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Trade and Employment

Public Consultation on EU reform package on industrial designs

Proposal for a Directive on the legal protection of industrial designs and a proposal for a Regulation amending Council Regulation (EC) No. 6/2002 on Community Designs and repealing Commission Regulation No. 2246/2002

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A. Overview

1. Subject of the Public Consultation

The Department of Enterprise, Trade and Employment is seeking the views of stakeholders and interested parties on a proposal for a reform package on industrial designs, consisting of a Directive (recast) of the European Parliament and of the Council to approximate the laws of the Member States relating to industrial designs, and a Regulation amending Council Regulation (EC) No. 6/2002 on Community Designs, published by the European Commission on 28 November 2022.

Stakeholders and interested parties are asked to submit written contributions on the proposal by 5pm on **24 February** 2023. The Department will represent Ireland at negotiations on the Commission's proposals over the coming months and responses to the consultation will help inform the work to be undertaken by the Department in relation to the Directive and Regulation.

2. Background

The design of a product is often the main reason that consumers choose it over others. Industrial design rights protect the appearance of a product, which results from attributes such as its shape, colours or materials.

The industrial design protection system in Europe is more than twenty years old. The laws of the Member States relating to industrial designs were partially aligned by Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998.

Alongside the national design protection systems, Council Regulation (EC) No 6/2002 of 12 December 2001 established a stand-alone system for protecting unitary rights that have equal effect throughout the EU in the form of the Registered Community Design ('RCD') and the unregistered Community design.

The Commission carried out an overall evaluation of the current Directive and Regulation, which was published in November 2020. It concluded that the EU legislation on design protection had met the objectives and was still largely fit for purpose. However, the evaluation revealed some shortcomings that need to be addressed to make the legal framework fit to support the digital and green transition of EU industry, and to become substantially more accessible and efficient for industries, SMEs and individual designers. These shortcomings include, in particular, a lack of clarity and robustness of certain key elements of design protection (subject matter, scope of rights and limitations), outdated or overly complicated procedures, inappropriate fee levels and fee structure, lack of coherence of the procedural rules and an incomplete single market for spare parts.

With respect to Regulation (EC) No 6/2002, the evaluation identified certain shortcomings. In particular, the procedures for registering RCDs are partly outdated or involve unnecessary administrative burden, and the level and structure of payable fees are sub-optimal.

Based on the findings of the evaluation, the European Commission conducted an impact assessment and thereafter decided to revise the legislation. The various steps in the impact assessment, from defining problems and their causes to identifying objectives and possible policy options, relied on the findings of the evaluation report.

The European Commission adopted two (package) proposals for a revised Regulation and Directive on 28 November 2022 which, inter alia, aspire to:

- modernise existing provisions to clarify rights in terms of scope and limitations
- simplify and streamline the process of registering designs in the EU
- adjust and optimise the level and structure of payable fees
- harmonise procedures and ensure they complement national design systems
- allow the reproduction of original designs for repair purposes of complex products (such as cars) with an EU-wide “repair clause”.

The proposals follow the Intellectual Property Action Plan, adopted in November 2020, which aims to revise the EU legislation on design protection. It reflects calls from stakeholders, the Council and the European Parliament requesting the modernisation of the legislation, while aiming to build on results of a comprehensive evaluation of the EU design legislation reform.

3. Specific Provisions of the Proposal for a Directive

As this is a proposal for the recast of Directive 98/71/EC, the explanations below focus solely on new provisions or provisions that are to be amended.

Chapter 1: General provisions

- *Definition of design and product (Article 2)*

Updated and more detailed definitions of the product and design notions are proposed to be part of the general provisions.

Chapter 2: Substantive law on designs

- *Design protection through registration only (Article 3)*

The current Directive permits Member States to provide design protection also in unregistered form. It is proposed to remove that discretion by limiting design protection to registered protection only.

- *Commencement of protection* (Article 10).

Clarifies that design protection commences only with the registration of the design in the register.

- *Right to a registered design* (Articles 11 and 12)

New provisions on the right to the registered design, including presumption of ownership, are proposed.

- *Grounds for non-registrability and scope of substantive examination* (Articles 13 and 29)

The grounds for non-registrability should be set out in an exhaustive manner.

- *Grounds for invalidity* (Article 14)

It is proposed to convert optional provisions into mandatory ones to increase predictability and consistency with the EU design system.

- *Object of protection* (Article 15)

For greater legal certainty in relation to the 'visibility requirement', a specific provision is proposed whereby design protection is conferred on those features of appearance which are shown visibly in the application for registration, and that design features otherwise do not need to be visible at any particular time or in any particular situation to attract protection.

- *Scope of rights conferred by a registered design* (Article 16)

To more effectively address the challenges brought by the increased deployment of 3D printing technologies, it is proposed to adjust the scope of design rights.

In addition, it is proposed to permit right holders to prevent counterfeit products from transiting EU territory or from being placed in another customs situation without being released for free circulation there.

- *Presumption of validity* (Article 17)

It is proposed that a provision on presumption of validity be added to the Directive.

- *Limitation of the rights conferred* (Article 18)

It is proposed to complement the list of permissible uses by the addition of referential use and critique and parody.

- *Repair clause* (Article 19)

It is proposed to insert a repair clause similar to that already contained in Article 110 of Regulation (EC) No 6/2002. This clause is explicitly limited to (form-dependent) ‘must match’ parts of complex products, to make allowance for the judgment of the CJEU in the Acacia case.

In addition, it should be made explicit that the repair clause can be used as a defence against infringement claims only if consumers are duly informed of the origin of the product to be used for the purpose of the repair. The repair clause would have (unlimited) instant legal effect only for the future, while safeguarding protection of existing rights for a transitional 10-year period.

- *Prior use defence* (Article 21)

A right of prior use is introduced in line with Article 22 of Regulation (EC) No 6/2002. This defence against infringement will protect those who invested in good faith in a product design before the priority date of a registered design.

- *Principle of cumulation* (Article 23)

The principle of cumulation of design and copyright protection is maintained, while taking account of the fact that, since the original legislation was adopted, harmonisation has progressed in the copyright area.

- *Design notice* (Article 24)

A design notice is made available to holders of registered designs permitting them to inform the public about the registration of a design.

Chapter 3: Procedures

A set of principal rules on procedures are added to the Directive in line with Directive (EU) 2015/2436 to approximate the laws of the Member States on trade marks.

- *Requirements of representation* (Article 26)

To ensure that the representation of designs is subject to the same future-proofed requirements for clear and precise representation of designs throughout the EU, a set of detailed provisions is proposed, to be added to the Directive.

- *Multiple applications* (Article 27)

It is proposed to provide for the possibility to combine several designs in one application as currently without requiring that the combined designs concern products of the same class of the Locarno Classification.

- *Deferment of publication* (Article 30)

It is proposed to provide for the option of requesting deferment of the publication of a design application for a period of 30 months from the date of filing the application.

- *Administrative invalidity proceedings* (Article 31)

Member States should provide for an administrative procedure for challenging the validity of a design registration to be handled by their intellectual property offices.

4. Main Provisions of the Proposal for a Regulation

- *Definition of design and product* (Article 3)

The definitions are updated, clarified and broadened with the purpose of (i) making the proposal for a Regulation future-proof in the light of technological advancement and (ii) providing greater legal certainty and transparency as to the eligible subject matter of design protection.

- *Object of protection* (Article 18a)

A specific provision is proposed to be added whereby design protection is conferred only on those features of appearance, which are shown visibly in the application for registration.

- *Scope of rights conferred by a registered design* (Article 19)

To enable design right holders to more effectively address the challenges brought by the increased deployment of 3D printing technologies, it is proposed to adjust the scope of design rights.

- *Limitation of the rights conferred* (Article 20)

It is proposed to complement the list of permissible uses by adding 'referential use' and 'critique and parody'.

- *Repair clause* (Article 20a)

The transitional repair clause currently contained in Article 110 of Regulation (EC) No 6/2002 is proposed to be converted into a permanent provision.

In addition, it should be made explicit that the repair clause can be used as a defence against infringement claims only if consumers are duly informed of the origin of the product to be used for the repair.

- *Design notice* (Article 26a)

A design notice is made available to holders of registered EU designs, permitting them to inform the public that the design has been registered.

- *Principle of cumulation* (Article 96(2))

The principle of cumulation of design and copyright protection is maintained.

- *Requirements of design representation* (Articles 36 and 36a)

The aim of the proposed new Article 36a is to empower the Commission to specify the details to be contained in the application for a registered EU design, including the updating of the standards of design representation to be fit for the digital age.

- *Multiple applications* (Article 37)

It is proposed to abolish the 'unity of class' requirement so that applicants are able to combine several designs in one multiple application without being limited to products of the same Locarno Class.

- *Alignment with EU trade mark proceedings*

Several amendments are proposed to make RCD proceedings more streamlined such as (i) the abandonment of the option to file an RCD application through one of the central industrial property offices of the Member States, (ii) the introduction of the option to apply for the continuation of proceedings or the revocation of a decision by the EUIPO, and (iii) the extension of the rules on professional representation to cover the whole EEA.

- *Payable fees* (Annex I)

Given the essential importance of the amounts of RCD fees for the overall functioning of the design protection system in the EU and its complementary relationship as regards national design protection systems, both the amounts of RCD fees and the rules on payment currently laid down in Commission Regulation (EC) No 2246/2002 (the Fees Regulation) are proposed to be integrated into Regulation (EC) No 6/2002. The Fees Regulation will therefore become obsolete and is proposed to be repealed.

It is further proposed to reduce the level of the application fee, which together with the abolition of the 'unity of class' requirement for multiple applications, shall make access to registered EU design protection more affordable, in particular for SMEs and individual designers, which tend to file fewer design applications than larger firms.

In addition, it is proposed to simplify the schedule of RCD fees to further increase the accessibility, transparency and user-friendliness of the system for applicants for registered EU design protection.

B. Information on Consultation Process

1. Submissions

Respondents are requested to make their submissions by email to the Intellectual Property Unit at trademarks@enterprise.gov.ie. Submissions should be marked “Proposal for a reform package on industrial designs”.

The closing date for submissions is **5pm on 24 February 2023**.

2. Confidentiality of Submissions

Contributors are requested to note that it is the Department’s policy to treat all submissions received as being in the public domain unless confidentiality is specifically requested. Respondents are therefore requested to clearly identify material they consider to be confidential and to place same in a separate annex to their response, labelled confidential. Where responses are submitted by email, and those emails include automatically generated notices stating that the content of same should be treated as confidential, contributors should clarify in the body of their emails as to whether their comments are to be treated as confidential.

3. Freedom of Information Act 2014 and Publication of Submissions

The Department may decide to make public on its website all submissions received under this consultation. Your attention is also drawn to the fact that information provided to the Department may be disclosed in response to a request under the Freedom of Information Act 2014. Therefore, should you consider that any information you provide is commercially sensitive, please identify same, and specify the reason for its sensitivity. The Department will consult with you regarding information identified by you as sensitive before publishing or otherwise disclosing it.

4. General Data Protection Regulation (GDPR)

Respondents should note that the General Data Protection Regulation (GDPR) entered into force in Ireland on 25th May 2018, and it is intended to give individuals more control over their personal data. The key principles under the Regulation are as follows: —

- Lawfulness, fairness and transparency;
- Purpose Limitation;
- Data minimisation;
- Accuracy;
- Storage Limitation;
- Integrity and confidentiality, and

- Accountability

The Department of Enterprise, Trade and Employment is subject to the provisions of the Regulation in relation to personal data collected by it from 25 May 2018. Any personal information which you volunteer to this Department, will be treated with the highest standards of security and confidentiality, strictly in accordance with the Data Protection Acts 1988 to 2018.