation on design protection should be suitable to also cover new forms of designs such as digital graphical user interfaces or icons. The rise of 3D printing technologies deserves further consideration to ensure that design rights are not impacted by these technologies. It is key to raise awareness about design protection.

¹ Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs and Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs

² See BUSINESSEUROPE’s position paper “Intellectual Property - Priorities for the next political cycle” of September 2019, Section 3.C., available at <https://www.business-europe.eu/publications/intellectual-property-priorities-next-institutional-cycle>.

³ See BUSINESSEUROPE’s Comments to the Inception impact assessment on the review of the EU design protection legislation, available at <https://www.business-europe.eu/publications/inception-impact-assessment-review-eu-design-protection-legislation-business-europe>.



GENERAL QUESTIONS TO ALL

- QUESTION 1 - PLEASE INDICATE WHETHER YOUR KNOWLEDGE OF THE DESIGN PROTECTION SYSTEMS IN THE EU COMES FROM THE FACT THAT YOU OR MEMBERS OF YOUR ORGANISATION.

BUSINESSEUROPE members create/own designs and use designs of others.

- QUESTION 2 - WHAT WOULD IN YOUR VIEW MOST HELP TO RAISE THE USAGE OF DESIGN PROTECTION? (*BETWEEN 1 AND 3 CHOICES*)

BUSINESSEUROPE members consider that the following initiatives could help to increase the usage of design protection: (i) increasing clarity and transparency of rules and making them future proof (e.g., as to what can be protected); (ii) harmonising registration procedures; (iii) raising awareness about availability, benefits and ways of protecting designs; and (iv) enlarge the number of possible views to be filed for each design (currently limited to 7).

PLEASE EXPLAIN YOUR ANSWER:

It is key to raise awareness about design protection.

It is also important to better explain the rationale and purpose of design protection, especially compared to patent protection. A design should no longer be seen as a “consolation prize” in case a certain innovation does not have enough technicality (and thus is not able to get a patent or a utility model). It should be clarified that a design is something different (in addition) to a patent.

The electronic publication of designs no longer justifies the need to restrict the number of views of a design (currently limited to 7 views, Article 4.2 of the Implementing Regulation).

MORE SPECIFIC QUESTIONS TO ALL

SPARE PARTS PROTECTION

- QUESTION 3 - SHOULD THERE BE CHANGES TO DESIGN PROTECTION FOR REPAIR SPARE PARTS?

BUSINESSEUROPE’s reply is “Other”.

PLEASE EXPLAIN YOUR ANSWER AND SPECIFY ECONOMIC AND OTHER BENEFITS.

Different rules on spare parts protection in the Member States is seen as a problem for BUSINESSEUROPE members. Consequently, BUSINESSEUROPE welcomes the initiative of harmonising the rules of spare parts protection in the Member States. This would ensure legal certainty, uniformity across the EU and could facilitate business and innovation.

Harmonised rules in this field are also expected to contribute to meeting circular economy objectives. In this regard, consistency of the rules on design protection and the



initiatives announced in the European Green Deal and the Circular Economy Action Plan should be ensured to avoid conflicting incentives for businesses and consumers.

PROTECTABLE TYPES OF DESIGN

- **QUESTION 4 - THE EVALUATION OF THE EU LEGISLATION ON DESIGN PROTECTION POINTS TO THE NEED FOR CLARIFYING THAT THE ELIGIBLE SUBJECT MATTER OF DESIGN PROTECTION ALSO COVERS NEW TYPES OF (GRAPHIC) DESIGNS (NOTWITHSTANDING THE ABSENCE OF PHYSICAL EMBODIMENT) SUCH AS IN PARTICULAR ANIMATED GRAPHICAL USER INTERFACES AND ICONS. DO YOU THINK THE SUBJECT OF DESIGN PROTECTION SHOULD EXTEND BEYOND VISUALLY PERCEPTIBLE MATTER TO INCLUDE, FOR EXAMPLE, ALSO SOUND DESIGNS (E.G. JINGLES OR VOICES)?**

BUSINESSEUROPE fully supports the proposal that the EU design protection legislation should be suitable to also cover new forms of designs such as digital graphical user interfaces or icons. The rise of 3D printing technologies deserves further consideration to ensure that design rights are not impacted by these technologies.

BUSINESSEUROPE members consider that the subject of design protection should not extend beyond visually perceptible matters. The line between copyright and design is already difficult when it comes to the current (“classic”) designs. The creation of new designs (beyond visually perceptible matters) might increase uncertainty.

- **QUESTION 5 – FOR THE SAKE OF GREATER TRANSPARENCY AND ACCESSIBILITY OF THE EU LEGISLATION ON DESIGN PROTECTION, THE LAW COULD PROVIDE FOR A MORE SYSTEMATIC (NON-EXHAUSTIVE) CATEGORISATION OF DESIGN TYPES. THIS COULD BE ACHIEVED BY DRAWING A CLEARER DISTINCTION BETWEEN THE THREE PRINCIPAL DESIGN CATEGORIES, THAT IS GRAPHICAL DESIGN (WHICH MAY INCLUDE INTER ALIA LOGOS, GRAPHICAL USER INTERFACES, SURFACE PATTERNS AND TYPOGRAPHIC TYPEFACES), DESIGN RELATED TO PHYSICAL OBJECTS (WHICH MAY INCLUDE INTER ALIA PACKAGING AND SETS OF ARTICLES), AND GET-UP (WHICH MAY INCLUDE INTER ALIA INTERIOR DESIGN). WOULD YOU FIND THIS APPROPRIATE AND USEFUL?**

BUSINESSEUROPE considers that a more systematic (non-exhaustive) categorisation of design types could be appropriate and useful.

LIMITATIONS ON RIGHTS

- **QUESTION 7 - THERE ARE LIMITATIONS TO DESIGN RIGHTS, MEANING THAT THESE RIGHTS CANNOT BE EXERCISED (I.E. ARE UNENFORCEABLE) AGAINST CERTAIN USES OF THE DESIGN. BASED ON YOUR EXPERIENCE OR KNOWLEDGE, HOW WOULD YOU RATE THE USE OF THESE LIMITATIONS?**

	Easy to use	Not easy to use	No opinion
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Acts done privately for non-commercial purposes (Article 20 (1)(a) Community Design Regulation/Article 13(1)(a) Design Directive)			X
Acts done for experimental purposes (Article 20 (1)(b) /Article 13(1)(b))			X
Acts of reproduction for the purpose of making citations (Article 20 (1)(c)/Article 13(1)(c))			X
Acts of reproduction for the purpose of teaching (Article 20 (1)(c) /Article 13(1)(c))			X

- QUESTION 8 - BASED ON YOUR EXPERIENCE OR KNOWLEDGE, HOW DO YOU CONSIDER THE SCOPE OF THE CURRENT LIMITATIONS?

	Appropriate	Too broad	Too narrow	Other	No opinion
Acts done privately for non-commercial purposes					X
Acts done for experimental purposes					X
Acts of reproduction for the purpose of making citations					X
Acts of reproduction for the purpose of teaching					X

- QUESTION 9 - IN ORDER TO ACHIEVE THE RIGHT BALANCE BETWEEN THE RIGHTS AND INTERESTS OF DESIGN HOLDERS AND USERS, SHOULD THE CATALOGUE OF LIMITATIONS BE COMPLEMENTED BY DECLARING ANY OF THE FOLLOWING USES OF THE DESIGN AS PERMISSIBLE (AS LONG AS THE USE COMPLIES WITH HONEST COMMERCIAL PRACTICES AND DOES NOT UNREASONABLY PREJUDICE THE RIGHT HOLDER'S INTERESTS)?

	Yes	No	No view
Presenting one's own product as an alternative or as accessory or spare part to the product of the competitor	X		
Illustrations for comparative advertising	X		
Comment, critique, or parody	X		
Using the design to foster innovation (e.g. creation of new designs) with help of new technologies such as artificial intelligence (along the line of the text and data mining exception in copyright law)			X
Other			X

PLEASE EXPLAIN YOUR ANSWER ON PRESENTING.

The "YES" refers mainly to accessory or spare part. Presenting one's own product as alternative is more under item 2 (illustrations for comparative advertising).

The point on comment, critique or parody seems to be quite difficult, especially in consideration of unfair competition law (which deals with comparative advertising as well).



RELATIONSHIP TO COPYRIGHT

- QUESTION 10 - ARE THERE OVERLAPS BETWEEN COPYRIGHT AND DESIGN PROTECTION, WHICH MAKE A CHOICE DIFFICULT?

Yes, BUSINESSEUROPE members consider that there are overlaps between copyright and design protection. As to the question on what makes a choice difficult, our members do not have a common opinion as this also depends on the national legislation concerned.

- QUESTION 11 - HOW WOULD YOU ASSESS THE FOLLOWING CONCERNS?

	Very serious	Rather serious	Rather not serious	Not serious at all	No view
that in view of the conditions for granting copyright protection, potential right holders opt for copyright protection instead of design protection, to a degree that the special design regime created for designers and design-oriented industries runs void				X	
that the conditions for granting copyright protection in addition to design protection lead to overreach of protection and distortion of competition (in particular by allowing overlap of protection beyond the 25 years' maximum term of design protection)				X	

PLEASE EXPLAIN YOUR ANSWERS.

Our IPR System allows several ways of protection without limitation. These different IP Rights may partially overlap but they never have an identical scope of protection and therefore, there is no reason to eliminate one way of IP protection with the argument that there are already existing other IP Rights which may overlap.

- QUESTION 12 - ACCORDING TO CURRENT RULES (ARTICLE 17 DESIGN DIRECTIVE AND 96(2) COMMUNITY DESIGN REGULATION), AN OBJECT PROTECTED UNDER DESIGN LAW MUST ALSO BE ELIGIBLE FOR COPYRIGHT PROTECTION. EACH MEMBER STATE HOWEVER SETS THE CONDITIONS UNDER WHICH SUCH PROTECTION IS GRANTED, INCLUDING THE LEVEL OF ORIGINALITY REQUIRED. SHOULD THERE BE CHANGES TO THESE RULES?

BUSINESSEUROPE considers that the margin of discretion for Member States to determine conditions for copyright protection should be removed and aligned with the recent copyright reform. Our members would also welcome the adoption of guidelines clarifying the relevant case-law of the Court of Justice of the European Union.



BUSINESSEUROPE has always supported the harmonisation of national rules and the creation of the Community design protection system. Businesses benefit from harmonisation in this area insofar as, among other things, it provides the same protection of designs everywhere in the EU and contributes to preventing counterfeiting and copying of protected Community designs.

BUSINESSEUROPE strongly supports any further harmonisation of national legislation on design protection across the EU. This would increase legal certainty and would be beneficial for businesses.

PROCEDURES

- **QUESTION 13 - TO WHAT EXTENT DO YOU USE MEMBER STATES' NATIONAL DESIGN SYSTEMS IN PARALLEL OR IN COMBINATION WITH THE COMMUNITY DESIGN SYSTEM TO REGISTER THE SAME DESIGN?**

	Very often	Often	Rarely	Never	No opinion
I register the same design as national design in various Member States (including through International Hague system)					X
I register the same design as national design(s) first and subsequently also as registered Community design based on convention priority					X

- **QUESTION 15 - IN CONTRAST TO THE EUIPO AND THE VAST MAJORITY OF NATIONAL INDUSTRIAL PROPERTY OFFICES, THE INDUSTRIAL PROPERTY OFFICES OF FIVE MEMBER STATES STILL CARRY OUT EX OFFICIO EXAMINATION OF PRIOR ART FOR THE PURPOSES OF ESTABLISHING NOVELTY OF A DESIGN APPLIED FOR REGISTRATION. WHAT IS YOUR VIEW ON THIS?**

BUSINESSEUROPE considers that Member States should align their procedures to the Community design system. However, BUSINESSEUROPE members have different views as to whether the EU design system should be changed to include an ex officio examination of prior art for the purpose of establishing novelty of a design applied for registration or not.

- **QUESTION 16 - IN SOME MEMBER STATES, WHERE IT IS CURRENTLY NOT POSSIBLE TO SEEK FOR THE INVALIDATION OF A REGISTERED DESIGN BEFORE THE INDUSTRIAL PROPERTY OFFICE, ONLY A VERY FEW INVALIDITY CASES ARE BROUGHT BEFORE THE COMPETENT COURTS. DO YOU THINK MEMBER STATES SHOULD NEVERTHELESS BE REQUIRED TO ESTABLISH QUICK AND INEXPENSIVE PROCEEDINGS BEFORE THEIR INDUSTRIAL PROPERTY OFFICES TO GET REGISTERED DESIGNS INVALIDATED?**

Although this could be considered, it is important to prevent problems experienced with the Trademark Directive due to difficulties in several national offices to train people on



complex issues like invalidations. Otherwise, the rights of IP holders could be put at risk due to unduly invalidations.

FEES FOR REGISTERED COMMUNITY DESIGNS

- **QUESTION 17 - IN ORDER TO MAKE DESIGN PROTECTION MORE ACCESSIBLE TO SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) AND INDIVIDUAL DESIGNERS, THE BASIC FEE FOR THE INITIAL FIVE YEARS' REGISTRATION OF A COMMUNITY DESIGN (€350) COULD BE LOWERED. THIS COULD FACTOR IN THAT LARGER FIRMS FILING MORE DESIGNS HAVE MORE OFTEN ACCESS TO THE BULK DISCOUNTS AVAILABLE FOR MULTIPLE DESIGN APPLICATIONS. IT WOULD ALSO CONSIDER THAT THE AVERAGE COST FOR REGISTERING A NATIONAL DESIGN IS SUBSTANTIALLY LOWER (BELOW €100). ALTERNATIVELY, THE FEE(S) FOR RENEWING THE REGISTRATION OF A COMMUNITY DESIGN COULD BE LOWERED. RENEWAL FEES ARE CURRENTLY HIGHER THAN THE REGISTRATION FEE. KEEPING THEM AT A HIGHER LEVEL COULD HOWEVER BE APPROPRIATE TO HELP AVOID THAT NOT UTILIZED REGISTERED COMMUNITY DESIGNS ARE RENEWED. WHAT WOULD YOU CONSIDER MORE APPROPRIATE?**

BUSINESSEUROPE considers that the current cost structure is appropriate, and a reduction would not necessarily lead to more designs registered by SMEs. The costs of the application at the EUIPO or national Office are usually not the main costs with respect to the design but there are also costs of legal advisors which have to be taken into account when it comes to the decision of applying for a registration or not.

In any event, a reduction of fees should not be the only measure aimed at attracting SMEs: more awareness raising should be promoted among small businesses.

BUSINESSEUROPE members also consider that fee levels of Community designs rights should be further harmonised in the EU. This would increase legal certainty and would be beneficial for businesses.

INVITATIONS TO ALL

- **QUESTION 19 - IF YOU WISH TO ADD ANY FURTHER INFORMATION OR VIEWS IN RELATION TO DESIGN REFORM ASPECTS NOT SUBJECT OF THIS QUESTIONNAIRE, WHICH YOU HAVE NOT ALREADY SUBMITTED IN THE CONTEXT OF THE EVALUATION OF THE EU LEGISLATION ON DESIGN PROTECTION (INCLUDING PREVIOUS PUBLIC CONSULTATION), PLEASE FEEL FREE TO DO SO HERE.**

While rights attached to trademarks are enforceable against infringing goods in transit though the EU, rights attached to protected designs are not. BUSINESSEUROPE members would appreciate if this gap could be closed in the context of the revision of the design legislation and make it possible for brand owners to put a stop to design counterfeits transiting through the EU.

The revision of the possible/acceptable representations (e.g., number of representations; possibility to forward animations/videos) would also be helpful.
