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**“UNREGISTERED
DESIGN RIGHT IN
IRELAND:
RECENT
DEVELOPMENTS”**

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ASHTON SUITE, ALEXANDER HOTEL,
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Background

The concept of protection for original industrial designs is well known. Many States have created a means of protection based on registration. But the exact legal boundaries between copyright, patents, and design right has been a live issue for legislators in the common law world for most of the 20th century.

It has historically proven extremely difficult to legislate in a satisfactory and workable way which both protects and rewards originality in industrial design and at the same time to prevent unintended anti-competitive monopolies in industrial markets for products and spare parts.

As Clark and Smyth put it in *Intellectual Property Law in Ireland* (2nd edition), at paragraph 23.01:

“The dilemma is how to pitch such protection between that afforded by a patent and copyright in an artistic work”.

The authors went on to point out that it is possibly the overlap between registered designs and other forms of intellectual property and possibly the uncertainty as to the boundaries of design law which has kept registered design law “*low profile*” and which has led to under utilisation of the statutory system of design registration. They pointed out that in Ireland in 2001, there were only 414 applications for registered design protection.

In Ireland, protection of designs formed part of the scheme of the **Industrial and Commercial (Protection) Act, 1927**. That Act has been substantially replaced by legislation in the 1960s dealing with specific areas, namely, patents, copyright and trademark.

But Part IV of the 1927 Act, which dealt with registered design, lingered on in conjunction with Section 172 of the same Act until the enactment of the **Industrial Designs Act** of 2001.

Because of the relationship between industrial designs and the general law of copyright, an originator had a difficult choice, in many cases, to make between relying on copyright law or seeking protection as a registered design. Since copyright protection was not permitted in respect of designs that were capable of being registered under Part IV of the 1927 Act, being designs which were used or intended to be used as models or patterns multiplied by an industrial process, the exact status and character of protection for designs and the protection, in particular, from 3 dimensional renditions of original 2dimensional designs was a difficult area of law depending, *inter alia*, on the artist’s intention when the two dimensional drawing was brought into existence.

The exact contours of the border between design and copyright were the subject of a very careful consideration by Costello J. in the case of *Allibert SA v. O'Connor*¹. That case concerned the design of plastic fish boxes. In brief, Costello J. found that the drawings for the fish boxes attracted copyright protection under the 1963 Act because the novel features of the box were dictated by their function and, accordingly, the drawing could not be regarded as a design capable of protection under the 1927 Act.

In a sense, a new form of unregistered design right for industrial components had arrived by the back door.

This interpretation gave rise to substantial policy difficulties. In essence, a higher and lengthier degree of protection was now offered to drawings for functional designs of manufactured products, such as spare parts, than would be available for drawings of similar products which embodied significant elements of design to be judged by appearance as distinct from function.

This anomaly was addressed in the **Copyright (Amendment) Act 1987**, which effectively denied copyright protection to mass produced functional products. The backdoor for unregistered design right was closed again.

In the UK, there were a number of significant legislative developments, including the **Design Copyright Act, 1968** and the **Copyright, Designs and Patents Act, 1988**. The latter introduced a statutory system of unregistered design right in parallel with registered design right.

Design right protection law remained a legislative and professional backwater in Ireland.

Eventually, however, the Irish **Industrial Designs Act, 2001**, came into force (on the 1st of July 2002), giving effect to the EU Directive on the Legal Protection of Designs (Council Directive 98/71/EC).

The **Industrial Designs Act 2001** (No. 39 of 2001) is referred to by Colm Kelly, in the Irish Current Law Statutes Annotated as “*the final piece of the legal jigsaw relating to Irish intellectual property*”.

Section 43 of the 2001 Act affords protection for registered designs for up to 25 years in successive five year periods dating from the date of registration. Each period must be the subject of a separate renewal application to the Controller of Patents, Designs and Trademarks.

The Industrial Designs Act of 2001, however, offered no protection in respect of unregistered designs.

¹ (1981) FSR 613

Community Registered Design Right

Parallel with the new Directive for protection for registered designs, the European Union has now established, under Council Regulation 6/2002/EC, a system for registering designs carrying EU wide protection. These designs are required to be registered before the Office for Harmonisation in the Internal Market (OHIM). The OHIM procedure is a simplified one. Rather than have detailed examination of applications for registration and rather than providing for opposition proceedings, the application is dealt with on a formal basis though interested third parties are given the right to seek to invalidate registered designs on a number of grounds, including the absence of novelty or the absence of “*individual character*” as defined by the Regulation.

Enter CUDR - Community Unregistered Design Right

The Community Design Regulation, however, also created a separate EU-wide system of protection for “*unregistered design right*”. For Ireland, this was an entirely new concept in industrial design law.

This paper is focused chiefly on Community Unregistered Design Right (CUDR) and its implications for intellectual property rights and law in Ireland.

CUDR and the Regulation on which it is based were judicially considered, for the first time in Ireland, in the recent *Karen Millen* case. The judgment in that case, delivered by Ms. Justice Finlay Geoghegan on the 21st of December 2007, is, accordingly a landmark decision.

I should stress, however, that the case is the subject matter of a live appeal to the Supreme Court and until that appeal is disposed of, the case must be viewed in that context. It is an authoritative statement of the law in Ireland on CUDR unless it is overturned or varied on appeal. Likewise, I want to stress that I do not intend today to say anything which directly or indirectly constitutes a comment on the appeal.

However, the *Karen Millen* case is noteworthy for a number of reasons.

Firstly, it is the first application of the CUDR to high street fashion design in these islands. Since CUDR is, by definition, not registered, decisions at OHIM level in this exact area will not be forthcoming in great numbers. It will primarily be a matter for each of the Member States of the European Union to implement this CUDR in accordance with the Regulation within their own respective jurisdictions.

However, as CUDR is an EU concept and is based directly on an EU Regulation, the Courts of individual Member States are bound to give the Regulation the same meaning in similar circumstances across the Member States.

As the Regulation itself states:

“A Community design shall have a unitary character. It shall have equal effect throughout the Community ...”.

Because many, but not all, of the Regulation’s provisions apply to registered and unregistered designs alike, the OHIM jurisprudence will have a very considerable influence on the implementation of CUDR law by the courts of the Member states.

What is CUDR?

“Design”, for the purpose of the Regulation, means “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation”.

The term “product” means any *“industrial or handicraft item, including inter alia parts intended to be assembled into a complex product, packaging, get up, graphic symbols and typographic typefaces, but excluding computer programmes”.*

A prerequisite for protection under the CDR is that the design should have *“new and individual character”*. In the case of CUDR, a design is considered *“new”* if *“no identical design has been made available to the public ... before the date on which the design for which protection is claimed has first been made available to the public”*.

Designs are considered to be identical if their features differ *“only in the material details”*.

As regards individual character, a design *“shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public in the case of an unregistered design before the date on which the design for which protection is claimed has first been made available to the public.”*

The Regulation requires that in assessing individual character the degree of freedom of the designer in developing the design shall be taken into consideration. Likewise, features of appearance solely dictated by technical function cannot amount to a community design, registered or unregistered.

The scope of protection conferred by a community design includes any design which does not produce on the informed user a different overall impression.

But an *unregistered* community design only confers on its holder the right to prevent other persons from making, offering, putting on the market, importing, exporting or using the product in which the design is incorporated or to which it is applied or from stocking

a product for such purposes where the rival product results “*from copying the protected design*”.

The rival product will not be deemed to result from copying the protected design if it results from an independent work of creation by a designer might be reasonably thought not to be familiar with the design made available to the public by the holder of the CUDR.

A person who claims that he or she has CUDR in any particular unregistered design must, in effect, assert it by court action. Likewise, a person who contests the validity of a CUDR can only establish such invalidity by applying to a Community Design Court (in Ireland the High Court) for a declaration to that effect or, otherwise, on the basis of a counterclaim in infringement proceedings commenced against that person.

Article 88 of the CDR provides that Member State’s Community Design Court must apply the provisions of the Regulation and on all matters not covered by the Regulation, must apply its national law, including its private international law, and that rules of procedure governing the same type of action relating to national design in the Member State where the Court is situated should apply to CDR cases unless otherwise provided in the Regulation.

As mentioned above, the *European Communities (Community Designs) Regulations 2003, S.I. 27 of 2003*, designate the High Court as the Community Design Court of First Instance in Ireland and the Supreme Court as a Community Design Court of Second Instance.

Approach To Implementation In CUDR Cases

As Ms. Justice Finlay-Geoghegan stated in the *Karen Millen* case:

“The parties are in substantial agreement as to how the Court should approach the interpretation and application of the Regulation. The Regulation establishes a new community design and it is desirable there should be consistency of interpretation throughout the community. The Court should have regard to relevant decisions (if any) of the European Court of Justice, other Community Design Courts and those of the Boards of Appeal and the Office of Harmonisation in the internal market (hereinafter ‘the OHIM’). The Court should construe the relevant provisions of the Regulation having regard to its recitals and any relevant prior working documents. It should also take a purposive rather than a literal approach to the construction of the Regulation in accordance with the interpretative approach of the European Court of Justice (hereinafter ‘the ECJ’).”

Recital 16 of the Regulation states that the Unregistered Community Design Right is intended in particular for products frequently having a short market life, where protection

without the burden of registration formalities is an advantage. This includes the retail fashion industry.

It should be noted that CUDR gives a maximum protection period of **three years** from the date on which the design was first made available to the public, whereas registered designs are granted protection for a five year period, renewable for five year terms up to 25 years, as is the case in Irish domestic registered designs. In addition, registered design owners can prevent infringement in cases where that does not result from proven direct copying. (In the *Karen Millen* case, the fact of copying was not in issue by the end of the hearing.)

The matters in issue included the following:

1. Did the Plaintiff own the CDR in the fashion designs?
2. On which party does the onus of establishing CUDR lie, and what evidence is required to discharge that onus?
3. Who or what is “*an informed user*” for the purposes of the Regulation?
4. How and upon what should the Court assess the overall impact of the designs on an informed user?
5. With what are the contested designs to be compared for the purpose of Article 6 of the Regulation? Should the comparison be with an actual design previously made available to the public or a combination or amalgam of designs or parts of designs made available to the public in the past?

Article 85(2) and the Onus of Proof

Quite a considerable portion of the judgment in the *Karen Millen* case was devoted to an examination of the exact meaning of Article 85(2) of the Regulation. That Article is by no means easy to construe.

However, the Court reached the following conclusions on the burden of proof in relation to a CUDR:

- (1) Where the Plaintiff claims infringement of a CUDR, the legal onus of proof is on the Plaintiff to establish a right to the CUDR and to establish its infringement.

- (2) There will normally be two distinct aspects of the claim to the right: the claim that the design right vests in the Plaintiff and the claim that the design is an unregistered community design.
- (3) The onus of proving that the design right vests in the Plaintiff is, and remains, on the Plaintiff until proved in accordance with the normal civil burden of the balance of probabilities. Article 14 of the Regulation is relevant as to how that vesting may be proved.
- (4) Article 85(2) of the Regulation specifies that the evidential burden which must be discharged by the Plaintiff in order that the Court treats the design as a valid unregistered community design right is as follows:
 - (a) Evidence that the design has been made available to the public within the community within the meaning of Article 11(2)(b),
 - (b) Evidence that the first date on which it was so made is within three years of the date on which the Plaintiff claims the right to protection to subsist for the purpose of the alleged infringement, and
 - (c) Identification of those elements of the design which the Plaintiff contends means that the total design produces a different overall impression on an informed user.
- (5) Where a Court finds that the Plaintiff has discharged the evidential burden referred to in paragraph 4, the Court treats the design as a valid unregistered community design subject to the Defendant's challenge (if any) to its validity.
- (6) Where such a challenge is made (either by a plea of invalidity or a counterclaim), the onus shifts to the Defendant to establish on the normal civil balance of probabilities that one or more of the grounds for invalidity specified in Article 25(1) is made out. Where the Defendant denies validity by reason of a failure of the design to meet the requirements of Article 6 for individual character, the burden of establishing that the design does not meet the requirement of Article 6 is on the Defendant.
- (7) If the Defendant's plea of invalidity succeeds, the Court ceases to treat the design as a valid, unregistered community design and no issue of infringement arises. If the Defendant's challenge to validity fails, the Court continues to treat the design as a valid, unregistered community design right and moves on to consider the infringement. The burden of proving the infringement is on the Plaintiff.

I should stress that this characterisation of the onus of proof is, in part, the subject matter of the appeal to the Supreme Court.

The “Informed User”

Another area where there was disagreement between the parties in the *Karen Millen* case, was as to the nature and identify of the “*informed user*”. This issue was also considered in *Proctor and Gamble v. Reckett Benkiser (UK)*, a decision of Lewison J. in the High Court of England and Wales which was reversed on appeal. The High Court reference is (2006) EWHC 3154 (CH) and the Court of Appeal reference is (2007) EWCA CIV 936.

Ms. Justice Finlay-Geoghegan concluded that “*an informed user*” is:

- (1) A notional person,
- (2) An end user, meaning a person who uses them for the purpose for which they are intended as distinct from any intermediate use such as retail sale.
- (3) Is aware of similar designs which form part of the relevant design corpus,
- (4) Is alert to design issues and better informed than the average consumer, and
- (5) Is considered to be familiar with the functional or technical requirements of the design or, perhaps more precisely, the product for which the design is intended.

In the case of women’s fashion items, she concluded:

“The notional informed user for the designs at issue is a woman with a keen sense of fashion, a good knowledge of design of women’s tops and shirts previously available to the public, alert to design and with a basic understanding of any functional or technical limitations on designs for women’s tops and shirts.”

The court, in *Karen Millen*, also held that it was unnecessary and irrelevant for the Court to consider evidence of the overall impression produced on any individual witness even if the witness had the characteristics required by the Court’s decision for the relevant notional informed user.

Different Overall Impression – Different From What?

The court went on to hold that the designs which the Plaintiff were claiming had been infringed did produce an different overall impression from any prior design cited by the Defendants. The Court rejected the notion that the difference in overall impression must be between the design in issue and an amalgam of the pre-existing design corpus.

While cautioning, once more, that the case is under appeal, it does appear from the High Court decision that designs of items such as women’s fashion items are now protected in

Irish law from copycat infringements even where the designs are unregistered. The scope of the protection is against “*copying*” in the sense of deliberate reproduction of a rival product which differs from the Plaintiff’s product only in immaterial ways.

Most decidedly, it *cannot* be claimed for the *Karen Millen* decision that it gives any monopoly or copyright in general fashion trends, and, in the case of unregistered design right, it must be remembered that where the alleged infringer establishes on the probabilities that he or she arrived at the same design by an innocent route, no protection will be afforded to an unregistered design against an identical design.

It would also appear that imitation short of copying does *not* infringe an unregistered community design right and, accordingly, that there is nothing inherently unlawful in a retailer setting out to provide a similar type of fashion product as long as the retailer does not produce the similar fashion product by copying.

It should be emphasised that the High Court found that the comparison from the point of view of novelty and the test of “*different overall impression*” is between the product for which CUDR is claimed and any individual prior product. Thus, the individual character of the product in respect of which protection is sought, is *not* established by contrasting it with the trend of previous designs or with the broad category or concept of previous designs or with an amalgam of previous designs viewed as a corpus.

There is a logic to that finding by the High Court. It prevents a rival from exactly copying a designer’s product and then claiming that the product copied, although producing a different overall impression from individual prior designs, is not conceptually original.

Applying that test to, say, motor cars, it would prevent motor car manufacturer A from exactly copying motor car manufacturer B’s product and then denying infringement by simply pointing out that B’s product was not *conceptually different* from many other products which preceded it.

Comment

By way of final comment, perhaps the most interesting aspect of the *Karen Millen* case is that CUDR, a major innovation in Irish intellectual property law was very little spoken in public about or publicly understood until now. The High Court decision, if upheld on appeal, should neither be exaggerated as to its potential effect nor underestimated.

It certainly offers a remedy to a person who claims that he or she is the subject of predatory copycat-design retail tactics. It does not, however, create effective monopolies in style trends, concepts, or fashion ideas in a way that prohibits or discourages price competition by any imitator who brings any significant degree of individual design to its competing products. **ENDS**