

How the Intellectual Property Act 2014 changes British Registered Design Law



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In everyday language we use *design* in two senses. It can refer to the shape or configuration of something functional such as an item of machinery or it can refer to something that is pleasing to the eye or other senses like a garment or piece of furniture. A broadly similar distinction is maintained at law. Generally, unregistered design right protects functional designs while registered designs ornamental ones. However, it is not a hard and fast division. Design right is relied upon by the fashion, toys and jewellery industry and a design is not excluded from registration merely because it is functional.

Design Registration

A design may be registered for the United Kingdom alone under the Registered Designs Act 1949¹ or for the whole of the European Union including the United Kingdom under the Community Design Regulation² if and insofar as it is *new* and has *individual character*. In both the Act and Regulations design is defined as “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.” A design is *new* if no identical design has been made available to the public before the date of filing of the application for registration or, if priority is claimed, the date of priority. Designs shall be deemed to be identical if their features differ only in immaterial details³. A design has *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

¹ 1949 c 88

(<http://www.ipo.gov.uk/regdesignactchanges.pdf>)

² Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ EC No L 3 of 5.1.2002, p. 1) amended by Council Regulation No 1891/2006 of 18 December 2006 amending Regulations (EC) No 6/2002 and (EC) No 40/94 to give effect to the accession of the European Community to the Geneva Act of the Hague Agreement concerning the international registration of industrial designs (OJ EC No L 386 of 29.12.2006, p. 14) https://oami.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/cdr_legal_basis/62002_cv_en.pdf

³ Art 4 of the Designs Directive (Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs OJ L 289, 28/10/1998 P. 28 – 35) (https://oami.europa.eu/tunnelweb/secure/webdav/guest/document_library/contentPdfs/law_and_practice/cdr_legal_basis/EUR-Lex%20-%2031998L0071_en.htm)

available to the public before the date of filing of the application for registration or, if priority is claimed, the date of priority⁴. Designs may be registered for the UK alone at the Intellectual Property Office (“IPO”) in Newport or for whole the EU at the Office for Harmonization in the Internal Market (Trade Mark and Designs) (“OHIM”) in Alicante. Registration of a design confers the exclusive right to use the design and to prevent any third party not having the registered proprietor’s consent from using it. “Use” for these purposes includes making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes. Designs are registered initially for 5 years but the registration may be renewed 4 times giving a total of 25 years protection.

Proposals to Reform Design Law

In *Digital Opportunity A Review of Intellectual Property and Growth*⁵ Professor Hargreaves noted that the role of IP in supporting the design industry had been neglected. He recommended an evidence based assessment of the relationship between design rights and innovation to be made by the IPO with a view to establishing a firmer basis for evaluating policy at UK and European levels. In accordance with that recommendation the IPO issued a call for evidence in Sept 2011⁶ to which 22 persons responded⁷. They complained of the complexity of design law and the costs and difficulties of enforcement⁸. It was recognized from the start that as national design law has to comply with the TRIPS agreement⁹, the Paris Convention¹⁰ and the Designs Directive¹¹ there was a limit to the changes to the legislative framework that could be made. On 24 July 2012 the IPO published proposals for removing inconsistencies between the Registered Designs Act 1949 and the Copyright Designs and Patents Act 1988, abolishing the Registered Designs Appeals Tribunal and replacing it with appeals to an Appointed Person, extending the examiners’ opinions service to designs, UK accession to the Hague Agreement¹² and a new

⁴ Art 5 *ibid*

⁵ An Independent Report by Professor Ian Hargreaves May 2011 <http://www.ipo.gov.uk/ipreview-finalreport.pdf>

⁶ Call for Evidence, Design

<http://www.ipo.gov.uk/hargreaves-designs-c4e.pdf>

⁷ A further 117 responded to an online survey. See Appendix A of the *IPO Assessment of the Need for Reform of the Design Intellectual Property Framework* 19 Nov 2011 <http://www.ipo.gov.uk/hargreaves-designsassessment.pdf>

⁸ *Ibid*

⁹ Agreement on Trade-Related Aspects of Intellectual Property Rights

http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm

¹⁰ Paris Convention for the Protection of Industrial Property http://www.wipo.int/treaties/en/text.jsp?file_id=288514

¹¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31998L0071:en:HTML>

¹² The Hague Agreement Concerning the International Deposit of Industrial Designs

http://www.wipo.int/treaties/en/text.jsp?file_id=285214

criminal offence of deliberately copying registered and registered Community designs¹³. Following further consultation the government introduced a bill containing those provisions¹⁴ together with others relating to patents and other intellectual property rights into the House of Lords. Most of the Bill's provisions were uncontroversial. The only one that was not was the clause that created a new offence of deliberate copying of registered designs. That clause horrified those who saw it as a precursor to criminalizing patent infringement but it did not go far enough for the design lobby which pressed for criminal sanctions for unregistered design infringement throughout the passage of the Bill. In the end the Bill was passed on 14 May 2014¹⁵ with very few amendments just over a year after it had been introduced.

Structure of the Act

The Intellectual Property Act 2014 ("IPA") consists of 24 sections divided into 4 parts and a schedule. Part I is concerned with designs, Part II with patents, Part III with miscellaneous matters and Part IV with commencement and rule making. Part I covers registered, registered Community and unregistered designs. I have already discussed the provisions relating to unregistered designs in *How the Intellectual Property Act 2014 will change British Unregistered Design Right Law*¹⁶. The provisions that relate to registered designs are:

- S.6 - commissioned designs
- S.7 - prior use
- S.8 - accession to the Hague Agreement
- S.9 - changes to the register
- S.10 - appeals
- S.11 - examiners' opinions
- S.12 - extending the registrar's powers to make directions on design matters
- S.13 – criminal liability for deliberate copying of a registered design, and
- S.14 – offences committed by partnerships.

Probably the most important provisions so far as designers and their professional advisors are concerned will be the extension of the opinions service to design, the replacement of the Registered Designs Appeals Tribunal by the Appointed Person and accession to the Hague Agreement.

Commissioned Designs

¹³ *Consultation on the Reform of the UK Designs Legal Framework*
<http://www.ipo.gov.uk/consult-2012-designs.pdf>

¹⁴ The Intellectual Property Bill
<http://www.publications.parliament.uk/pa/bills/lbill/2013-2014/0005/2014005.pdf>

¹⁵ The Intellectual Property Act 2014 c 18
<http://www.legislation.gov.uk/ukpga/2014/18/contents/enacted>

¹⁶ 6 June 2014 JD Supra
<http://www.jdsupra.com/legalnews/how-the-intellectual-property-act-2014-w-01291/> and Slideshare
<http://www.slideshare.net/nipclaw/newsfeed>

S.2 (1A) of the Registered Designs Act 1949 provides:

"Where a design is created in pursuance of a commission for money or money's worth, the person commissioning the design shall be treated as the original proprietor of the design."

This subsection was inserted into the Registered Designs Act 1949 by s.267 (2)¹⁷ of the Copyright, Designs and Patents Act 1988. S.215 (2) provided that the person commissioning a design would be the first owner of the design right in the design. The purpose of s.267 (2) was to ensure that such a person would also be entitled to apply to register the design.

As I mentioned in *How the Intellectual Property Act 2014 will change British Unregistered Design Right Law*¹⁸ s.215 (2) of the 1988 Act has been repealed by s.2 of the Intellectual Property Act 2014. S.6 makes a corresponding repeal of s.2 (1A) of the 1949 Act. Following commencement, s.2 will be as follows:

"2 Proprietorship of designs.

(1) The author of a design shall be treated for the purposes of this Act as the original proprietor of the design, subject to the following provisions.

.....

(1B) Where, a design is created by an employee in the course of his employment, his employer shall be treated as the original proprietor of the design.

(2) Where a design . . . becomes vested, whether by assignment, transmission or operation of law, in any person other than the original proprietor, either alone or jointly with the original proprietor, that other person, or as the case may be the original proprietor and that other person, shall be treated for the purposes of this Act as the proprietor of the design. ...

(3) In this Act the "author" of a design means the person who creates it.

(4) In the case of a design generated by computer in circumstances such that there is no human author, the person by whom the arrangements necessary for the creation of the design are made shall be taken to be the author."

S.6 (2) of the 2014 Act also repeals s.3 (2) of the Registered Designs Act 1949 which provides for applications to be made by persons claiming to be the proprietor.

Prior Use

¹⁷ <http://www.legislation.gov.uk/ukpga/1988/48/section/267>

¹⁸ 6 June 2014 JD Supra
<http://www.jdsupra.com/legalnews/how-the-intellectual-property-act-2014-w-01291/> and Slideshare
<http://www.slideshare.net/nipclaw/newsfeed>

Art 22 (1) of the Community Design Regulation provides:

“A right of prior use shall exist for any third person who can establish that before the date of filing of the application, or, if a priority is claimed, before the date of priority, he has in good faith commenced use within the Community, or has made serious and effective preparations to that end, of a design included within the scope of protection of a registered Community design, which has not been copied from the latter.”

There are similar rights of prior user under s.64 (1) of the Patents Act 1977¹⁹ and s.11 (3) of the Trade Marks Act 1994²⁰ but not in the Registered Designs Act 1949. S.7 of the Intellectual Property Act 1914 inserts a new s.7B into the Registered Designs Act 1949 in the following terms:

“Right of prior use

(1) A person who, before the application date, used a registered design in good faith or made serious and effective preparations to do so may continue to use the design for the purposes for which, before that date, the person had used it or made the preparations to use it.

(2) In subsection (1), the “application date”, in relation to a registered design, means—

(a) the date on which an application for the registration was made under section 3, or

(b) where an application for the registration was treated as having been made by virtue of section 14(2), the date on which it was treated as having been so made.

¹⁹ “**Right to continue use begun before priority date**
64.(1) Where a patent is granted for an invention, a person who in the United Kingdom before the priority date of the invention -

(a) does in good faith an act which would constitute an infringement of the patent if it were in force, or
(b) makes in good faith effective and serious preparations to do such an act,
has the right to continue to do the act or, as the case may be, to do the act, notwithstanding the grant of the patent; but this right does not extend to granting a licence to another person to do the act.”

<http://www.ipo.gov.uk/patentsact1977.pdf>

²⁰ “(3) A registered trade mark is not infringed by the use in the course of trade in a particular locality of an earlier right which applies only in that locality.

For this purpose an “earlier right” means an unregistered trade mark or other sign continuously used in relation to goods or services by a person or a predecessor in title of his from a date prior to whichever is the earlier of-

(a) the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his, or

(b) the registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his; and an earlier right shall be regarded as applying in a locality if, or to the extent that, its use in that locality is protected by virtue of any rule of law (in particular, the law of passing off).”

(3) Subsection (1) does not apply if the design which the person used, or made preparations to use, was copied from the design which was subsequently registered.

(4) The right conferred on a person by subsection (1) does not include a right to licence another person to use the design.

(5) Nor may the person on whom the right under subsection (1) is conferred assign the right, or transmit it on death (or in the case of a body corporate on its dissolution), unless—

(a) the design was used, or the preparations for its use were made, in the course of a business, and

(b) the right is assigned or transmitted with the part of the business in which the design was used or the preparations for its use were made.”

This new section will apply only to designs registered after the commencement of the section.²¹

Accession to the Hague Agreement

The Hague Agreement enables applicants to apply simultaneously to register an industrial design for a number of countries by filing a single application. It operates in much the same way as the Patent Cooperation Treaty²² does with patents and the Madrid Protocol²³ with trade marks. For many years only a few countries were party to the Agreement but the European Union acceded in 2011, South Korea in 2014 and there are signs that other important countries intend to join. S.8 (1) of the Intellectual Property Act 2014 inserts a new s.15ZA into the Registered Designs Act 1949 which will allow the Secretary of State to make an Order in Council that will enable the UK to accede to the Agreement²⁴.

²¹ S.7 (2)

²² <http://www.wipo.int/pct/en/texts/articles/atoc.htm>

²³ http://www.wipo.int/wipolex/en/wipo_treaties/text.jsp?file_id=283484

²⁴ “**15ZA Accession to the Hague Agreement**

(1) The Secretary of State may by order make provision for giving effect in the United Kingdom to the provisions of the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs adopted by the Diplomatic Conference on 2 July 1999.

(2) An order under this section may, in particular, make provision about—

(a) the making of applications for international registrations at the Patent Office;

(b) the procedures to be followed where an international registration designates the United Kingdom;

(c) the effect of an international registration which designates the United Kingdom;

(d) the communication of information to the International Bureau;

(e) the payment of fees.

(3) An order under this section may—

(a) amend this Act;

(b) apply specified provisions of this Act with such modifications as may be specified.

(4) An expression used in subsection (2) and in the Agreement referred to in subsection (1) has the same meaning in that subsection as it has in the Agreement.”

Corresponding Rights in Unregistered Designs

S.272 and para 10 of Sched 3 to the Copyright, Designs and Patents Act 1988 inserted the following subsection (3A) into the Registered Designs Act 1949:

“(3A) Where design right subsists in a registered design, the registrar shall not register an interest under subsection (3) unless he is satisfied that the person entitled to that interest is also entitled to a corresponding interest in the design right.”

S.9 (1) of the Intellectual Property Act 2014 repeals that subsection²⁵.

Inspection of Documents

S.9 (2) inserts a title and amends s.22 of the Registered Designs Act 1949 as follows:

“22. *Inspection of registered designs and associated documents*”²⁶

(1) Where a design has been registered under this Act, there shall be open to inspection at the Patent Office on and after the day on which the certificate of registration is issued—

(a) the representation or specimen of the design,

(aa) every document kept at the Patent Office in connection with that design.

(b)

This subsection has effect subject to subsections (4) to (7)²⁷ and to any rules made under section 5(2) of this Act.

(2)

(3)

(4) Where registration of a design has been refused pursuant to an application under this Act, or an application under this Act has been abandoned in relation to any design—

(a) the application, so far as relating to that design, and

(b) any representation, specimen or other document which has been filed and relates to that design, shall not at any time be open to inspection at the Patent Office or be published by the registrar.

(5) For the purposes of subsection (1), a document is not to be regarded as open for inspection unless

²⁵ <http://www.legislation.gov.uk/ukpga/2014/18/section/9/enacted>

²⁶ Inserted pursuant to s.9 (2) of the Intellectual Property Act 1949
<http://www.legislation.gov.uk/ukpga/2014/18/section/9/enacted>

²⁷ Italicized text inserted pursuant to s.9 (3) of the Intellectual Property Act 2014

(in addition to being open for inspection in hard copy) it is made available by electronic transmission in such a way that members of the public may access it at a place and time individually chosen by them.²⁸

(6) The Secretary of State may by rules specify cases or circumstances in which a document kept at the Patent Office in connection with a registered design may not be inspected.

(7) Rules made under subsection (6) may confer a discretion on the registrar²⁹.”

S.37 (2) of the Registered Designs Act 1949 is amended to permit the Secretary of States to make regulations to implement this section.

Remedies for Innocent Infringement

S.24B (1) of the Registered Designs Act 1949 provides:

“In proceedings for the infringement of the right in a registered design damages shall not be awarded, and no order shall be made for an account of profits, against a defendant who proves that at the date of the infringement he was not aware, and had no reasonable ground for supposing, that the design was registered.”

All other remedies are available, however, including the right to an injunction³⁰

S.10 (1) of the Intellectual Property Act 2014 deletes the words “and no order shall be made for an account of profits” from s.24B (1) which means that accounts of profits can be awarded against an innocent infringer but not damages.

Appeals from the Registry

Hearing officers appointed to hear cases on behalf of the Registrar have jurisdiction to determine applications for declarations of invalidity under s.11ZB (3) of the Registered Designs Act 1949 and other designs disputes. At present appeals lie from those hearing officers to the Registered Designs Appeal Tribunal which is established under s.28 of the Act 2014.

S.10 (4) of the Intellectual Property Act 2014 abolishes that tribunal. In its place s.10 (2) inserts a new s.27A and a new s.27B into the Registered Designs Act 1949. Those sections provide for appeals to be made to an *Appointed Person* or to the court³¹. These provisions are very similar to s.76

²⁸ Italicized text inserted pursuant to s.9 (4) Intellectual Property Act 2014

²⁹ Italicized text inserted pursuant to s.9 (5) *ibid*

³⁰ S.24B (3) Registered Designs Act 1949

³¹ “**27A Appeals from decisions of registrar**

(1) An appeal against a decision of the registrar under this Act may be made to—

(a) a person appointed by the Lord Chancellor (an appointed person), or
(b) the court.

and s.77 of the Trade Marks Act 1994. The advantage of an appeal to the Appointed Person is that costs are awarded on the same basis as in the

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- (2) On an appeal under this section to an appointed person, the appointed person may refer the appeal to the court if—
- (a) it appears to the appointed person that a point of general legal importance is involved,
 - (b) the registrar requests that the appeal be so referred, or
 - (c) such a request is made by any party to the proceedings before the registrar in which the decision appealed against was made.
- (3) Before referring an appeal to the court under subsection (2), the appointed person must give the appellant and any other party to the appeal an opportunity to make representations as to whether it should be so referred.
- (4) Where, on an appeal under this section to an appointed person, the appointed person does not refer the appeal to the court—
- (a) the appointed person must hear and determine the appeal, and
 - (b) the appointed person's decision is final.
- (5) Sections 30 and 31 (costs, evidence) apply to proceedings before an appointed person as they apply to proceedings before the registrar.
- (6) In the application of this section to England and Wales, "the court" means the High Court.

27B Persons appointed to hear and determine appeals

- (1) A person is not eligible for appointment under section 27A (1) (a) unless the person—
- (a) satisfies the judicial-appointment eligibility condition on a 5-year basis,
 - (b) is an advocate or solicitor in Scotland of at least 5 years' standing,
 - (c) is a member of the Bar of Northern Ireland or solicitor of the Court of Judicature of Northern Ireland of at least 5 years' standing, or
 - (d) has held judicial office.
- (2) An appointed person must hold and vacate office in accordance with his terms of appointment, subject to subsections (3) to (5).
- (3) An appointed person is to be paid such remuneration (whether by way of salary or fees) and such allowances as the Secretary of State may with the approval of the Treasury decide.
- (4) An appointed person may resign office by notice in writing to the Lord Chancellor.
- (5) The Lord Chancellor may by notice in writing remove an appointed person ("A") from office if—
- (a) A has become bankrupt or made an arrangement with A's creditors or, in Scotland, A's estate has been sequestrated or A has executed a trust deed for A's creditors or entered into a composition contract,
 - (b) A is incapacitated by physical or mental illness, or
 - (c) A is, in the opinion of the Lord Chancellor, otherwise unable or unfit to perform A's duties as an appointed person.
- (6) Before exercising a power under section 27A or this section, the Lord Chancellor must consult the Secretary of State.
- (7) The Lord Chancellor may remove a person from office under subsection (5) only with the concurrence of the appropriate senior judge.
- (8) The appropriate senior judge is the Lord Chief Justice of England and Wales, unless—
- (a) the person to be removed exercises functions wholly or mainly in Scotland, in which case it is the Lord President of the Court of Session, or
 - (b) the person to be removed exercises functions wholly or mainly in Northern Ireland, in which case it is the Lord Chief Justice of Northern Ireland."

Registry³² but the drawback is that the Appointed Person's decision is final³³. Other subsections of s.10 of the Intellectual Property Act 2014 make further consequential amendments.

Opinions Service

S.13 (1) of the Patents Act 2004 inserted a new s.74A and a new s.74B into the Patents Act 1977 which established a form of early neutral evaluation for patent disputes. S.74A (1) allowed the proprietor of a patent or any other person to request an opinion from the Comptroller-General of Patents, Designs and Trade Marks as to whether a patent has been or would be infringed or whether it is invalid for want of novelty or obviousness. Such opinions are delivered by patent examiners on behalf of the Comptroller. The service has proved to be very popular in the 10 years or so since it was introduced. It costs £200 which is a fraction of the cost of counsel's opinion and as the examiner usually enjoys the benefit of argument and evidence from both sides it can be more accurate. Although examiners' opinions bind no one they facilitate settlement negotiations and litigation funding.

S.11 (1) of the Intellectual Property Act 2014 inserts a new s.28A³⁴ into the Registered Designs Act 1949

³² S.27A (5)

³³ S.27A (4) (b)

³⁴ "Opinions service"

28A Opinions on designs

- (1) The Secretary of State may by regulations make provision about the making of requests to the registrar for an opinion on specified matters relating to—
- (a) designs registered under this Act;
 - (b) designs of such other description as may be specified.
- (2) The regulations must require the registrar to give an opinion in response to a request made under the regulations, except—
- (a) in specified cases or circumstances, or
 - (b) where for any reason the registrar considers it inappropriate in all the circumstances to do so.
- (3) The regulations may provide that a request made under the regulations must be accompanied by—
- (a) a fee of a specified amount;
 - (b) specified information.
- (4) The regulations must provide that an opinion given by the registrar under the regulations is not binding for any purposes.
- (5) The regulations must provide that neither the registrar nor any examiner or other officer of the Patent Office is to incur any liability by reason of or in connection with—
- (a) any opinion given under the regulations, or
 - (b) any examination or investigation undertaken for the purpose of giving such an opinion.
- (6) An opinion given by the registrar under the regulations is not to be treated as a decision of the registrar for the purposes of section 27A.
- (7) But the regulations must provide for an appeal relating to an opinion given under the regulations to be made to a person appointed under section 27A; and the regulations may make further provision in relation to such appeals.
- (8) The regulations may confer discretion on the registrar.
- (9) Regulations under this section—
- (a) may make different provision for different purposes;
 - (b) may include consequential, incidental, supplementary, transitional, transitory or saving provision.
- (10) In this section, "specified" means specified in regulations under this section."

which enables the Secretary of State to make regulations about the making of requests to the registrar for an opinion on specified matters relating to registered designs registered and such other designs as may be specified. Those specified matters will almost certainly include infringement and validity but also perhaps other matters. They are also likely to include questions on the subsistence of unregistered design right as I mentioned in *How the Intellectual Property Act 2014 will change British Unregistered Design Right Law*³⁵.

Forms and Directions

Both the Patents Act 1977 and the Trade Marks Act 1994 contain provisions³⁶ that allow the Comptroller to specify the use of forms and give directions for patent and trade mark applications. S.12 (1) of the Intellectual Property Act 2014 inserts a new s.31A into the Registered Designs Act 1949 which gives the Registrar similar powers in respect of registered designs³⁷.

Unauthorized Copying of a Registered Design

S.13 (1) of the Intellectual Property Act 2014 inserts a new s.35ZA³⁸ into the Registered Designs Act

³⁵ 6 June 2014 JD Supra

<http://www.jdsupra.com/legalnews/how-the-intellectual-property-act-2014-w-01291/> and Slideshare <http://www.slideshare.net/nipclaw/newsfeed>

³⁶ S.123 (2A) of the Patents Act 1977 and s.66 (1) Trade Marks Act 1994

³⁷ **“31A Power to require use of forms**

(1) The registrar may require the use of such forms as the registrar may direct for—

(a) an application for the registration of a design;
(b) representations or specimens of designs or other documents which may be filed at the Patent Office.

(2) The forms, and any directions by the registrar about their use, are to be published in the prescribed manner.”

³⁸ **35ZA. Offence of unauthorised copying etc. of design in course of business**

(1) A person commits an offence if—

(a) in the course of a business, the person intentionally copies a registered design so as to make a product—
(i) exactly to that design, or
(ii) with features that differ only in immaterial details from that design, and
(b) the person does so—
(i) knowing, or having reason to believe, that the design is a registered design, and
(ii) without the consent of the registered proprietor of the design.

(2) Subsection (3) applies in relation to a product where a registered design has been intentionally copied so as to make the product—

(a) exactly to the design, or
(b) with features that differ only in immaterial details from the design.

(3) A person commits an offence if—

(a) in the course of a business, the person offers, puts on the market, imports, exports or uses the product, or stocks it for one or more of those purposes,
(b) the person does so without the consent of the registered proprietor of the design, and
(c) the person does so knowing, or having reason to believe, that—

(i) a design has been intentionally copied without the consent of the registered proprietor so as to make the

1949 which creates new offences of unauthorized copying of, and other dealings in relation to, a registered design. It also inserts a new s.35ZB that provides for the enforcement of that provision by trading standards officers in England, Wales and Northern Ireland³⁹, a new s.35ZC that provides for the forfeiture of infringing products in those countries⁴⁰ and a new s.35ZD that makes corresponding provision for Scotland.

product exactly to the design or with features that differ only in immaterial details from the design, and
(ii) the design is a registered design.

(4) It is a defence for a person charged with an offence under this section to show that the person reasonably believed that the registration of the design was invalid.

(5) It is also a defence for a person charged with an offence under this section to show that the person—

(a) did not infringe the right in the design, or

(b) reasonably believed that the person did not do so.

(6) The reference in subsection (3) to using a product in the course of a business does not include a reference to using it for a purpose which is merely incidental to the carrying on of the business.

(7) In this section “registered design” includes a registered Community design; and a reference to the registered proprietor is, in the case of a registered Community design, to be read as a reference to the holder.

(8) A person guilty of an offence under this section is liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding ten years or to a fine or to both;

(b) on summary conviction in England and Wales or Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both;

(c) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or to a fine not exceeding the statutory maximum or to both.”

³⁹ **“35ZB Section 35ZA: enforcement**

(1) The following provisions of the Trade Descriptions Act 1968 (which provide for the enforcement of that Act by local weights and measures authorities or the relevant Northern Ireland Department) apply as if section 35ZA were a provision of that Act—

(a) section 27 (power to make test purchases);

(b) section 28 (power to enter premises and inspect and seize goods and documents);

(c) section 29 (obstruction of authorised officers);

(d) section 33 (compensation for loss etc. of seized goods).

(2) Any enactment which authorises the disclosure of information for the purpose of facilitating the enforcement of the Trade Descriptions Act 1968 applies—

(a) as if section 35ZA were a provision of that Act, and

(b) as if the functions of any person in relation to the enforcement of that section were functions under that Act.

(3) Nothing in this section is to be construed as authorising a local weights and measures authority to bring proceedings in Scotland.”

⁴⁰ **35ZC Section 35ZA: forfeiture in England and Wales or Northern Ireland**

(1) In England and Wales or Northern Ireland, a person who, in connection with the investigation or prosecution of an offence under section 35ZA, has come into the possession of relevant products or articles may apply under this section for an order for the forfeiture of the products or articles.

(2) “Relevant product” means a product which is made exactly to a registered design, or with features that differ only in immaterial details from a registered design, by copying that design intentionally.

The government introduced this legislation in the face of objections or misgivings from The British Association of The International Federation of Intellectual Property Attorneys⁴¹, The Chartered Institute of Patent Attorneys⁴², The City of London Law Society⁴³, Sir Robin Jacob and the Professors of Intellectual Property Law at the Universities of Oxford, Cambridge, Glasgow, Edinburgh and Bournemouth and King's College London⁴⁴, Dyson Ltd⁴⁵, The Intellectual Property Bar Association⁴⁶, Intellectual Property Lawyers Association⁴⁷, IP Federation⁴⁸, Licensing Executives Society (Britain and Ireland)⁴⁹, the Ministry of Defence⁵⁰ and others on the ground that enforcement through the civil courts was too expensive for small and medium enterprises despite the streamlining and cost capping to the predecessor of the Intellectual Property Enterprise Court that came into effect on 1

(3) "Relevant article" means an article which is specifically designed or adapted for making copies of a registered design intentionally.

(4) An application under this section may be made—

(a) where proceedings have been brought in any court for an offence under section 35ZA relating to some or all of the products or articles, to that court;

(b) where no application for the forfeiture of the products or articles has been made under paragraph (a), by way of complaint to a magistrates' court.

(5) On an application under this section, the court may make an order for the forfeiture of products or articles only if it is satisfied that an offence under section 35ZA has been committed in relation to the products or articles.

(6) A court may infer for the purposes of this section that such an offence has been committed in relation to any products or articles if it is satisfied that such an offence has been committed in relation to products or articles which are representations of them (whether by reason of being of the same design or part of the same consignment or batch or otherwise).

(7) Any person aggrieved by an order made under this section by a magistrates' court, or by a decision of such a court not to make such an order, may appeal against that order or decision—

(a) in England and Wales, to the Crown Court;

(b) in Northern Ireland, to the county court.

(8) An order so made may contain such provision as appears to the court to be appropriate for delaying the coming into force of the order pending the making and determination of any appeal (including any application under section 111 of the Magistrates' Courts Act 1980 or Article 146 of the Magistrates' Courts (Northern Ireland) Order 1981).

(9) Subject to subsection (10), any products or articles forfeited under this section are to be destroyed in accordance with such directions as the court may give.

(10) On making an order under this section, the court may, if it considers it appropriate to do so, direct that the products or articles to which the order relates shall (instead of being destroyed) be released to such person and on such conditions as the court may specify."

⁴¹ <http://www.ipo.gov.uk/response-2012-designs-ficpi.pdf>

⁴² <http://www.ipo.gov.uk/response-2012-designs-cipa.pdf>

⁴³ <http://www.ipo.gov.uk/response-2012-designs-clls.pdf>

⁴⁴ <http://www.ipo.gov.uk/response-2012-designs-dickson.pdf>

⁴⁵ <http://www.ipo.gov.uk/response-2012-designs-dyson.pdf>

⁴⁶ <http://www.ipo.gov.uk/response-2012-designs-ipbar.pdf>

⁴⁷ <http://www.ipo.gov.uk/response-2012-designs-ipla.pdf>

⁴⁸ <http://www.ipo.gov.uk/response-2012-designs-ipfed.pdf>

⁴⁹ <http://www.ipo.gov.uk/response-2012-designs-les.pdf>

⁵⁰ <http://www.ipo.gov.uk/response-2012-designs-mod.pdf>

Oct 2010⁵¹. The *Updated Impact Assessment for a criminal offence for the copying of a UK or EU Registered Design*⁵² estimated that there might be 6 prosecutions a year in the UK since there are 12 in Germany under similar legislation. If that estimate turns out to be accurate this section is unlikely to do much for such SMEs, especially if prosecutions by trading standards officers are brought on behalf of luxury goods manufacturers rather than up and coming young designers. If registered proprietors want to take advantage of this new sanction they will have to prosecute privately which could be at least as expensive and evidentially rather more difficult than taking proceedings in the civil courts.

Two offences are created by that section:

- intentionally copying a registered design to make a product exactly to the design or with only immaterial differences in the course of a business⁵³; and
- offering such a product, putting it on the market, importing, exporting or using the product, or stocking it for one or more of those purposes in the course of a business⁵⁴.

It is important to note that it is not enough to prove that a registered or registered Community design has been infringed. The prosecutor has to show that the design was *copied* and that the copying was intentional. The product that results from the copying must be exactly to the registered design as it appears in the specification or differ from it only in immaterial details. Copying a product manufactured by the registered design proprietor which itself differs from the registered design in one or more material respects would not suffice. The copying must be in the course of a business and the prosecutor has to show that the defendant knew or had reason to believe that the design was a registered or registered Community design and that the copying was without the consent of the registered proprietor.

The same ingredients have to be proved in a prosecution for offering such a product, putting it on the market, importing, exporting or using the product, or stocking it for one or more of those purposes in the course of a business. So, too, of course has the offering, importing, exporting or use in the course of a business. *Use* in the course of a business does not extend to use for a purpose which is merely incidental to the carrying on a business⁵⁵. In addition, the prosecutor has to prove that the defendant knew or had reason to believe that a design had been intentionally copied without the consent of the registered proprietor so as to make a product exactly to the design or with

⁵¹ See Jane Lambert *New Patents County Court Rules* 31 Oct 2010 NIPC Law

<http://nipclaw.blogspot.co.uk/2010/10/new-patent-county-court-rules.html>

⁵² <http://www.parliament.uk/documents/impact-assessments/IA13-16M.pdf>

⁵³ S.35ZA (1)

⁵⁴ S.35ZA (3)

⁵⁵ S.35ZA (6)

features that differ only in immaterial details from the design⁵⁶, and that the design was registered either under the Registered Designs Act 1949 or the Community Design Regulation⁵⁷.

It is a defence to both offences to show that the defendant reasonably believed that the registration of the design was invalid⁵⁸, that he did not infringe the design⁵⁹ or that he reasonably believed that he did not do so⁶⁰. As to whether or not a defendant knew or had reason to believe that a design was registered, it is worth noting that a person shall not be deemed to have been aware or to have had reasonable grounds for supposing that a design was registered for the purpose of s.24B (1) of the Registered Designs Act 1949⁶¹ by reason only of the marking of a product with the word "registered" or any abbreviation thereof, or any word or words expressing or implying that the design applied to, or incorporated in, the product has been registered, unless the number of the design accompanied the word or words or the abbreviation in question⁶². Although an examiner's opinion under s.28A would be non-binding it would probably afford a defence of reasonable belief of invalidity for the purposes of s.35ZA (4) or of non-infringement for the purposes of s.35ZA (5) (b).

The maximum penalties for an offence under s.35ZA (1) or (3) are 10 years imprisonment, a fine or both if convicted on indictment or 6 months imprisonment, a fine not exceeding the statutory maximum or both if convicted summarily⁶³. The court can also order forfeiture of products made exactly to a registered design or with features that differ only in immaterial details⁶⁴ as well as articles specifically designed or adapted to making such products⁶⁵ if satisfied that an offence under s.35ZA has been committed in relation to such articles⁶⁶. These provisions are enforced by local authority trading standards officers whose powers under the

Trade Descriptions Act 1968 are extended to proceedings under this Act⁶⁷.

Criminal Liability of Partners

S.14 of the Intellectual Property Act 2014 changes the title of s.24A of the Registered Designs Act 1949 so that it becomes "*Offence by body corporate or partnership: liability of officers or partners*" and inserts 5 new subsections⁶⁸ which approximate the criminal liability of partners for offences under the 1949 Act to that of company directors.

Consequences for Practitioners

There are likely to be more challenges to design registrations either by way of applications to the Designs Registry for declarations of invalidity or requests for examiners' opinions on designs' validity once that service becomes available. The option of appeals to the Appointed Person will reduce the risk of massive adverse costs orders. Possibly the risk of prosecution under s.35ZA (however remote) will also encourage invalidity applications and requests for examiners' opinions.

Accession to the Hague Agreement should encourage more applications for British design registrations from overseas. The appeal of the Hague Agreement to British design proprietors may be limited by the small number of countries that are party to that Agreement but that will change in time.

Litigators and advocates should be aware of the availability of a prior user defence in registered design disputes. ■

⁵⁶ S.35ZA (3) (c) (i)

⁵⁷ Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ EC No L 3 of 5.1.2002, p. 1) amended by Council Regulation No 1891/2006 of 18 December 2006 amending Regulations (EC) No 6/2002 and (EC) No 40/94 to give effect to the accession of the European Community to the Geneva Act of the Hague Agreement concerning the international registration of industrial designs (OJ EC No L 386 of 29.12.2006, p. 14) https://oami.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/aw_and_practice/cdr_legal_basis/62002_cv_en.pdf

⁵⁸ S.35ZA (4)

⁵⁹ S.35ZA (5)(a)

⁶⁰ S.35ZA (5) (b)

⁶¹ "In proceedings for the infringement of the right in a registered design damages shall not be awarded, and no order shall be made for an account of profits, against a defendant who proves that at the date of the infringement he was not aware, and had no reasonable ground for supposing, that the design was registered."

⁶² S.24B (2)

⁶³ S.35ZB (8)

⁶⁴ S.35ZC (2)

⁶⁵ S.35ZC (3)

⁶⁶ S.35ZC (6)

⁶⁷ S.35ZB (1) and (2)

⁶⁸ "(3) Proceedings for an offence under this Act alleged to have been committed by a partnership are to be brought against the partnership in the name of the firm and not in that of the partners; but without prejudice to any liability of the partners under subsection (6) or (7).

(4) The following provisions apply for the purposes of such proceedings as in relation to a body corporate—

(a) any rules of court relating to the service of documents; (b) in England and Wales, Schedule 3 to the Magistrates' Courts Act 1980;

(c) in Northern Ireland, Schedule 4 to the Magistrates' Courts (Northern Ireland) Order 1981.

(5) A fine imposed on a partnership (other than a Scottish partnership) on its conviction in such proceedings must be paid out of the partnership assets.

(6) Where a partnership (other than a Scottish partnership) is guilty of an offence under this Act, every partner, other than a partner who is proved to have been ignorant of or to have attempted to prevent the commission of the offence, is also guilty of the offence and liable to be proceeded against and punished accordingly.

(7) Where an offence under this Act committed by a Scottish partnership is proved to have been committed with the consent or connivance of a partner in the partnership, or a person purporting to act in that capacity, he as well as the partnership is guilty of the offence and liable to be proceeded against and punished accordingly."