EUROPEAN
COMMISSION

Brussels, 6.11.2020
SWD(2020) 264 final

COMMISSION STAFF WORKING DOCUMENT

EVALUATION

of EU legislation on design protection

{SWD(2020) 265 final}

Table of contents

1. INTRODUCTION ... 4

2. BACKGROUND TO THE INTERVENTION ... 5

2.1. DESCRIPTION OF THE INTERVENTION AND ITS OBJECTIVES ... 5

2.2. BASELINE AND POINTS OF COMPARISON ... 6

3. IMPLEMENTATION/STATE OF PLAY ... 9

3.1. DESCRIPTION OF THE CURRENT SITUATION ... 9

3.2. USE OF THE DESIGN PROTECTION SYSTEM ... 10

3.3. TECHNOLOGICAL DEVELOPMENT AND AWARENESS OF DESIGN PROTECTION ... 16

4. METHOD ... 18

4.1. SHORT DESCRIPTION OF METHODOLOGY ... 18

4.2. LIMITATIONS AND ROBUSTNESS OF FINDINGS ... 18

5. ANALYSIS ... 19

5.1. OVERALL FUNCTIONING OF THE EU SYSTEM FOR DESIGN PROTECTION ... 19

5.1.1. GENERAL FEEDBACK ON THE FUNCTIONING OF THE EU SYSTEM FOR DESIGN PROTECTION ... 19

5.1.2. GENERAL FEEDBACK ON THE ACHIEVEMENT OF THE EU INTERVENTION'S OBJECTIVES ... 20

5.2. PROTECTION TOOLS ... 20

5.2.1. DIFFERENT WAYS OF PROTECTING DESIGNS ... 20

5.2.2. PROTECTION REQUIREMENTS AND SCOPE OF PROTECTION ... 24

5.2.3. RIGHTS CONFERRED ... 29

5.2.4. DEFENCES TO INFRINGEMENT ... 31

5.2.5. TERM OF PROTECTION ... 33

5.2.6. RELATION TO OTHER FORMS OF IP PROTECTION ... 34

5.2.7. CONCLUSIONS ... 36

5.3. PROCEDURES ... 37

5.3.1. MEANS AND REQUIREMENTS OF DESIGN REPRESENTATION ... 37

5.3.2. DIFFERENT FILING OPTIONS ... 41

5.3.3. SUBSTANTIVE EXAMINATION ... 45

5.3.4. ADMINISTRATIVE INVALIDITY PROCEEDINGS ... 47

5.3.5. EXPERIENCE WITH THE COMMUNITY AND NATIONAL REGISTRATION SYSTEMS ... 49

5.3.6. FEES ... 53

5.3.7. CONCLUSIONS ... 56

5.4. ENFORCEMENT ... 58

5.4.1. DESIGN RIGHTS AS PROTECTION TOOLS AGAINST THE UNLAWFUL BEHAVIOUR OF THIRD PARTIES ... 59

5.4.2. FUNCTIONING OF THE DESIGN ENFORCEMENT SYSTEM ... 60

5.4.3. FUNCTIONING OF THE COMMUNITY DESIGN COURTS 62
5.4.4. CONCLUSIONS 63
5.5. SPARE PARTS 64
5.5.1. SPECIFIC RULES ON SPARE PARTS USED FOR REPAIR PURPOSES 64
5.5.2. SEGMENTED INTERNAL MARKET FOR SPARE PARTS 66
5.5.3. CONCLUSIONS 69
5.6. INTERNATIONAL DIMENSION 69
5.6.1. LINK TO THE INTERNATIONAL HAGUE AGREEMENT 70
5.6.2. CONFORMITY WITH THE DESIGN LAW TREATY 70
5.7. COHERENCE WITH THE TRADE MARK REFORM 71
5.8. COMPLIANCE WITH THE LISBON TREATY 72
5.9. OVERALL CONCLUSIONS 72
ANNEX 1: PROCEDURAL INFORMATION 75
ANNEX 2: STAKEHOLDER CONSULTATION – SYNOPSIS REPORT 78
ANNEX 3: METHODS AND ANALYTICAL MODELS 85
ANNEX 4: RESULTS OF THE OPEN PUBLIC CONSULTATION – FACTUAL SUMMARY REPORT 88
ANNEX 5: OVERVIEW OF COSTS – BENEFITS IDENTIFIED IN THE EVALUATION 132
ANNEX 6: CONVERGENCE OF PRACTICES 138

Glossary

Term or acronym	*Meaning or definition*
3D Printing Study	"The Intellectual property implications of the development of industrial 3D printing", April 2020
CJEU	Court of Justice of the European Union
Directive	Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs
EC	European Commission
Economic Review	"The Economic Review of Industrial Design in Europe", January 2015
Enforcement Directive	Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights
EPO	European Patent Office
EU	European Union
EUIPO	European Union Intellectual Property Office
EUTM	European Union trade mark
EUTM Regulation	Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark
Fees Regulation	Commission Regulation (EC) No 2246/2002 of 16 December 2002 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) in respect of the registration of Community designs
Hague System	Hague System for the International Registration of Industrial Designs
Implementing Regulation	Commission Regulation (EC) No 2245/2002 of 21 October 2002 implementing Council Regulation (EC) No 6/2002 on Community designs
IP	Intellectual property
IPR	Intellectual property rights
Legal Review	"Legal review on industrial design protection in Europe", April 2016
Observatory	European Observatory on Infringements of Intellectual Property Rights
Public Consultation	Public consultation "Evaluation of EU legislation on design protection", 18 December 2018 - 30 April 2019
RCD	Registered Community Design
Regulation	Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs
UCD	Unregistered Community Design
WIPO	World Intellectual Property Organization

1. INTRODUCTION

This evaluation aims to provide an in-depth assessment of the overall functioning of the design protection system in the European Union including both EU and national levels. It analyses to what extent the current EU legislation on design protection, consisting of:

- Directive 98/71/EC on the legal protection of designs[1] ('the Directive'),
- Regulation (EC) 6/2002 on Community Designs[2] ('the Regulation'),
- Regulation (EC) 2245/2002 implementing the Community Design Regulation[3] ('the Implementing Regulation'), and
- Regulation (EC) 2246/2002 on fees payable to the European Union Intellectual Property Office ('the Fees Regulation')[4],

has achieved its objectives in terms of efficiency, effectiveness, relevance, coherence and EU added value. It also aims to assess the degree to which that legislation is still fit for purpose, in particular given the pace of digital transformation and technological development, including the increasing role of digital designs and 3D printing.

The evaluation aims to provide a solid evidence base and show whether: (i) the legislation has met its original objectives; and (ii) the EU's design protection system needs to be improved or updated. On the basis of the evaluation results, the European Commission will decide whether and to what extent the current EU legislation on design protection needs to be reviewed.

EU Member States were required to transpose the Directive into national law by 28 October 2001. The Regulation entered into force on 6 March 2002, and both the Implementing Regulation and the Fees Regulation entered into force on 24 December 2002. On 1 January 2003, the European Union Intellectual Property Office ('EUIPO') started to accept applications for registered Community designs, with the first date of filing being granted on 1 April 2003. Because the Community design regime and the national design protection systems of the Member States began to coexist and complement each other starting on 1 April 2003, this evaluation covers the period from 2003 up to 2019.

No overall evaluation of the Directive and Regulation has taken place since their adoption. The sole exception concerns their transitional provisions on design protection for spare parts (see Section 5.5.1), the evaluation of which was mandated by Article 18 of the Directive, and followed by proposing in 2004 the removal of the option for Member States to retain such protection at national level. However, the relevant Commission

[1] 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.
[2] Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, OJ L 3, 5.1.2002, p. 1.
[3] Commission Regulation (EC) No 2245/2002 of 21 October 2002 implementing Council Regulation (EC) No 6/2002 on Community designs, OJ L 341, 17.12.2002, p. 28.
[4] Commission Regulation (EC) No 2246/2002 of 16 December 2002 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs) in respect of the registration of Community designs, OJ L 341, 17.12.2002, p. 54.

proposal[5] did not find sufficient support in the Council and was finally withdrawn in 2014.

The Regulation was amended once in 2006 to give effect to the EU's accession to the Geneva Act of the Hague Agreement concerning the international registration of international designs (see Section 5.6.1).

The evaluation covers all 28 countries that were members of the EU in 2019, i.e. including the United Kingdom.

2. BACKGROUND TO THE INTERVENTION

2.1. DESCRIPTION OF THE INTERVENTION AND ITS OBJECTIVES

The EU intervention in the area of industrial designs aimed at removing barriers to the free flow of goods by creating a single market for design protection in the EU on two levels: by harmonising national law through the Directive, and by creating a unitary protection title (one right covering the territory of the whole EU) through the Regulation. The intervention was proposed as part of the EU's efforts to provide a solid framework for industrial property protection, and followed after initiatives on patents[6] and trade marks[7].

The laws of the Member States providing for design protection at domestic level were partially harmonised by the Directive. The harmonisation concerned key aspects of substantive design law without covering procedures. It intended to promote the internal market and prevent EU-wide competition being distorted by ensuring that the conditions for obtaining registered design rights are identical and that those rights confer upon right holders equivalent protection in all Member States. However, it was not possible to achieve agreement on the harmonisation of design protection for spare parts (see Section 5.5). Member States were allowed to retain their existing laws on whether spare parts should benefit from such protection until amendments to the Directive are adopted, although they were only permitted to amend those laws if the purpose was to liberalise the spare parts market.

In addition, and as a complement alongside national systems providing protection by means of registered national design rights[8], the Regulation established autonomous unitary protection for designs in the form of the 'unregistered Community design' ('UCD') and the 'registered Community design' ('RCD'). The UCD right simply arises by virtue of first disclosure without requiring registration. The RCD is granted and administered by the EUIPO, upon one application made to the EUIPO in accordance with a single procedure under one law. Both RCD and UCD have a uniform effect throughout the EU (see Section 5.2.1).

[5] Proposal for a Directive of the European Parliament and of the Council amending Directive 98/71/EC on the legal protection of designs, COM(2004) 582 final.

[6] Avant-Projet de Convention relative à un droit Européen des Brevets, http://aei.pitt.edu/14064/1/PATENT-FRENCH.PDF.

[7] Proposals for a first Council Directive to approximate the laws of the Member States relating to trade marks and for a Council Regulation on the Community trade mark, COM(80) 635 final.

[8] Within the EU28 there were 25 different national protection systems. Only the United Kingdom provided protection for both registered and unregistered designs.

The main objectives of the intervention can be summarised as follows:

- reduce obstacles to freedom of movement for design goods and ensure undistorted competition;
- provide enhanced and effective legal protection for designs;
- create a variable and balanced protection system serving the needs of all actors (in particular both owners and users of designs) and industry sectors;
- improve access to a simple and affordable design protection system, in particular for individual designers and SMEs;
- reduce transactional and litigation costs.

The above specific objectives were meant to contribute to the achievement of the overall objective: promoting the contribution of individual designers and encouraging innovation and development of new products and investment in their production. The intervention logic represented on the below diagram (Fig. 1) shows how the EU intervention intended to address these objectives.

2.2. BASELINE AND POINTS OF COMPARISON

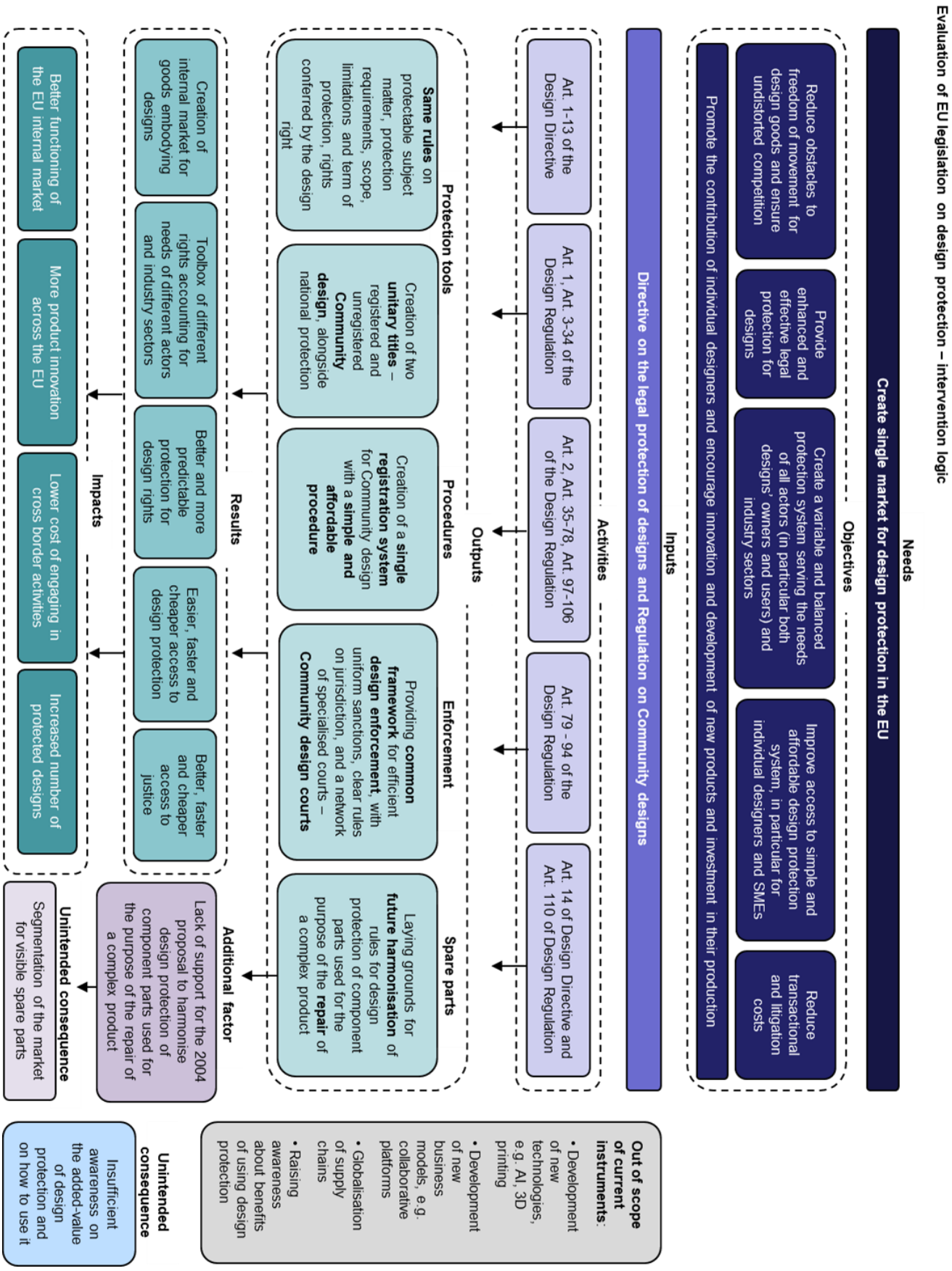
The situation before the adoption of the Directive and Regulation was characterised by national design legislation of the Member States being widely disparate[9]. Apart from very different formal requirements and procedures under which a registered design right could be obtained, the national laws differed considerably on key substantive aspects. The latter included the conditions for obtaining protection, the nature and scope of rights conferred by the registration, and the term of protection. These large disparities made it very possible that a design right could exist in one Member State but not in another and thus impeded the free movement of goods embodying designs[10]. They also distorted the conditions of competition for companies operating across the EU, to the particular disadvantage of small or medium-sized industries[11].

As the territorial scope of design rights was then limited to the territory of the individual Member States, design products could also be the subject of national rights held by different individuals. This made a division of the internal market possible, constituting an additional obstacle to the free movement of goods[12].

On the other hand, EU applicants were not able to obtain design protection extending in geographical scope beyond the territory of a Member State in a single application. The Benelux countries were an exception: since 1975 they formed a regional area of design protection[13], which allowed applicants to have their designs registered with the Benelux Intellectual Property Office for the entire area as supranational right.

[9] For details on the existing disparities in national laws see 'Green Paper on the Legal Protection of Industrial Designs', Working Document of the Services of the Commission, III/F/5131/91-EN (1991) ('Green Paper'), p. 17 et seqq., and A. Kur and M. Levin, 'The Design Approach revisited: background and meaning', in A. Kur, M. Levin and J. Schovsbo, 'The EU design approach', p. 2 and 4 et seqq. with references to in-depth studies.
[10] See the Green Paper, p. 30.
[11] See Recitals 2, 3, 9, 10 and 17 of the Directive, Recital 3 of the Regulation, and the Green Paper, p. 31.
[12] See Recital 4 of the Regulation.
[13] See Recital 2 of the Regulation and the 'Convention Benelux en matière de dessins et modèles' (1966).

Fig. 1 – Intervention logic



The Hague System for the International Registration of Industrial Designs ('Hague System'), administered by the World Intellectual Property Organization ('WIPO'), made it possible to obtain at lower overall costs, through one application to WIPO, a design registration in several jurisdictions. However, at that time only half of the Member States were a contracting party to that system[14]. In addition, the use of the Hague System leads only to a bundle of national rights covered by the international registration. The latter can be transferred or renewed as one but the rights obtained remain subject to the relevant national design law in each territory[15].

In the absence of a system offering protection for the whole EU through one application in accordance with a single procedure under one law[16], companies trading beyond national borders and wishing to gain protection across the EU thus had no choice but to seek protection on a country-by-country basis. That implied a great level of complexity and bureaucracy. The companies were not only required to file numerous individual applications in different languages, but were also required to do this under distinct domestic laws and procedures. The latter often caused considerable delay in the granting of the design right, not least due to complex examination of prior art carried out by some of the offices. In addition, the companies had to pay, at different times, separate registration and renewal fees for all the individual design rights granted. They also usually had to contract a domestic agent for each Member State to properly deal with the local specificities and requirements (including monitoring of the different durations of protection). This generated very substantial additional burden and cost. Finally, the great variation in the level and quality of protection obtained in the Member States resulted in a lack of legal certainty, proving detrimental to investment[17].

Most companies interviewed for the purpose of a prospective study on the future demand for design registration at EU level, carried out for the EUIPO in 2002[18] before it started design operations, were very happy with the introduction of Community design. Price and the territorial scope of protection were stated as key factors influencing companies' willingness to opt for registering their designs through the EUIPO in the future[19]. The study also concluded that companies in countries that were not a contracting party to the Hague System, and that wished to register their designs in three or more countries in the EU, were most likely to go immediately to the EUIPO as an easier and less expensive option[20]. The conclusion of that study matches later views of design law practitioners that an RCD will usually be more cost effective than filing for national protection in three or more Member States[21].

Moreover, although individual industrial sectors in the EU have different needs (some of them producing large numbers of designs for products with a short market life where protection involving registration formalities did not constitute an advantage and the

[14] Those Member States were the Benelux countries, France, Germany, Greece, Italy, and Spain.
[15] For more details on the Hague System see Section 5.6.1.
[16] See Recitals 5 and 6 of the Regulation.
[17] Cristopher M. Aide, 'The Community Design: European Union-Wide Protection for your Design Portfolio', 1 Nw.J. TECH. & INTELL. PROP. 35(2003), https://scholarycommons.law.nothwestern.edu/njtip/vol1,iss1/2, referring to a corresponding press release of the EUIPO, CP/01/02, dated 14.12.2003.
[18] 'Prospective Study about the Design Registration Demand at a European Union Level' (Executive Summary), Study for the Office for Harmonisation in the Internal Market, Quota Union, 2002, p. 26.
[19] *Ibidem*, p. 29.
[20] *Ibidem*, p. 28.
[21] See e.g. David Stone, 'European Union Design Law, A Practitioners' Guide', Second Edition, 2016, p. 348.

duration of protection was of less importance), all sectors were confined to the option of obtaining design protection in registered form with the same duration of protection (with the exception of the United Kingdom which also provided for shorter protection for unregistered designs)[22].

Finally, the territorial limitation of national design protection and different national rules on enforcement made it difficult for design owners operating at the EU level to enforce their rights in an efficient manner throughout the EU[23].

Conclusions

Without the adoption of the Directive and the Regulation the legal framework on design protection, composed of the national laws of Member States, would likely have remained strongly fragmented. It would not have allowed for significant convergence, including on the practices of national IP offices.

The persistence of wide disparities in Member States' national laws, and the limitation of the effect of national design protection to the territory of a Member State, would not have allowed the creation of a single market for goods embodying designs. It would also have severely distorted competition. Considering the number and economic value of design applications in the EU before and after the introduction of the RCD (see Section 3.2), both the acquisition and enforcement of design protection (on a state-by-state basis) across the EU would most probably have been much more difficult, time-consuming and expensive for businesses (in particular for SMEs and individual designers). This would have discouraged the contribution to design excellence and stifled innovation and the development of new products as well as investment in their manufacturing.

3. IMPLEMENTATION/STATE OF PLAY

3.1. DESCRIPTION OF THE CURRENT SITUATION

The Member States had to transpose the Directive into national law by 28 October 2001[24]. Given the considerable number and importance of required changes to the widely disparate national design laws of the Member States, only three Member States (Denmark, France, and Italy) were able to meet that deadline. Infringement proceedings for failure to notify transposition measures in time were opened by the Commission against 12 Member States[25]. Seven of those proceedings[26] were referred to the Court of Justice of the European Union ('CJEU'). The transposition process by all the Member States was completed on 1 June 2004[27]. All new Member States have transposed the Directive into their national laws.

The conformity assessments carried out by the Commission – with the help of supporting studies – raised very little doubt as to the transposing measures' general compliance with the provisions of the Directive. Only one infringement proceeding was opened against

[22] See Recitals 15 to 17, and 24 of the Regulation.
[23] See Recital 29.
[24] Article 19(1) of the Directive.
[25] Austria, Belgium, Finland, Germany, Greece, Ireland, Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom.
[26] Against Austria, Belgium, Germany, Luxembourg, Netherlands, Portugal, and Spain (see 20th annual report on monitoring the application of Community law (2002), COM(2003)669 final, p. 51).
[27] Entry into force of the last transposition measure at national level – German 'Gesetz zur Reform des Geschmacksmusterrechts', BGBl. no 11, Teil 1 vom 18/3/2004, p. 39.

a Member State (Italy) and referred to the CJEU[28]. The generally high degree of conformity of the transposing national law of Member States was also attested by the Legal review on design protection in Europe[29] ('Legal Review').

The Legal Review further concluded that the implementation of the Directive was largely satisfactory. However, the interpretation of certain provisions, in particular around the very kernel of design protection that is the subject-matter of protection, raised some issues. This was due to the introduction by the Directive of several new legal terms of art, which courts, practitioners and users of the design system needed to deal with. Different interpretations of the subject-matter of protection were also confirmed by collaboration of the EUIPO and national IP offices as part of liaison meetings and convergence projects (see Section 5.2.2 and Annex VI).

The Regulation did not require national law to bring it into effect. However, it obliges[30] Member States to designate in their territories a limited number of national courts and tribunals of first and second instance ('Community design courts') to perform the functions assigned to them by the Regulation. Member States were expected to communicate a list of Community design courts to the Commission by 6 March 2005[31]. The Commission initiated proceedings against a number of Member States to encourage them to comply with those obligations. All Member States have designated such courts in the meantime (see Section 5.4).

3.2. USE OF THE DESIGN PROTECTION SYSTEM

Why firms use or produce designs

Design is what makes a product appealing. Visual appeal is one of the key factors that influences consumers' choices and leads them to prefer one product over another. Well-designed products create an important competitive advantage for producers. Companies that invest in design tend to be more profitable and grow faster[32]. Design rights cover the appearance of a product or part of a product. To encourage innovation and the creation of new product design, there is an increasing need for accessible, modern, effective and consistent legal protection of those rights.

According to an analysis carried out for the Organisation for Economic Co-operation and Development ('OECD')[33], the use of (a broadly understood) design as an integrated element is highly correlated with innovation outcomes, particularly product and marketing innovations, including new-to-market innovations. The percentage of innovative turnover of product-innovating firms is on average nine times higher in firms using design as an integrated element.

---

[28] It concerned non-compliance of the Italian national law with the principle of cumulation laid down in Article 17 of the Directive and providing for design rights to subsist beside copyright protection.

[29] Legal review on design protection in Europe, 2016, p. 153. It examined the law of Austria, Czechia, Denmark, France, Germany, Italy, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Spain, Slovenia, Sweden, and the United Kingdom.

[30] Article 80(1) of the Regulation.

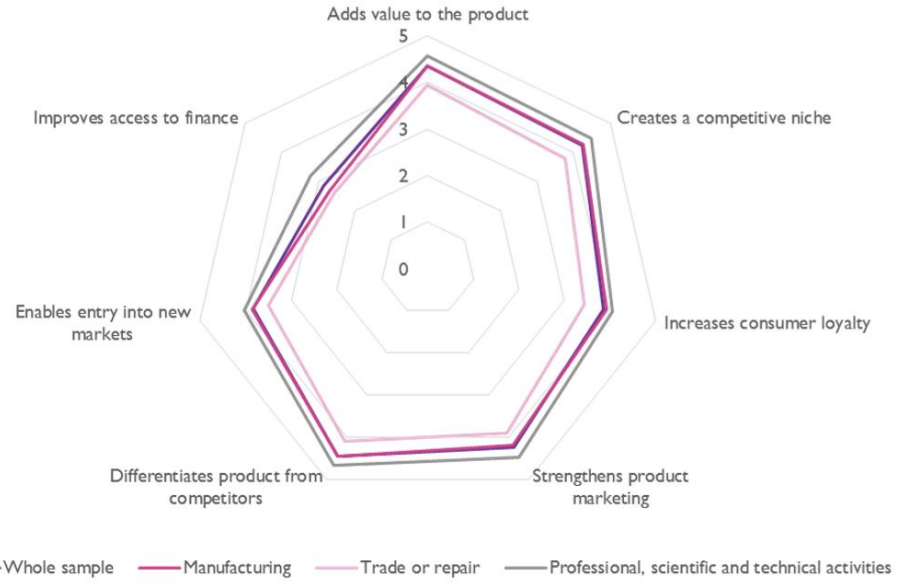
[31] Article 80(2) of the Regulation.

[32] For research including case studies on the relationship between design, innovation and business growth see e.g. UK Design Council (2015), 'The Design Economy: The value of design to the UK', Design Council: UK.

[33] F. Galindo-Rueda and V. Millot (2015), 'Measuring Design and its Role in Innovation', OECD Science, Technology and Industry Working Papers, 2015/01, OECD Publishing. This paper also examines sectors showing the highest propensity to integrate design.

The Economic review of industrial design in Europe[34] ('Economic Review') analysed why firms use or produce designs[35]. Improving the image of the company; increasing sales; and helping with the development of new products and services were the three most commonly cited reasons as to why design was seen as an important part of business strategy. In response to a survey[36], respondents from all sectors rated the 'need to differentiate products from competitors', 'adding value to the product', 'strengthening product marketing' and 'creating a competitive niche' as the most important reasons for design (Fig. 2). The survey results also indicate that, overall, design is considered to be a slightly more important influence on business success among respondents from the professional, scientific and technical activities sector than among those from manufacturing firms and trade or repair firms.

Fig. 2 – Importance of design-related factors, by NACE category



Note: Respondents were asked to answer on a 5 point scale where 1 means a factor is not at all important and 5 means it is extremely important. Starting from the factor "Adds value to the product" and moving clockwise, the number of responses on which the above graph is based is the following, 173, 172, 171, 172, 173, 170 and 161.

Source: Economic Review, p 34.

Design-intensive industries

In their 2019 study[37] the EUIPO and the European Patent Office ('EPO') examined the contribution of IPR-intensive industries to the economic performance of the EU. IPR-intensive industries are defined as those having an above-average ownership of IPRs per employee, as compared with other IPR-using industries[38]. The study also looks specifically at the contribution of design-intensive industries to the EU economy. The top-five design-intensive industries were identified as: 'Leasing of IP and similar

[34] Economic Review, 2015.
[35] Economic Review, see in particular pp. 32-35.
[36] Respondents were asked why designs are important for their businesses by indicating, on a scale of one to five, the importance of several specified design-related factors. The survey was addressed at design-intensive companies; the responses are broken down by the NACE sector in which respondents operate. NACE is the industry standard classification system used in the EU.
[37] 'IPR-intensive industries and economic performance in the European Union', EPO and EUIPO, September 2019.
[38] *Ibidem*, chapter 5 general methodology, p.47 methodology for identifying design-intensive industries.

products, except copyrighted works', 'manufacture of electric lighting equipment', 'wholesale of furniture, carpets and lighting equipment', 'manufacture of cutlery', and 'manufacture of ceramic sanitary fixtures'[39].

The results of this study show that design-intensive industries play an important role in the EU economy. The IPR-intensive industries generated 29.2% of all jobs in the EU during the period 2014-2016 (direct contribution), with 14% in design-intensive industries. This means that over 30 million Europeans were employed by design-intensive industries in the examined period. Overall, almost 45% of EU GDP is generated in IPR-intensive industries, with design-intensive industries accounting for 16%. Wages in IPR-intensive industries are also higher. The average weekly wage in IPR-intensive industries is EUR 801, compared with EUR 544 in non-IPR-intensive industries. This "wage premium" is 40% in design-intensive industries, where the average weekly wage is EUR 761. IPR-intensive industries also contribute greatly to EU trade. While 89% of EU goods imports consist of products of IPR-intensive industries, an even higher share of EU goods exports – 96% – is accounted for by IPR-intensive industries, leading to a trade surplus of EUR 182 billion in IPR-intensive industries, of which almost EUR 67 billion is generated by design-intensive industries.

Increasing levels of Community design registrations

Respondents to the open public consultation "Evaluation of EU legislation on design protection" ('Public Consultation')[40] were almost unanimous in praising the EU design system for making it simple and affordable to register Community designs (see Section 5.2.1). This favourable opinion is reflected in the demand for RCDs, which has been steadily rising since the launch of the Community design registration system in 2003 (Fig. 3) to reach over 1.4 million design filings by the end of 2019 and about 4 designs per application on average[41].

RCD filings grew by 6.5% annually between 2003 and 2019. More than 813 000 RCDs were in force on 1 January 2020. These numbers prove the successful uptake of the Community design protection system, as also recognised in the literature[42].

In the last 10 years, most of the direct RCD filings (filings lodged directly with the EUIPO) continued to originate from within the EU, which had an average share of almost 72% of total worldwide filings from 2010 to 2019. However, between 2003 and 2019 the EU share fell steadily while the United States and China consistently increased their filing shares (Fig. 4). If we look at the top-10 direct RCD applicants and top-10 global direct registration owners, we see that half of the positions in the rankings are held by non-EU enterprises[43].

---

[39] *Ibidem*, p. 62 list of top-20 design-intensive industries, p. 109 list of all IPR-intensive industries, including the design-intensive ones.

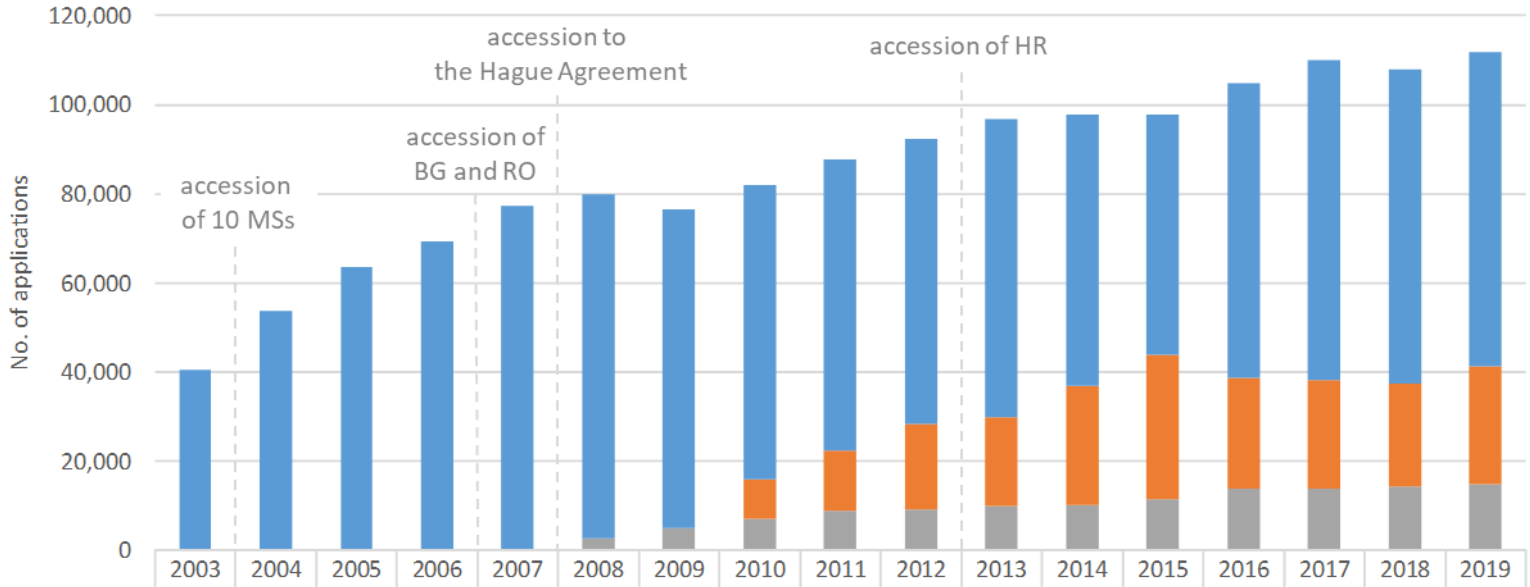
[40] Public consultation "Evaluation of EU legislation on design protection", results available at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1846-Evaluation-of-EU-legislation-on-design-protection/public-consultation and summarised in the Factual Summary Report (Annex IV to this Evaluation Report).

[41] EUIPO data.

[42] A. Kur, M. Levin and J. Schovsbo, 'The EU Design Approach – a global appraisal', 2018, p. 253.

[43] EUIPO design focus - 2010 to 2019 evolution.

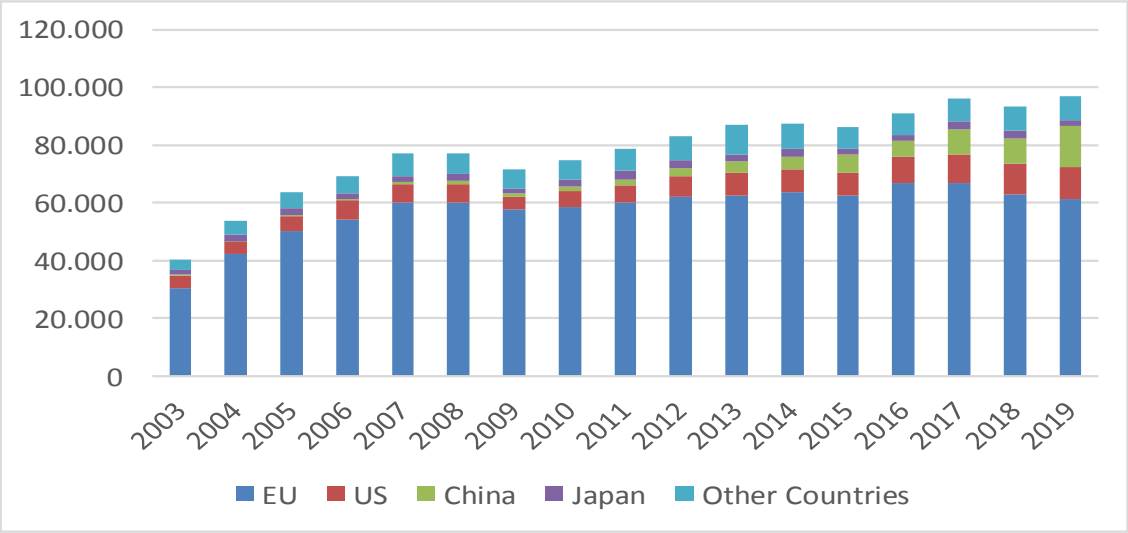
Fig. 3 – Global filing volumes of registered Community design rights (RCD)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Regular Track	40,500	53,793	63,660	69,310	77,279	77,093	71,608	66,045	65,283	64,082	66,707	60,988	53,730	66,146	71,758	70,367	70,431
Fast Track								8,831	13,519	19,052	20,145	26,549	32,605	24,745	24,222	23,115	26,547
International Registrations						2,721	5,025	7,049	8,841	9,163	9,854	10,302	11,373	13,907	13,928	14,321	14,747

Source: EUIPO data

Fig. 4 – Dynamic share of total direct RCD filings



Source: EUIPO data

A 2015 study on the use of RCDs[44] concluded that most RCD applications were concentrated in low-tech areas such as furnishing in Class 6 of the Locarno Classification[45], articles of clothing and haberdashery in Class 2, and packaging in Class 9. The latest statistics[46] also list Class 6 on the top of the ranking of most filed classes, followed by Class 2. However, these two classes are followed by high-tech products falling into Class 14, encompassing recording, telecommunication or data processing equipment, which had the highest average annual growth rate among the top-10 classes. The latter is particularly relevant as Class 14 also covers graphical user interfaces ('GUIs') and icons for computers in sub-class 14-04. As analysed in a 2017 study on digital design protection[47], and confirmed by latest EUIPO data, RCD filings in that sub-class also increased significantly[48], evidencing the growing importance of digital designs.

The relatively high concentration of RCDs in the Locarno Classes 6 and 2 is considered notable[49] as they represent quite different categories of design products (fashion items with a short life cycle and the much longer-lived category of furniture). This can be seen as confirmation that EU design legislation works for both categories of products, creating a variable and balanced protection system serving the needs of different industry sectors[50]. Although the way in which design rights are used in the various industries can

[44] R. Filitz, J. Henkel and B. S. Tether, 'Protecting aesthetic innovations? An exploration of the use of registered Community designs', Research Policy, Vol. 44, 2015 - assessing data from 2003 to 2011.

[45] The Locarno Classification, established by the Locarno Agreement (1968), is an international classification used to register industrial designs that is administered by the WIPO. It aims at classifying all known industrial products into 'classes', which are then further classified in sub-classes. It is regularly revised and the currently valid 12th edition of the Classification is available online at https://www.wipo.int/classifications/locarno/locpub/en/fr/.

[46] EUIPO design focus 2010 to 2019 evolution.

[47] R. Filitz, J. Henkel and J. Öhnemus, 'Digital Design Protection in Europe: Law, Trends, and Emerging Issues', Discussion Paper 17-007, Centre for European Economic Research, 2017 – assessing data from 2003 to 2013.

[48] RCD filings in Class 14-04 increased almost nine-fold from 456 in 2004 to 3 892 in 2019.

[49] R. Filitz, J. Henkel and B. S. Tether, 'Protecting aesthetic innovations? An exploration of the use of registered Community designs', Research Policy, Vol. 44, 2015.

[50] A. Kur, M. Levin and J. Schovsbo, 'The EU Design Approach – a global appraisal', 2018, p. 255.

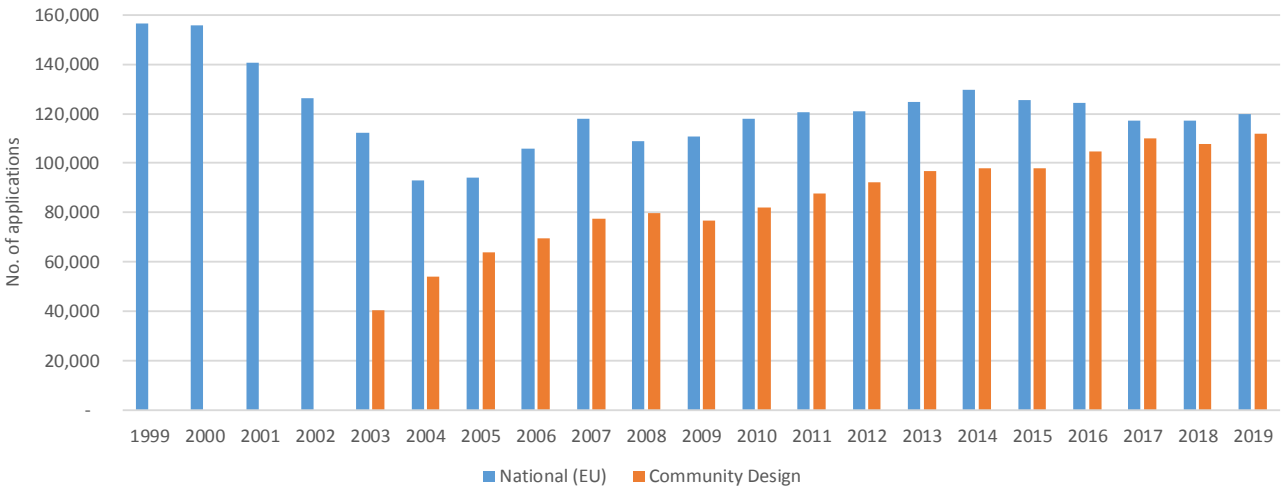
differ widely according to the filing strategy, firms considered EU design legislation to be a "game changer", offering relatively strong protection suitable to their needs[51].

National registrations

The EUIPO reports that more than 730 000 RCDs were in force on 1 January 2018. By comparison, data obtained through a targeted questionnaire prepared by the Commission and addressed to national Intellectual Property Offices ('the IPO Questionnaire') show that more than 300 000 designs were in force on that same date in France and Germany. In other Member States, the registration numbers were much lower. For example, in the United Kingdom there were around 60 000 designs in force; in Spain around 30 000; in Poland and Austria around 10 000; in Croatia, Czechia, Hungary and Romania between 3 000 and 4 000; and in Cyprus, Estonia and Latvia less than 500.

The Legal Review thoroughly analyses the national filing trends[52]. It refers to the increased popularity of the Community design system and to the EU becoming a contracting party to the Hague System as the main factors impacting the filing volumes on the national level. Changes in global volumes of national filings (Fig. 5) show that despite some fluctuations caused by these events, the overall number of national filings remains significant, balancing around the threshold of 120 000 applications in the past 10 years.

Fig. 5 – Filing volumes of national design rights



Source: EUIPO based on data provided by the Member States for DesignView

Overall increase in filing numbers and in economic value represented by filings

A comparison of the total numbers of national design applications before the start of the RCD in 2003 with the total numbers of national and RCD applications after that start shows a clear and substantial net increase (with a steady increase from year to year) in design applications overall. This trend can be observed whether we take the total number of applications covering only the 15 Member States that were part of the EU in 2003[53], or the total number of applications covering all 28 Member States (as done in Fig. 5). National applications might have been substituted by RCD applications to a considerable

[51] *Ibidem*, p. 256.
[52] Legal Review, pp. 32-44.
[53] The EU-15 consisted of AT, BE, DK, DE, EL, ES, FI, FR, IE, IT, LU, NL, PT, SE, and the UK.

extent after introduction of the RCD. However, it must not be overlooked that the resulting RCD registrations represent a much higher economic value for right holders because of their EU-wide scope of protection. They also constitute perfect evidence for increasing economic activity within a better functioning internal market. All this proves that the overall objective of the EU legislation on design protection, i.e. to encourage innovation and development of new products, has been achieved.

3.3. TECHNOLOGICAL DEVELOPMENT AND AWARENESS OF DESIGN PROTECTION

Several unforeseen factors and unintended consequences have been identified.

The unforeseen factors concern first and foremost technological advancement. Software-based innovation and the growth of artificial-intelligence ('AI')-related technologies have allowed connected devices with electronic display screens to become commonplace[54]. The importance of GUIs and icons in enabling user interaction with all types of such devices (e.g. smartphones, home appliances and medical devices) led to a significant increase in digital design filings as shown above by RCD statistics (Section 3.2). This growth also reflects the increasing role of such new design types as strategic assets for firms. The development of AI can also prove challenging in other respects, as evidenced by the EU submission to the WIPO public consultation on AI[55].

The opportunities and challenges brought by 3D printing have also been growing. Its impacts on design protection were assessed in the Economic Review, Legal Review and the study on "The intellectual property implications of the development of industrial 3D printing" ('3D Printing Study')[56], with their main findings summarised in this report. 3D printing appears to be a promising technology for multiple sectors of EU industry[57], including for developing new business models. For instance, this is the case for the circular economy, with 3D printing allowing the local manufacturing of repair parts. It can also support the development of personalised manufacturing. The COVID-19 crisis has shown that 3D printing can represent an opportunity when there is a need to quickly and easily manufacture critical goods.

Therefore, when assessing the relevance of the design *acquis*, this report assesses both the protection of designers' rights and how the design *acquis* ensures (or fails to ensure) that full advantage of new technologies is taken.

Other unforeseen factors include economic factors (such as the development of supply chains and the emergence of new business models, e.g. collaborative platforms) and legal factors (e.g. interaction with other sets of rules), both of which can prove challenging for design protection.

This evaluation brought evidence of two other main factors that significantly impacted the functioning of the EU design protection system.

---

[54] Cf. International Chamber of Commerce Report, 'Design Protection for Graphical User Interfaces', 2018.

[55] https://www.wipo.int/export/sites/www/about-ip/en/artificial_intelligence/call_for_comments/pdf/org_european_union.pdf.

[56] "The Intellectual property implications of the development of industrial 3D printing", 2020.

[57] In that respect, please see the mapping exercise of the 3D Printing Study where the use of 3D printing has been assessed in the following key sectors: healthcare, aerospace, industrial, automotive, consumer products, energy and construction.

Firstly, the failure of the Commission's proposal to harmonise protection rules for visible spare parts maintained segmentation of the internal market. This issue is addressed in Section 5.5.

Secondly, insufficient awareness of the advantages of obtaining design protection led to potential underuse of the design protection system.

According to the Economic Review, many companies, in particular SMEs, are not aware of industrial designs and how they can help their business. Trade associations often lack knowledge of the design protection systems and are not able to provide support to their member firms on such issues. The Review recommends establishing a best practice for the benefit of small businesses and start-ups to promote knowledge on design protection[58].

Almost two thirds of the respondents to the Public Consultation agreed that there is insufficient awareness of the availability, benefits and methods of protecting designs in the EU. Respondents agreed that this problem affects young designers and SMEs in particular. Some respondents indicated that the fashion and clothing industry was a sector where low awareness of design protection benefits can have particularly detrimental effects. Respondents also indicated that future awareness-raising activities should not only focus on explaining the benefits of design protection, but also seek to clarify the differences between design rights and other IP rights, in particular trade marks and copyright.

Increased efforts to raise awareness and promote the use of designs were also among the recommendations presented by the European Design Leadership Board[59].

Numerous awareness-raising activities and campaigns are already being carried out, both by the EUIPO (most notably the DesignEuropa Awards[60]) and national IP offices. The EUIPO is supported in this work by the European Observatory on Infringements of Intellectual Property Rights ('the Observatory') and its public awareness working group[61]. Some of the activities target SMEs in particular; e.g. the EUIPO's Academy provides an SME learning area[62]. Moreover, the EU IP Helpdesk offers many training courses and materials to help European creators and innovators make the most of their IP assets, including designs[63].

---

[58] See Economic Review, p. 9 and 89.

[59] 'Design for Growth & Prosperity' Report and Recommendations of the European Design Leadership Board, 2012.

[60] DesignEuropa Awards celebrate excellence in design and design management among Registered Community Design (RCD) holders. Organised every 2 years by the EUIPO, the awards have two categories open for applications and nominations: (i) small and emerging companies; and (ii) industry. The lifetime-achievement category is reserved for designers with a significant body of work, developed over the course of a career, who have had a significant impact on the design profession. More information: https://euipo.europa.eu/ohimportal/pl/dea-home.

[61] One of the main objectives of the European Observatory on Infringements of Intellectual Property Rights is to design campaigns to raise awareness of the value of IP and the negative consequences of IP infringement (for more information see: https://euipo.europa.eu/ohimportal/en/web/observatory/about-us#). The Observatory provides a repository of awareness-raising materials produced by its stakeholders and partners over the years: https://euipo.europa.eu/ohimportal/en/web/observatory/public-awareness-campaigns.

[62] https://euipo.europa.eu/knowledge/mod/page/view.php?id=78779

[63] http://www.iprhelpdesk.eu/.

4. METHOD

4.1. SHORT DESCRIPTION OF METHODOLOGY

The evaluation of the EU design protection system was launched in 2014, and involved wide groups of stakeholders in the EU. This report is based on various sources of information, most importantly on two external studies – the Economic Review and the Legal Review, which both relied on quantitative and qualitative assessment (see Annex III for details). It also accounts for the results of the 3D Printing Study. In addition, the report draws from collaborative efforts of the EUIPO and national IP offices in the framework of liaison meetings and convergence projects (see overview in Annex VI). This report also draws on many other studies and reports prepared by the EUIPO[64] and the Observatory[65], and other available studies and data collections prepared by national or international public authorities, including in particular national IP offices, academics or other stakeholders. It also takes into account feedback received from the stakeholders on the Evaluation Roadmap[66], and in the course of the Public Consultation, bilateral meetings and public conferences. Several discussions have also taken place with Member States representatives in the Commission Expert Group on Industrial Property Policy[67].

4.2. LIMITATIONS AND ROBUSTNESS OF FINDINGS

Although the evaluation was carried out during a significant timespan (over 5 years[68]), allowing for thorough analysis and wide involvement of all the interested stakeholders, gathering data on some aspects of the functioning of EU legislation on design protection proved difficult. This is due to the different protection tools (see overview in Section 5.2.1) and the two-tier system (EU and national). There is also significantly less empirical evidence on the economic effects of design rights than for other IPRs[69]. Lack of monitoring arrangements in the Directive and Regulation made it particularly difficult to detect clear causal links between the intervention's impact and the evolving reality of design protection in the EU.

These limitations occurred in particular when comparing the baseline situation with the current one. Since it was impossible to carry out a reliable estimation of costs and duration of national proceedings before harmonisation, this report focuses on qualitative data, in particular feedback received from stakeholders both recently and in the preparatory period preceding adoption of the EU legislation on design protection.

In relation to the assessment of costs of the functioning of the EU protection system for designs (see also Annex V), the report was only able to focus on analysing fixed administrative fees. Costs of legal or other professional assistance, both for obtaining design protection (preparation of the application strategy, assisting in the registration process) and enforcing it (negotiations, representation in judicial or administrative proceedings) vary significantly, depending on the case at hand and preference of the

[64] https://euipo.europa.eu/ohimportal/en/publications
[65] https://euipo.europa.eu/ohimportal/pl/web/observatory/observatory-publications
[66] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1846-Evaluation-of-EU-legislation-on-design-protection
[67] https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3434
[68] Delay in carrying out this evaluation was mostly due to other political priorities, including the finalisation of the trade mark reform.
[69] Cf. e.g. I. Hargreaves, 'Digital Opportunity: A Review of Intellectual Property and Growth', 2011, p. 17.

applicant/right holder. These costs cannot thus be estimated and compared in a reliable manner.

Another significant limitation was the availability of data on case-law (e.g. volumes and characteristics of cases lodged over time), both with regards to cases heard by the Community design courts and other national courts[70].

Mitigating measures were taken to compensate for the lack of quantitative data through increased inputs from interviews with stakeholders and the network of legal experts in the Member States, who contributed to the analysis.

Finally, there were some concerns on the methodology used in the Legal Review in terms of the selection of the Member States taking part and the stakeholder surveys and interviews which contributed to it. These concerns were raised in legal literature[71].

5. ANALYSIS

5.1. OVERALL FUNCTIONING OF THE EU SYSTEM FOR DESIGN PROTECTION

5.1.1. General feedback on the functioning of the EU system for design protection

The Legal Review concludes that the harmonisation of design protection through the Directive and the establishment of a complementary unitary system by the Regulation have been largely successful in creating an internal market for goods embodying designs, by removing many divergences hitherto present among national design systems. The Review points out that, compared with the situation prior to these two instruments, it is now cheaper and easier to obtain design protection across the EU (see Section 2.2). The greater harmonisation of the level of protection, and the lower cost of obtaining protection, are positive factors in the creation of a system which encourages innovation, product development and investment in manufacturing. The Legal Review also indicates that there are clear benefits to be drawn from the pan-EU registration system, especially in terms of cheaper registration (usually) and administration costs; less delay than multi-jurisdictional applications; and overwhelming filing/grant success rate (see Fig. 4 and 5). However, the Review also points to several remaining challenges that need to be addressed[72].

Although the Economic Review confirms that the design definition is the same across the EU, it points to procedural differences, and proposes eight further actions that could be considered to improve the design protection system[73]. The Economic Review also looked at the degree of satisfaction with the functioning of the EU design protection system. The respondents to the survey conducted as part of this Review had higher satisfaction levels for national protection than EU protection. The latter result is likely influenced by companies that are dissatisfied with the rules on protection of visible spare parts in the EU[74].

[70] Similar difficulties were encountered when assessing the functioning of the Directive 2004/48/EC on the enforcement of intellectual property rights; see Evaluation Report SWD(2017) 431, p. 7.
[71] H. Hartwig 'The 'Legal Review on Industrial Design Protection in Europe': A closer look', Journal of Intellectual Property Law & Practice, Volume 13, Issue 4, April 2018, p. 332–336.
[72] Legal Review, p. 153 et seqq.
[73] Economic Review, pp. 167, 170-172.
[74] Economic Review, pp. 164 -166.

Most respondents to the Public Consultation considered that the design protection system in the EU works well or very well. Representatives of authorities, researchers and owners of designs were most positive about the functioning of the design protection system in the EU, with roughly 90% positive answers. A vast majority of SMEs and advisers also considered that the system is functioning very well or rather well. On the other hand, users of designs of others were split on the issue, while a slight majority of other respondents considered that the system is not functioning well[75].

The respondents particularly appreciated the predictability, speed and cost effectiveness of the EU protection systems for designs. They also appreciated the high degree of harmonisation and useful complementarity between the national and unitary titles. On the negative side, the respondents pointed to the remaining harmonisation gaps (e.g. rules on spare parts protection) and need for improvements and modernisation of these protection systems. A few respondents believed there is lack of legal certainty resulting from the lack of substantive examination of design applications (see Section 5.3.3).

5.1.2. General feedback on the achievement of the EU intervention's objectives

In the context of the Public Consultation[76], all the objectives of the EU designs system were seen as important by a vast majority of all categories of stakeholders (roughly 90% of answers were of this view). Among other objectives that should be pursued, the respondents indicated the need for further harmonisation, in particular in relation to: (i) spare parts protection; (ii) improving cooperation between public authorities to stop imports of counterfeit goods; (iii) abuse prevention; and (iv) preventing the creation of product monopolies.

Respondents were almost unanimous in praising the EU design system for making it simple and affordable to register Community designs. They considered that the system helped in promoting innovation and is accessible to SMEs and individual designers. They also considered that it helps in preventing counterfeiting and they appreciated the simplified enforcement of the UCD. Most groups of respondents thought that the system provides uniform protection everywhere in the EU and allows for free circulation of products in the internal market.

Users of the designs of others considered that the system helps to acknowledge and protect the marketing value of a design, and fosters innovation through competition by encouraging the creation of new designs. They also agreed that the system allows the design right owner to receive a fair return on their design investment. On the other hand, they indicated that at times it may be difficult and/or costly to find out if a specific design is protected, leading to uncertainty on what actions are permitted.

5.2. PROTECTION TOOLS

5.2.1. Different ways of protecting designs

Different design rights

As explained in Sections 2.1 and 2.2, EU legislation on design protection created the possibility for designers to rely on either registered or unregistered protection. In order to protect their designs in the EU they can opt for the following protection titles:

[75] Factual summary report. p. 3.
[76] Factual summary report, p.3-4.

- a **registered Community design (RCD)**, a design right registered with the EUIPO, providing uniform protection valid in the entire EU (unitary title), for a period of 5 years (renewable up to 25 years);
- a **national registered design**, a design right registered with a national IP office, providing valid protection in one Member State (with the exception of the Benelux countries, where a design right registered with the Benelux Office for IP will cover three Member States: Belgium, Luxembourg and the Netherlands), for a period of at least 5 years (renewable up to 25 years);
- an **unregistered Community design (UCD)**, a right protecting a design if made available to the public, without the need for registration; it provides uniform protection valid in the entire EU (unitary title), for a period of 3 years.

Although the Directive allows Member States to protect unregistered designs through national titles, the United Kingdom was so far the only Member State that offered this type of protection[77].

For an RCD, designers can choose between filing an application directly with the EUIPO, or with their national office[78], which transfers it for examination to the EUIPO. For national registered design rights, designers need to file their application with the respective national office (including the regional Benelux Office for IP). Designers can also use the Hague system to obtain protection in multiple territories, including in some individual EU Member States and/or the whole EU (see also Sections 2.2 and 5.6.1). Various aspects of registration procedures for Community and national designs are examined in Section 5.3.

Factors influencing the choice between different rights and registration strategies

Under the current design framework, designers can choose between Community or national protection, and between a registered or unregistered design right. They may also opt for a combination of these protection modes depending on their priorities. They can also follow different filing strategies (national, regional or international registration procedures).

According to the Public Consultation, relying on an RCD to protect one's design is the most popular option, followed by national designs and obtaining protection via international registration[79]. Many factors can play a role when deciding the type(s) of registration.

The most relevant factor appears to be **territorial coverage**. The type of protection sought will depend on the territory in which the applicant wants to operate. This surely plays an important role in the success of the RCD[80], with many companies operating in

[77] See Article 16 of the Directive and Legal Review, p. 117. So far, none of the current Member States has introduced protection for unregistered design rights at national level.

[78] Like the situation with EU trade mark applications before the recent reform, the use of the option to file an RCD application through a national IP office has significantly decreased over time to become negligible – from 2 425 applications in 2003 to only 21 applications in 2019 (EUIPO data). In line with the trade mark reform this filing option should therefore be removed (see also Section 5.7).

[79] 71% of respondents creating or owning designs register their designs as RCDs with the EUIPO, compared to 58% and 49% for national registrations and international registrations respectively (Factual summary report, question 18).

[80] According to the Public Consultation, 62% of the respondents creating or owning designs considered this as a reason to opt for an RCD, compared with 44% for national designs and 55% for international designs (Factual summary report, questions 21-22).

several Member States. International registrations can also be justified by the need to cover territories outside the EU[81]. However, when companies want to focus on the domestic market, national designs appear more appropriate. This does not necessarily mean that SMEs preferably rely on national designs. Figures from the Public Consultation show that SMEs rely first on RCDs (62% of SME respondents) and then on national designs (54% of SME respondents). However, it appears from the Legal Review that SMEs are indeed more likely to rely on national designs than bigger companies (36% of companies with between 10 to 24 employees use national designs against 3% of companies with more than 500 employees). The national design system therefore remains attractive, particularly for smaller local companies, which are more likely to prefer registration with their "home" national office. It also appears that a range of options as regards the types of registration is used by SMEs. This range of options thus appears effective and relevant for SMEs and a good tool allowing them to tailor their IP strategy depending on their specific needs.

The territorial coverage is closely linked to the **level of fees**, which appears to be the second most important criterion (see Section 5.3.6). Here again, the attractiveness of the RCD seems to derive from its relatively low fees[82], correlated with its wide territorial coverage. Although less determinant, factors such as an **easy procedure and speed of the procedure** also play a role[83].

Factors influencing the decision to opt for design protection

According to the survey of the Economic Review[84] and the Public Consultation[85] the most significant factor in opting for design protection, irrespective of the method of protection, is the level of protection obtained.

Key benefits of obtaining design protection identified in the Public Consultation include: (i) the right to prevent others from using a design; (ii) the legal certainty as regards the disclosure and ownership of a design; (iii) the value brought to the product and the brand; and (iv) the return on investment[86]. The most significant costs relate to the registration and renewal process (see Section 5.3.6), the litigation costs (see Section 5.4) and costs to prepare registration.

---

[81] According to the Public Consultation, the main reason for creators or owners of designs to register designs internationally lies in the territorial coverage (notably to cover Switzerland and Norway) and the fact that it best suits their needs (55%). Other reasons, invoked by a third of the respondents creating or owning designs, include the lower fees (e.g. the fact that an international application covering multiple designs can be more cost-effective than multiple design applications) and easy procedures. See Factual summary report, question 22.

[82] According to the Public Consultation, 44% of the respondents creating or owning designs considered this as a reason to opt for an RCD, against 32% for international registrations, and only 27% for national designs (Factual summary report, questions 21-22).

[83] The easy procedure is quoted as a reason by 53% (RCD), 32% (international registration) and 22% (national designs) of the respondents to the Public Consultation; speediness of the procedure is quoted by respectively 29%, 10% and 11% (Factual summary report, questions 21-22). The Economic Review (p. 93) highlights the possibility to register an RCD in just two working days, which is important for companies needing immediate protection.

[84] Economic Review, pp. 105-107.

[85] Factual summary report, questions 24-26. With respect to RCD, respondents creating and owning designs considered provision of a unique title, the corresponding increased legal certainty, and the simplified registration process as key factors.

[86] With respectively 88%, 58%, 25% and 23% of respondents creating or owning designs choosing for these benefits (Factual summary report, questions 24-25).

In general, the benefits of design protection are seen as outweighing its costs. Considering the results of the Public Consultation[87], this is particularly the case for Community designs (for UCD (95%) and RCD (93%)) and international registrations (80%). However, opinions remain divided (50%) as regards national designs.

Finally, it is not uncommon to rely on **other IPRs**, such as trade marks, patents or copyright[88], to protect designs. Other IPRs can be used in addition to – or instead of – design protection. Factors such as awareness, the term of protection[89] or costs[90] can play a role in that respect. Respondents to the Public Consultation who do not actively seek protection and those who rely on unregistered protection were asked about their reasons for not registering a design[91]. Among the main reasons, they indicated that: (i) protection by UCD or other IPRs (e.g. trade marks or copyright) was sufficient for their needs; (ii) registration of a design is too expensive; or (iii) enforcing a design right is too complex and/or expensive (see Section 5.4).

Some designers also opt not to obtain design protection, as they consider that in their specific case such protection will not bring sufficient added value, e.g. because of the business model of the company, the characteristics of the product (e.g. a very-short-life-cycle product) and the characteristics of the market within which the company operates[92].

Opting for unregistered Community design

The rights conferred by the UCD are limited compared to those bestowed by the RCD. The UCD confers on its holder the exclusive right to use it and prevent any third party without the holder's consent from using it, but only if the contested use results from copying the protected design (Article 19(1) and (2) of the Regulation)[93].

The Economic Review reported that 8% of respondents who replied to the survey were relying on protection offered by the UCD[94]. The Review also looked at factors that could discourage the use of registered design protection in favour of UCD protection. The most important factors were the avoidance of fees, administrative burdens, and the complicated nature of the registered protection process[95]. Similar feedback was received through the Public Consultation: respondents creating or owning designs considered the lack of any formalities as the chief reason for choosing UCD protection[96].

Most respondents to the Public Consultation considered that the UCD provides a useful legal protection against unauthorised copying. Respondents described it as an attractive tool for protecting short-cycle or seasonal products, and thus particularly useful in some specific industry sectors (e.g. fashion, textiles and clothing, eyewear, furniture and

[87] Factual summary report, question 26.
[88] Economic Review, p. 38. For a practical example, see the case study regarding the Lego brick, p. 45.
[89] Trade marks can be renewed without limitation. Copyright has a longer term of protection than designs, it runs for the life of the author and for 70 years after his death.
[90] Copyright does not require registration to be protected, thus there are no specific registration costs to bear. As regards trade marks, the Economic Review has shown however that design applications are usually less expensive than trade mark applications – see pp. 91-93.
[91] Factual summary report, question 23.
[92] Economic Review, p. 90.
[93] The requirement of copying does not narrow the scope of protection of the UCD. As provided in Article 10 of the Regulation, the scope of protection of the UCD is the same as that of the RCD.
[94] Economic Review, p. 17.
[95] Economic Review, p. 104.
[96] Factual summary report, question 19.

furnishing). The lack of formalities and registration costs also seem to make UCD generally attractive for SMEs and young designers.

Conclusions

EU legislation for design protection has proven to be **effective** in providing an appropriate range of **relevant and coherent** protection tools. It appears well-suited to serve the needs of the various types of companies and design industries by offering tailor-made protection. The possibility to choose between protection at national, international or Union level, and as to the latter between protection in registered or unregistered form, or to seek for a combination of protection means, reflects that well. Finally, the success of the RCD, and the fact that the variety of protection methods allows designers to develop a tailor-made IP strategy, contribute to the **EU added value** of the design *acquis*.

5.2.2. Protection requirements and scope of protection

Definitions of 'design' and 'product'

The Directive and the Regulation[97] introduced definitions of 'design' and 'product' which are key for determining the subject-matter of design protection. A design refers to the appearance of a product resulting from certain features. A product is to be understood as any industrial or handicraft item.

As indicated in Section 3.1, the Legal Review pointed to certain confusion in relation to the definition of the subject-matter of protection, involving the potential of negatively influencing the accessibility of the design protection systems[98].

Most respondents to the Public Consultation[99] considered the existing design and product definitions clear or very clear. However, in the light of the growing role of digital designs[100] several respondents saw in particular a need to clarify that virtual designs, animated designs and graphical user interfaces are covered by those definitions. The issue of digital designs raises the question whether they can be understood as products and also whether their elements are covered by the design notion (e.g. is animation a feature?).

Collaboration of the EUIPO and national IP offices showed that, for various types of designs, the subject-matter of protection is either not clear or interpreted differently in different Member States. Divergent practices were noted for designs consisting of more than one item (a set of articles) and designs in different states[101]. There were also divergent practices when it came to interpreting the meaning of 'get up' within the notion of product, and the availability of design protection for interior design (e.g. can the interior of a shop be protected as a design?). Some Member States consider interior

[97] Article 1(a) and (b) of the Directive and Article 3(a) and (b) of the Regulation.
[98] Legal Review p. 12, and pp. 57-60.
[99] Factual summary report, question 39 (addressed to those respondents who identified themselves i.a. as advisors, authorities and researchers).
[100] See also ID5 Study of practices on protection of new technological designs (http://id-five.org/study-of-practices-on-protection-of-new-technological-designs); WIPO SCT41/2 Compilation of the Returns to the Second Questionnaire on Graphical User Interface (GUI), Icon and Typeface/Type font Designs.
[101] 2016 Liaison Meeting workshop on set of articles and designs with interchangeable parts; ECP4 convergence analysis project, whereby 19 Member States grant design protection to sets of articles.

design as a kind of get up[102]. The issue of interior design concerns the interface with other forms of IP protection and is further addressed in Section 5.2.7.

Clarity and the extent to which the subject-matter of protection is future-proof are of crucial importance for the accessibility of the EU design protection system and for encouraging innovation and the development of new products. The potential for improving and modernising the *acquis* in that regard requires thorough consideration. One option to be explored in that context could be to provide a more systematic categorisation of eligible design types, together with tailored representation requirements (see Section 5.3.1), similar to what was done for trade marks in the recent reform.

Definition of 'complex product' and visibility requirement for component parts

A 'complex product' is defined as a product that is composed of multiple replaceable components permitting its disassembly and re-assembly[103]. To be protected, the design of a 'component part' of the complex product must be 'visible' while the product is in normal use[104].

The Legal Review[105] suggested that the complex product definition (together with component parts) be retained in order to deal with the spare parts market. However, because of indications of confusion reflected in some court decisions rendered at national level[106], the Legal Review proposes that this definition should be restricted to complex machinery. Such an approach was also supported by some stakeholders in the Public Consultation.

The Legal Review also opted for clarifying the extent of the requirement for designs to be 'visible' ('visibility requirement'). It recommends that the relevant EU law should reflect the general visibility doctrine as developed in the *Biscuits Poult* case[107]. In particular, the Legal Review recommends that the definition of a 'design' should signify that all designs should be 'visible' in order to be protected, and that the assessment of such visibility should be done from the perspective of an 'informed user'[108].

Although most respondents to the Public Consultation believed that the requirements for design protection were clear or very clear, many believed the opposite[109]. In particular, many respondents called for clarification of the applicability and assessment of the visibility requirement. While some respondents believed that a legal definition should be introduced, others opted for clarification through a guidance document or further case-law, or called for removing the visibility requirement altogether. Some of them strongly criticised the Legal Review for favouring the extension of the special component parts' visibility requirement into a general requirement for designs relating to other types of products. Such an extension would indeed increase hurdles for design protection without justification and be contrary to the interests of designers, the design industry and design holders.

---

[102] Discussions held in liaison meetings in 2008, 2009 and 2010.
[103] Article 1(c) of the Directive and Article 3(c) of the Regulation.
[104] Article 3(3)(a) of the Directive and Article 4(2)(a) of the Regulation.
[105] Legal Review, p. 159.
[106] *Ibidem*, p. 74.
[107] Judgment of the General Court, 9.9.2014, *Biscuits Poult v. OHIM*, T-494/12, ECLI:EU:T:2014:757.
[108] Legal Review, pp. 73-77.
[109] Factual summary report, question 39 (addressed to those respondents who identified themselves i.a. as advisors, authorities and researchers).

The current rules seem to be appropriate and coherent. A design or a design feature does not need to be visible at any point in time or in a certain situation in order to attract design protection. The only exception concerns component parts which have to be visible while in normal use to be protected. This issue is not to be confused with the fundamental principle governing the subject-matter of design protection whereby only design features which are disclosed by way of design representations can enjoy protection[110].

The concepts of 'informed user', 'overall impression', 'design freedom of the designer', and 'individual character'

RCDs, UCDs, and national registered designs are protected to the extent that they are new and have individual character. Three concepts were introduced to assess whether a design has the required 'individual character'. These are the concepts of the 'informed user', the 'overall impression' and the 'design freedom of the designer'[111]. The flipside of the individual character test is used to assess the scope of protection of designs[112], and thus infringement.

According to the Legal Review, there are no major problems with the individual character test and the concept of informed user, taking account of the case-law rendered at EU and national level. However, the Legal Review points to some confusion in interpretation observed in relation to the role of the product nature and industry sector in determining the individual character[113], and opts for clarifying in the law that the product nature and sector is to be considered[114].

The number of respondents to the Public Consultation who believed that the scope of design protection is not clear or very unclear was higher than those considering it clear or very clear[115]. Some respondents indicated in particular that the notions used to describe the scope of protection are very abstract and thus hard to clarify, with their interpretation depending very much on the product category. Some respondents explained that it is not predictable if a new design has individual character, especially if it consists of a new version of a previously existent design. On the other hand, some respondents disagreed with the Legal Review that changes of the legislation are needed at this stage and claimed that CJEU case-law should be allowed to develop further.

While the CJEU has provided some important guidance on the concept of an 'informed user' (for example in the *Grupo Promer Mon Graphic v. OHIM – PepsiCo* case[116] and the *PepsiCo v. Grupo Promer* case[117]), the respondents to the Public Consultation still believed that providing further clarification could be of help.

---

[110] See Recital 11 of the Directive.
[111] Article 5 of the Directive and Article 6 of the Regulation.
[112] Article 9 of the Directive and Article 10 of the Regulation.
[113] See Recital 13 of the Directive and Recital 14 of the Regulation.
[114] Legal Review, pp. 63-71.
[115] Factual summary report, question 39 (addressed to those respondents who identified themselves i.a. as advisors, authorities and researchers).
[116] Judgment of the General Court, 18.3.2010, *Grupo Promer Mon Graphic v. OHIM – PepsiCo*, T-9/07, ECLI:EU:T:2010:96. An informed user is not a manufacturer or seller of products in which the design is incorporated.
[117] Judgment of the Court, 20.10.2011, *PepsiCo v. Grupo Promer*, C-281/10P, ECLI:EU:C:2011:679, points 53-59.

According to recent research[118], in relation to the concepts of individual character and infringement, national courts transitioned to the new EU design law well and coherently. With the help of CJEU case-law, over time, those national courts which did not apply the law well finally improved and began to apply it correctly. However, coherence in this area of EU design law is still not fully achieved. There are a few courts that are still misapplying the law. The authors suggest that the EU courts' case-law be codified, or that guidelines be issued to clarify that risk of confusion is not the test and that the informed user is not the average consumer but a unique, fictitious person.

Designs dictated by their technical function

Design rights do not give protection to designs dictated by their **technical function**[119], designs of interconnections[120], and designs contrary to public order or morality[121].

Despite the guidance provided by the CJEU in the *Doceram* case[122] regarding the notion of 'technical function', the respondents to the Public Consultation would like to see some more clarification that would ensure, in particular, that this notion is construed more narrowly.

No product-specific protection

As confirmed by the CJEU[123], the scope of protection of a Community design extends to designs of other product categories, because neither Article 10 nor Article 19 of the Regulation, like Articles 9 and 12 of the Directive, limits protection to a specific product sector. Community design protection therefore extends to 'any design' which does not produce on the informed user a different overall impression. This is also confirmed by the explicit provision contained in Article 36(6) of the Regulation, according to which the product indication must not affect the scope of protection.

As referred to in the Legal Review, and pointed to by some stakeholders in response to the Public Consultation, some national jurisdictions still seem to lean towards limiting the scope of protection on account of the product indication. Such diverging practices at national level with respect to the scope of protection of registered designs gives rise to legal uncertainty and conflicts with one key objective of the Directive, which is to ensure that registered design rights confer upon right holders equivalent protection in all Member States[124].

---

[118] E. Derclaye, 'EU Design Law: Transitioning Towards Coherence? 15 Years of National Case Law' in Bruun, Dinwoodie, Levin & Ohly (eds), Transition and Coherence in Intellectual Property Law, Cambridge University Press, 2019. 62 out of 2 214 decisions examined in this article (2.8%) misapplied the individual character requirement and/or the test of infringement. Other errors included courts making mistakes on related aspects, such as using a memory test rather than a comparison side-by-side, comparing the claimant's and defendant's products without checking that the claimant's product is the same as that in the registration documents, using several informed users, or referring to an expert instead of an informed user.

[119] Directive Article 7(1), Regulation Article 8(1).

[120] Directive Article 7(2) and (3), Regulation Article 8 (2) and (3).

[121] Directive Article 8, Regulation Article 9.

[122] Judgment of the Court, 8.3.2018, *Doceram*, C-395/16, ECLI:EU:C:2018:172. The CJEU clarified that to *"determine whether the features of appearance of a product are exclusively dictated by its technical function, it must be established that the technical function is the only factor which determined those features, the existence of alternative designs not being decisive in that regard".* A similar case, concerning Brompton bikes, was brought before the CJEU regarding copyright law (Judgment of the Court, 11.06.2020, *Brompton*, C-833/18, ECLI:EU:C:2020:461).

[123] Joined cases *Easy Sanitary Solutions v Group Nivelles and EUIPO* C-361/15 and *EUIPO v Group Nivelles* C-405/15, ECLI:EU:C:2017:720, para 90.

[124] See Recital 10 of the Directive.

The responses to the Public Consultation showed that 70% of the respondents consider the need for harmonising the relevance of the product indication for the scope of protection to be of fundamental importance for: (i) ensuring a smooth interplay between the Community design system and the parallel national design protection system of the Member States; and (ii) establishing a level playing field for businesses in the EU.

Commencement of the protection conferred by a UCD

According to Article 11(1) of the Regulation, a UCD arises without registration formalities on the date on which the design was first made available to the public within the EU. A design is considered to have been made available to the public within the EU if it has been published, exhibited, used in trade, or otherwise disclosed in such a way that these events could reasonably have become known to the circles specialised in the sector concerned, operating within the EU (Article 11(2)).

The language in Article 11 does not make explicit the geographical location of the relevant disclosure, and seems to leave open the possibility that a UCD comes into being if the disclosure occurs outside the EU. This could be regarded as consistent with Articles 5 to 7 of the Regulation, which allow for worldwide prior art disclosures to destroy the required novelty of a Community design, provided they have become known in the EU.

However, Article 110a(5) of the Regulation provides that any design which has not been made available to the public within the territory of the EU does not enjoy protection as a UCD. Because of that clear provision, the German Federal Court of Justice found in a much noticed decision[125] that the first disclosure of the design must indeed take place in the EU territory for a design to attract protection as a UCD.

However, the question arises whether Article 110a(5) was meant to apply to new EU Member States only given that the whole Article 110a is titled *"Provisions relating to the enlargement of the Community"*. In its decision, the German Federal Court of Justice did not deal with that issue but rather considered the position that disclosure in the territory of the EU is required as *acte clair* without there being a need to make a reference to the CJEU.

From the beginning, the EUIPO has taken the view that disclosure must take place within the territory of the EU in order to create a UCD[126].

A recent reference to the CJEU from the Intellectual Property and Enterprise Court in the UK[127] seeking clarification on this issue was withdrawn, and therefore the CJEU did not have an opportunity to render an authoritative view on this issue.

Some respondents to the Public Consultation referred to existing legal uncertainty on this issue and asked for clarity to be provided when reforming the legislation. However, opinions were divided on the question of whether designs first disclosed outside the territory of the EU should give rise to a UCD. Some of the respondents argued in favour of a narrow approach (requiring disclosure within the EU territory) so as not to enable foreign companies and designers not doing business in the EU to profit from design protection in the EU and prevent the Community design registration system from being undermined by the creation of UCDs based on the basis of worldwide disclosures. Other respondents referred to the need to follow a broad approach, allowing in particular EU industries to obtain the earliest possible protection for their designs when first disclosed

[125] Case I ZR 126/06 *Gebäckpresse II* [2009] GRUR Int 4/2009, p. 388.
[126] See Communication No 5/03 of the President of the Office.
[127] *Beverly Hills Teddy Bear*, C-728/19, ECLI:EU:C:2020:114.

(such as at international trade fairs), even if the territory of disclosure is not that of the EU.

However, it is clear that also allowing for the creation of a UCD on the basis of disclosure occurring everywhere outside the EU would imply nothing less than giving automatic rights to the rest of the world without any reciprocity or possibility of monitoring to the clear detriment of EU industries. The argument that EU industries might also wish to profit from disclosures outside the EU dwarfs in comparison.

Conclusions

Uniform definitions and protection requirements introduced in the Directive and Regulation have contributed to the **effectiveness** and **added value** of EU legislation on design protection.

However, the legislation's **relevance is somewhat diminished** by not being fully adapted to the digital age. This is especially true for the definition of the eligible subject-matter of protection. Therefore, more guidance could be considered on the notion of a 'product' with a view to making the system more accessible and adapting it to the needs of emerging industry sectors (e.g. digital designs). Despite current rules appearing appropriate and coherent, more clarity also appears to be needed on the visibility requirement. Application of the individual character test should be further monitored, in particular given the clarifications provided in recent case-law.

Finally, **coherence** and level playing field for businesses and designers in the EU could be improved. The unclear relation between the scope of protection conferred by registered rights and product specification and lack of alignment between relevant provisions of Directive and Regulation constitute a problem. The existing ambiguity as to the relevant geographical location of disclosure for the creation of a UCD also creates unnecessary legal uncertainty and **distorts coherence** between registered and unregistered Community design protection.

5.2.3. Rights conferred

A design confers on its holder the exclusive right to use[128] it and to prevent any third party without the holder's consent from using it (Articles 12 of the Directive and 19 of the Regulation). As regards a UCD and an RCD subject to deferment, the rights only exist if the contested use results from copying the protected design.

The Legal Review concluded that the design rights and limitations did not cause any major difficulty – except for 3D printing and spare parts – and that related provisions have been properly implemented, with slight textual variations[129]. The results of the Public Consultation also show some concerns about the issues of 3D printing and goods in transit.

As regards **3D printing**, respondents to the Public Consultation were divided on whether design rights provide sufficient protection against copying a protected design by means

[128] The notion of use covers the 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.

[129] Results of the Public Consultation showed some concerns as regards the implementation in some Member States – e.g. Polish law reportedly requires the application of the principle of speciality for designs, see sec. 5.2.2.

of 3D printing[130]. Their main concern was the lack of clarity around design protection and 3D printing, in particular as regards the scope of the rights, including the private use limitation.

The 3D Printing Study examined the relation between 3D printing and IPRs. Regarding design protection it reached three main conclusions. Firstly, while a computer-aided design ('CAD')[131] file as such cannot be protected as a design, the digital model included in the CAD file can receive protection under design law. Secondly, although an individual can rely on the private use limitation for 3D printing carried out privately and for non-commercial purposes, this exception does not seem to apply to supporting activities carried out by intermediaries (e.g. printing or scanning by 3D-printing bureaux or acts of uploading and sharing of 3D printing files). Finally, it remains unclear whether acts of uploading, hosting and downloading a CAD file on a publicly available platform constitute a design infringement.

Against that background, the 3D Printing Study suggested adapting the scope of the design rights (including limitations) and enforcement measures[132]. This is in line with the recommendations of the Legal Review and the recommendations proposed by some respondents to the public consultation.

Although 3D printing is not widespread at the moment, results from the Public Consultation show that stakeholders see a need to tackle the issue now, as they believe it could become potentially damaging for designers in the future. Legal certainty is also necessary to ensure the development of 3D printing, which offers good opportunities to both designers and design users (see Section 3.3).

Results of the Public Consultation also show that a large majority of respondents (90%) are in favour of enlarging the scope of design rights to prohibit the **transit of goods** that infringe design rights registered in the EU through EU territory, even if the goods are not intended to be placed on the EU market[133]. This was also considered a key issue to ensure the efficient enforcement of design rights.

In the joined *Philips* and *Nokia* cases[134], the CJEU decided that transit of goods through the EU territory cannot constitute an infringing act, unless the right holder can prove that they are intended to be put on sale in the EU, clarifying what evidence can be presented in that respect. However, stakeholders report that despite these clarifications, the threshold for evidence required by the courts may remain unreasonably high, as right

[130] Factual summary report, question 40 (addressed to those respondents who identified themselves i.a. as advisors, authorities and researchers). A large proportion of advisors, authorities and researchers who also identified themselves as design owners (70%) and users (87%) in particular replied in the negative.

[131] The study makes a distinction between the CAD file as such (the software component) and the digital or 3D model encompassed in the CAD file (the design component).

[132] In particular, it was recommended to: (i) extend the scope of design rights so as to prevent third parties from creating software, a CAD file or any document that would lead to a reproduction of a protected design; alternatively, the notion of use could be extended to 'threatened use'; (ii) introduce an indirect infringement and/or review the role of intermediaries with a view to making them liable for sanctioning or authorising a design infringement; (iii) review the scope of the private use limitation (see Section 5.2.5).

[133] Factual summary report, question 41 (addressed to those respondents who identified themselves i.a. as advisors, authorities and researchers).

[134] Judgment of the Court, 1.12.2011, joined cases *Philips and Nokia* C-446/09 and *Nokia* C-495/09, ECLI:EU:C:2011:796. The CJEU specified that the proof can be provided, i.a., *"where it turns that the goods have been sold to a customer in the European Union or offered for sale or advertised to consumers in the EU, or where it is apparent from documents or correspondence concerning the goods that their diversion to EU consumers is envisaged"*.

holders are often not in possession of information as to the country of final destination of goods in transit[135].

The situation of goods in transit has been clarified as regards trade marks: both the Trade Mark Directive ('TM Directive')[136] (Article10(4)) and the EU Trade Mark Regulation ('EUTM Regulation')[137] (Article9(4)) provide that trade marks' holders may prevent third parties from transiting goods infringing EU trade marks (including the packaging) through the EU's territory. The declarant or holder of the goods can defeat this by proving that the trade mark holder cannot prohibit the placing of the goods on the market in the country of final destination. The burden of proof is therefore on the contested goods' holder or declarant, not on the trade mark owner.

The clarification as regards trade mark law has been welcomed, and a large proportion of respondents to the Public Consultation considered that design law should be aligned to trade mark law for goods in transit, including concerning guarantees to avoid hampering the free flow of trade in legitimate goods (e.g. applications for identical or quasi-identical protected designs and a possibility for the other party to prove that the design is not protected in the country of final destination).

Conclusions

In general, the rights conferred by Community and national designs are considered to provide **effective** protection and achieve the objective of the design *acquis*. The scope of design rights also appears **relevant** for achieving the objectives of the design *acquis*. However, gaps have been identified. Firstly, the rights conferred might not be robust and flexible enough to appropriately deal with the opportunities and challenges arising from new technologies, such as 3D printing. Secondly, the current scope of design rights does not allow for an effective fight of counterfeiting in the context of goods in transit and lacks coherence with trade mark rules.

5.2.4. Defences to infringement

Limitations

Articles 13 of the Directive and 20 of the Regulation provide a range of identical limitations to the rights conferred by the design rights. These limitations include: (i) acts done privately and for non-commercial purposes; (ii) acts done for experimental purposes; and (iii) acts of reproduction for the purpose of making citation or of

[135] For example, the Antwerp Court of First Instance (Rechtbank van eerste aanleg van het gerechtelijk arrondissement Antwerpen, 14.02.2014, case 02/7600/A) considered that the evidence such as CE marking, EU languages on the packaging and other documents indicating the EU as the final destination are insufficient to prove that the goods were intended to be put on sale in the EU. This decision was reversed on appeal (Hof van beroep Antwerpen, 2.10.2017, case 2014/AR/2047).

[136] Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, OJ L 336, 23.12.2015, pp. 1–26.

[137] Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs), OJ L 341, 24.12.2015, pp. 21–94.

teaching[138]. Additional limitations exist, in both texts, for the equipment of ships and aircraft, and acts needed to repair such craft[139].

The Legal Review reported that Member States have properly implemented these limitations, with some minor differences. The Legal Review also noted that courts in France and the Netherlands have considered that, in addition to the limitations prescribed in the Directive, design rights should be limited where freedom of expression is concerned, e.g. where artistic or satirical works are using registered designs to make a statement.

The CJEU's *Nintendo* decision[140] provides guidance on the scope and conditions of the citation limitation. The CJEU clarified in particular that acts of reproduction include two-dimensional representation of a product corresponding to a design, and provided an autonomous EU interpretation of the notion of citation[141]. While some voices expressed strong objections to the Court's judgement[142], others considered it to be necessary and appropriate to counterbalance the far-reaching scope of design protection[143]. As exemplified by a respondent to the Public Consultation, there should be no reason to prohibit representing a design in order to refer to it in the context of commercial communication, as long as that is done in accordance with honest practices. This argument is all the more relevant for ensuring coherence with trade mark and copyright law, where this is allowed. Although clarification was made in that respect through case-law, legal certainty would benefit from a clarification in the law.

The catalogue of limitations in design law is sometimes considered too narrow[144], in particular when compared to exceptions and limitations set in copyright and trade mark law or in the light of the recent *Nintendo* decision. At the same time, some stakeholders are concerned about the consequences of the potential expansion of limitations, in particular of the private use limitation, in particular when considering technological developments such as 3D printing. If 3D printing becomes more common in the future, some fear that the private use limitation would lead to *de facto* immunity for 3D printing activities. To address this issue, some respondents to the Public Consultation suggested modifying this limitation by requiring the 3D printing acts to be compatible with fair trade practices and not unduly prejudice the normal exploitation of a design. This is in line with the conclusions of the 3D Printing Study which suggested adapting the private use limitation along the lines of the three-step test in the Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPS'). However, this

[138] Provided in that case that the reproduction acts are compatible with fair trade practice, do not unduly prejudice the normal exploitation of the design, and that mention is made of the source.

[139] This is in line with Article 5ter of the Paris Convention.

[140] Judgment of the Court, 27.9.2017, joined cases *Nintendo* C-24/16 and *Nintendo* C-25/16, ECLI:EU:C:2017:724, in particular para. 68 and 73.

[141] The CJEU referred to the objective of the Regulation, namely to provide an *"enhanced protection for industrial design encouraging innovation and development of new products and investment in their production"* and concluded that a third party can use the image of a design-protected product to offer for sale accessories to that product in order to explain the joint-use of both the product and the accessory.

[142] See David Stone, 'Design law misplayed in Nintendo', JIPLP, 2017, Vol. 12, No 7, p. 558; David Musker, 'Making citations' – mystery or mistranslation? The Opinion of Advocate General Bot in Nintendo v Big Ben, JIPLP, 2017, Vol. 12, No 10, p. 834; Jane Cornwell, 'Nintendo v. BigBen and Acacia v Audi; Acacia v. Porsche: design exceptions at the CJEU', JIPLP, 2019, Vol. 14, No 1, p. 51.

[143] A. Kur, M. Levin and J. Schovsbo, 'The EU design approach – a global appraisal', p. 264 et seq.

[144] Issue raised notably by some respondents to the Public Consultation and legal scholars (see for instance A. Kur and M. Levin, 'The design approach revisited: background and meaning', in A. Kur, M. Levin and J. Schovsbo, 'The EU design approach – a global appraisal', p. 25).

solution was criticised as ineffective by some representatives of right holders in their feedback to the Public Consultation.

Exhaustion of rights, rights of prior use and government use

Article 15 of the Directive and Article 21 of the Regulation provide that the design rights do not extend to acts relating to a design-protected product when that product has been put on the market in the Union with the right holder's consent. Article 22 of the Regulation provides that a right of prior use will exist for any third party who can establish that before the date of filing or, when appropriate, the date of priority, it has in good faith commenced use, or made serious preparations to that end, of a protected design. While there is currently no such provision in the Directive, a large majority of respondents to the Public Consultation are in favour of harmonising the right of prior use[145]. Article 23 of the Regulation provides that any national provision allowing use of a national design by or for a government may be applied to Community design, to the extent that it is necessary for essential defence or security needs. These provisions have not raised any particular concern so far.

Conclusions

The catalogue of limitations in EU design law brought **coherence** and **added value** by harmonising permissible uses across Member States. However, the catalogue now appears **too narrow to effectively** strike the right balance between the interests of designers and design users. The catalogue also appears to be **incoherent** with the system in place for other IPRs. The option of extending the catalogue of limitations could therefore be explored. Although the CJEU clarified the scope of the citation limitation, it could be considered to strengthen this interpretation by embedding it in the legislation. An adaptation of the catalogue of limitations could be **considered to ensure it is relevant** in view of new technologies. In that respect, the possible reach of the private use limitation in the context of 3D printing should be further assessed, also in coherence with the copyright regime. Finally, given the importance attributed by stakeholders, the appropriateness of aligning the Directive to the Regulation on prior use as defence to infringement could be further explored.

5.2.5. Term of protection

As explained (see Section 5.2.1), the term of protection is different for registered and unregistered design rights. RCDs are protected for an initial term of protection of 5 years from the filing date of the application (Article 12(1) of the Regulation). For the national registered designs the initial term of protection can be one or more periods of 5 years from the filing date (Article 10 of the Directive). Both types of design rights can be renewed for one or more periods of 5 years each, up to a total of 25 years.

Harmonisation in this field can therefore be considered as already achieved, apart from the specific area of designs embedded in spare parts (see Section. 5.5). However, the IPO Questionnaire confirmed that a few Member States[146] operate with an initial term of 10 years, with three renewal periods, each of 5 years.

[145] See question 48 of the Public Consultation – 86% of respondents are in favour of harmonising the right of prior use.
[146] Bulgaria and Romania.

A large majority of all respondents to the Public Consultation (around 75%) consider the 25-year protection of registered designs to be adequate[147]. Only a minority of all respondents considered the term of protection to be too long (14%, with some suggesting to shorten it to 20 years) or too short (12%, with some suggesting to extend it to 50 years or to align it to the one existing for copyright or trade marks).

UCDs are protected for a period of 3 years from the date on which the design was first made available to the public within the Community (Article 11(1) of the Regulation; see Section 5.2.3). The Public Consultation revealed that a slight majority of respondents (54%) consider this term of protection to be adequate[148]. Respondents in favour of a longer term of protection generally argued that a 5-year term would be more appropriate. Others considered that the beginning of the term of protection should be calculated as starting from the exploitation of the design or the first public use, and not its divulgation. Finally, some respondents suggested allowing conversion of non-registered designs into registered designs (with retroactive effect) or allowing renewal of the term of protection.

For both registered and unregistered designs, some stakeholders suggested adapting the term of protection in view of the sector and/or the characteristics of the products (e.g. a longer term of protection for successful, iconic or investment-intensive products, and a shorter term of protection for short-life-cycle products such as fashion items).

Conclusions

In general, the term of protection for registered design rights appears appropriate, and strikes the right balance to achieve **effective** protection. However, differences between the provisions of the Directive and the Regulation concerning the initial term of protection for RCDs and national registered designs undermine coherence of the two protection systems. Although some stakeholders are critical of the term of protection for UCDs, most of them still consider it appropriate. Currently, there does not seem to be a strong call or need to review the term of protection for UCDs.

5.2.6. Relation to other forms of IP protection

The issue of the relation between design rights and other IPRs has been taken into consideration since the creation of the EU design *acquis*[149]. It plays an important role in ensuring coherence between the protection granted by design rights and the protection granted by other IPRs.

According to the results of the Public Consultation and legal literature, the interaction between **copyright and design law** appears to be the most problematic. Several respondents to the Public Consultation considered this relationship to be unclear and said it could potentially lead to less reliance on design protection. Results of the Public Consultation also show that an unclear relationship between design law and copyright law can also lead to a circumvention of one right by another. This could for instance be

[147] Users of the designs of others were the least satisfied (54%) with the term of protection, with 35% of users considering it too long. In comparison, 75% of owners of designs were satisfied with the term of protection (21% considering it too short). Factual summary report, question 15.

[148] This was particularly the case for authorities and SMEs with 71% and 62% respectively considering the term of protection to be adequate. However, a third of respondents consider it to be too short (44% of owners, 35% of users of designs of others). Factual summary report, question 14.

[149] Articles 16 and 17 of the Directive and Article 96 of the Regulation.

the case when right holders rely on copyright to artificially extend the term of protection, thus undermining the relevance of design protection.

Both the Directive (Article 17)[150] and the Regulation (Article 96(2)) provide that a design can be protected by both design and copyright law (**'principle of cumulation'**), provided that protection requirements are fulfilled for both these rights. However, the harmonisation achieved by these provisions remains limited, as they specify that the conditions under which such protection is conferred, including the level of originality required, are determined by the Member States. This was justified at the time by the lack of complete harmonisation of copyright law[151]. Although similar trends exist across Member States (e.g. in many Member States originality appears more difficult to prove than novelty), this limited harmonisation led to some discrepancies across the EU[152].

Since the adoption of the Directive and the Regulation, the CJEU has increasingly harmonised copyright law. In particular, the notion of 'work'[153] is considered an autonomous concept of EU law that must be interpreted and applied uniformly. This harmonisation has helped shape and clarify the relation between copyright law and design law, as shown by the recent case-law of the CJEU (see in particular *Flos*[154], *Cofemel*[155], and *Brompton*[156]). It is still too early to assess how this new case-law will be applied by national courts, and whether it brings sufficient clarification to the relation between design and copyright law.

However, harmonisation of the conditions of copyright protection and the recent guidance of the CJEU – given the importance of both these factors for the interplay between design and copyright law – puts into question whether the margin of manoeuvre currently left to the Member States remains justified.

The interaction between **design law and trade mark law** also appears problematic. Cumulation of trade mark and design protection can occur in cases of figurative marks and shape marks. Given this possible cumulation, some stakeholders highlighted the need to further harmonise trade mark law and design law (e.g. harmonising invalidity grounds to avoid circumvention of one right by another, alignment of the calculation of renewal dates, etc.). Recent developments and modernisation of trade mark law may also affect

[150] Article 17 of the Directive is limited to registered designs; as a result, the interaction between design law and copyright law as regards national unregistered designs is not harmonised.
[151] See recital 8 of the Directive and recital 32 of the Regulation.
[152] Legal Review, pp. 92-93.
[153] Under Article 2(a) of Directive 2001/29/EC, to be protected by copyright a work has to fulfil two conditions, namely originality in the sense of being the author's own intellectual creation and, second, classification as a work is reserved to the elements that are the expression of such creation.
[154] Judgment of the Court, 27.1.2011, *Flos*, C-168/09, ECLI:EU:C:2011:29. The CJEU clarified that Member States cannot exclude copyright protection for designs, triggering changes in some national law, widening the copyright protection for works of applied art, and the possible overlap with design law.
[155] Judgment of the Court, 12.9.2019, *Cofemel*, C-683/17, ECLI:EU:C:2019:721, concerning copyright protection of applied arts (interior design), which appears to be an important area of interaction between copyright and design law. Building on the respective objectives and rules of design and copyright law, the CJEU concluded that cumulation of protection may only *"be envisaged in certain situations"* (point 52), i.e. when a design meets the copyright protection requirements, taking into account that aesthetic effect does not equal originality. The criterion of the author's own intellectual creation remains the criterion to be taken into account.
[156] Judgment of the Court, 11.6.2020, *Brompton Bicycle*, C-833/18, ECLI:EU:C:2020:461. In this case, the Court concluded that a product whose shape is, at least in part, necessary to obtain a technical result, can receive copyright protection where that product is an original work resulting from intellectual creation, meaning that through that shape, its author expresses his creative ability in an original manner by making free and creative choices in such a way that that shape reflects his personality.

the relevance of design law. For instance, animated designs are more likely to be protected as a movement mark than as a design (where only seven static views can be registered).

Another important question is to what extent design protection is available for **interior design**. The layout of a shop can be protected under trade mark law[157] or copyright law. However, it is not clear whether this is also possible under design law, even if design law appears better suited for protecting interior design. Practice shows that it is important for the industry to have a harmonised and clear legal framework for protection of interior design (also with respect to global trade), be it for a physical shop interior or for the layout of an online shop.

Finally, although less problematic, the interaction between **designs, patents and utility models** also raises issues, with designs being sought to protect a technical solution. This question is closely linked to the interpretation of the notion of technical function (see Section 5.2.2). Clarification brought by the case-law in that respect may facilitate the distinction that should be made between purely technical solutions and designs that, although presenting technical features, should benefit from design protection.

Conclusions

EU legislation on design protection set ground rules for the interaction between copyright law and design law. However, the limited harmonisation has led to some discrepancies across Member States. This has resulted in an **incoherent approach** across the EU, and **undermined the relevance and effectiveness** of the design protection system. CJEU case-law is now increasingly harmonising national copyright law across the EU, which means it no longer appears necessary to leave a margin of manoeuvre to Member States. Insufficient clarity on the interaction between both copyright law and trade mark law on the one hand and design law on the other hand **reduces the coherence** of the EU's IPR legal framework.

5.2.7. Conclusions

EU legislation on design protection has proven to be **effective** in offering **relevant** protection tools. It provides an appropriate range of different rights to designers (registered and unregistered rights, national or EU coverage), allowing them to choose the protection titles best suited to their needs. It thus contributes to the **added value** of the design protection system.

Uniform definitions and protection requirements, as well as the introduction of unitary titles, also contributed to the **effectiveness** and **added value** of EU legislation on design protection. These facilitate access to design protection in the EU and its Member States. However, the legislation's **relevance is somewhat diminished** by not being fully adapted to the digital age, in particular for: (i) the definition of the eligible subject-matter of protection; or (ii) limitations.

The protection conferred by design rights appears to be **effective**, although improvements could be made to better address challenges and legal uncertainty deriving from: (i) the development of new technologies; (ii) interaction with other IPRs; and (iii) increased levels of counterfeiting. In addition, the catalogue of limitations could provide better balance between the interests of designers and design users.

[157] Judgment of the Court, 10.7.2014, *Apple Store*, C-421/13, ECLI:EU:C:2014:2070.

Finally, the **coherence** of the EU design *acquis* could be improved, as currently both internal coherence (i.e. the term of protection for different design rights and the disclosure requirements for different design rights) and external coherence (i.e. coherence in the interaction of design rights with copyright law and trade mark law) seems undermined by the existing differences.

	Effectiveness	**Efficiency**	**Relevance**	**Coherence**	**EU added value**
Different ways of protecting designs	+ +	N/A	+ +	+	+ +
Protection requirements and scope of protection	+	N/A	-	+ -	+ +
Rights conferred	+ -	N/A	+ -	+ -	N/A
Defences to infringement	-	N/A	-	-	+
Term of protection	+ +	N/A	N/A	+ -	N/A
Relation to other forms of IP protection	+ -	N/A	-	- -	N/A
Overall	**+**	**N/A**	**+ -**	**-**	**+**

5.3. PROCEDURES

As explained in Section 5.2.1, the EUIPO is competent to examine applications for RCDs, and the national IP offices are responsible for carrying out examination for registered national designs. Since there has been no harmonisation of the procedures to obtain, maintain or invalidate national design rights, Member States are free to set procedural provisions[158]. As a result, each Member State has its own processes in place. It must be noted, however, that in order to align their practices, national IP offices, in cooperation with the EUIPO under the so-called Convergence Programmes, have established certain common practices (see Annex VI).

5.3.1. Means and requirements of design representation

Representation of the design is a key and obligatory element of any design application.

For RCDs, the representation of a design consists in its graphic or photographic reproduction[159], and can be filed on paper or by electronic means. The design must be reproduced on a neutral background and cannot be retouched.

For national registered designs, the representation requirements are determined by the Member States. The results from the Public Consultation show that among the aspects left untouched by the Directive, the formal requirements to represent a design were considered most in need of harmonisation[160]. One stakeholder association noted that harmonisation of these formal requirements is important to allow applicants to use the same set of design representations at the EUIPO and in any Member State (and, as

[158] Recital 6 of the Directive.
[159] Article 4(1) of the Implementing Regulation.
[160] Factual summary report, question 48.

a vision in the future, at any IP office party to the Hague System)[161]. Lack of alignment of such formalities may also lead to obtaining different scope of protection for the same design in different countries. The Legal Review also reports that among the Member States reviewed, there is significant divergence in the requirements of national offices concerning representations of a design. Such divergences relate, among others, to the number of viewings, the size of the paper for paper filings, and the acceptance of computer-aided representations. These diverging formal requirements may hamper the interoperability of the design systems. They prevent applicants from claiming priority and using the same design representation across jurisdictions[162], increase registration costs and potentially lead to national rights of different scope for the same original design.

They also make it more difficult to develop common IT tools in the EU. For instance, representing a design on a **neutral background** is of key importance to avoid hampering automated image searches and to meet the representation requirement of the Design Law Treaty (see Section 5.6.2). The background of a design representation should be 'empty' in the sense that no other objects may be shown.

Maximum number of views

The permitted number of views of a design that can be filed for representation purposes is limited to a maximum of seven different perspectives of the same design for an RCD[163]. Only one copy of each view can be filed.

Feedback from stakeholders suggests that this number is perceived as too limited. Different consultations indicate that this maximum of seven views causes legal uncertainty when filing internationally or in other EU Member States where much higher numbers (e.g. 10 in Germany and more than 100 in the US) or even an unlimited number of views (e.g. in most EU Member States and WIPO) are allowed. Moreover, some respondents to the Public Consultation mentioned that having such a small number of views can limit the ability of a designer to show the design fully or show particular aspects of the design fully. Respondents claimed that a greater number of views is desirable in particular for some types of designs, for instance to show details of a multi-position or motion design.

Both the Legal Review and numerous respondents to the Public Consultation therefore recommended increasing the number of views allowed for an RCD application. Indeed, the existing seven-view limit in the Implementing Regulation is problematic with a view to facilitating the filing of designs and increasing both legal certainty and the efficiency of the Community design protection system. However, further reflection and analysis is needed as to whether a higher limit or an unlimited number of views should be allowed, given the current option of filing an additional dynamic representation of 3D designs.

Since the Directive did not harmonise the number of views that can be filed as part of a national design application, the requirements differ across Member States, leading to a potential divergence in the scope of protection granted for the same design, and thus undermining the coherence of the system.

---

[161] For example when the first filing has more than seven views or other factors that require additional examination by the office this may cause delay.

[162] See section 3.4.2 of Convergence on graphic representations of Designs, Common Communication CP6, https://www.tmdn.org/network/graphical-representations.

[163] Article 4(2) of the Implementing Regulation.

Means of representation

Currently the RCD registration procedure is constrained to static views only (there is no possibility of filing a dynamic view of a design), even for three-dimensional designs. While 3D digital representations can be filed at the EUIPO, they are only considered as an additional technical means of viewing the design, and do not replace conventional static views[164]. CD ROMS and other data carriers are also not accepted.

According to the Legal Review, introducing the possibility of filing dynamic views would make it possible to concretise the design by showing certain qualities which might not necessarily be visible in a line drawing. This is in line with the feedback received through the Public Consultation. Some respondents consider that the current graphic representations have limited capability to represent: (i) designs with different forms of appearance or assembly (modular systems, on/off, open/closed, etc.); or (ii) designs that show a set sequence or movement. Stakeholders therefore, suggest to consider introducing other means of representation, including in particular 3D digital representations and video files, to protect a wider range of designs and to protect designs more effectively. In this context, the stakeholders stress that design protection should also be available for manifestations that are not physically defined as two or three-dimensional objects (e.g. animated designs and graphical user interfaces), and that widening the notion of product to other types of designs is thus necessary (see Section 5.2.2).

Against this background, the restriction to mere static graphic means of representation should be considered not effective and no longer relevant to satisfy the need for clarity on the subject-matter of protection. Broadening the means of representation could facilitate the filing of designs of different (new) types. The possibility of filing dynamic views could improve the effectiveness and efficiency of Community design protection, adapting its rules to the needs of the digital economy, as already done in the area of EU trade mark law.

According to the Legal Review, at national level the practice of accepting dynamic views of designs is not widespread. Nevertheless, since most interview participants were in favour of this possibility, the Review recommends that Member States should, if feasible, offer the possibility to register dynamic views of a design. This would allow the national offices to adopt the technology when appropriate, and give the applicants a possibility of opting for a method of representing their design that provides them with the greatest scope of protection. The potential for harmonising the national rules on the representation of a design could be further explored with a view to aligning them with those of the Community design regime and facilitating access to design protection.

Filing of a specimen

The graphic or photographic reproduction of a design can be substituted by a specimen (physical sample) of the design if an RCD application concerns a two-dimensional design and contains a request for deferment (Article 36(1)(c) of the Regulation; Article 5(1) of the Implementing Regulation).

However, a majority (55%) of the respondents to the Public Consultation thinks that the filing of specimens is no longer relevant. It is mentioned that this option is not often used

[164] Article 36(5) of the Regulation and Article 4 of the Implementing Regulation.

and appears obsolete in an era of online deposits. France, for instance, no longer accepts the deposit of physical specimens.

The possibility to accept and store specimens of designs incurs administrative costs for IP offices. A very low number of specimens are filed with the EUIPO – only 103 (including inadmissible filings) since 2003[165].

Visual disclaimers

Neither the Community design legal regime nor the national design legal regime echo the agreed common practice on visual disclaimers[166] established by the EUIPO in cooperation with most EU Member States as part of the Convergence programme on graphic representations ('Common Practice'). The Community design legal regime does not contain a reference to the use of visual disclaimers, which indicate the features of the design shown in the representation that are not intended to be protected. However, this Common Practice is reflected in the EUIPO's design guidelines. Where a disclaimer is used, broken lines are recommended. The guidelines further explain that descriptions cannot be used for this purpose, since descriptions do not affect the scope of protection of the design as such[167] and are not published[168].

Some respondents to the Public Consultation proposed changing the current legal regime by allowing a description as an interpretative – or even as a decisive – factor (e.g. as a verbal disclaimer) for determining the subject-matter of design protection. However, the verbal disclaimers need to be translated and are less appropriate to indicate excluded features.

The Legal Review argues that the Convergence Programme between the EUIPO and national offices is a move towards a harmonised position in respect of design registrations. However, it would be better to codify the Common Practice in national laws, considering that in most Member States technical drawings; explanatory text, wording or symbols are not allowed within the representation[169]. If this codification does not take place, the effectiveness (clarity on scope of protection) and the efficiency (need to account for different rules in different jurisdictions) of the design protection system is undermined. The potential for further harmonisation of the national rules on visual disclaimers should therefore be explored, with a view to aligning them with those of the Common Practice and thus increasing coherence and legal certainty across the EU.

[165] EUIPO data. The use of this option decreased over time (17 specimens filed in 2003 compared with only 2 filed in 2019), and seems to have been of very little significance in recent years (2 specimens filed in 2016, 3 in 2017, 1 in 2018, and 2 in 2019).

[166] Guidelines for Examination in the Office, Examination of applications for registered Community designs, page 41, 01/02/2020, established within the framework of the Convergence program on graphic representations. See also Annex VI.

[167] See Article 36(6) of the Regulation.

[168] See Article 14(2)(d) of the Implementing Regulation.

[169] See section 3.4.2 of Convergence on graphic representations of Designs, Common Communication CP6, https://www.tmdn.org/network/graphical-representations.

Conclusions

The introduction of the representation requirements has largely proven to be **effective** for traditional design types. However, these requirements clearly need to be overhauled to: (i) facilitate registration; (ii) make it easier to better determine the scope of design protection; and (iii) account for technological advances. The current legal requirement that a Community design must be represented by graphic means with a limitation on the permitted number of perspectives to seven static views **hampers the effective and efficient** use of the system. It also **undermines the system's relevance**, as the admissible means of representation do not account for the latest technical developments and the possibility of protecting digital designs. The lack of provisions on disclaimers also hampers the effective and efficient use of the system, and the option of substituting the representation with a specimen is **no longer relevant**.

On a national level, there is significant divergence in the requirements for the number of views, the neutral background, and the acceptance of computer-aided representations. This **incoherence** between different systems leads to legal uncertainty when filing in multiple jurisdictions. It also makes it difficult to file designs of different (new) types, which does not respond to the needs of digital economy.

Missing harmonisation of the design representation regime across the EU undermines the coherence and overall efficiency of the design protection system. More uniform and more digital representation requirements would make it possible for designers – and in particular SMEs and individual designers – to reduce compliance costs.

5.3.2. Different filing options

When filing an RCD application the applicant can opt to: claim priority, request deferment of publication, or decide to file for a multiple application; additional requirements apply in all these cases. Similar filing options are provided for in most of the national laws.

Claiming priority

A priority date is used to establish the precedence of rights, and has crucial importance for assessing novelty and individual character of a design. Applicants can rely on the so-called convention priority[170] to gain a right of priority of six months from the date of filing of the first application. Efficient use of the convention priority also depends on the uniform application of the representation requirements across the EU (Section 5.3.1).

The RCD can also benefit from the so-called exhibition priority[171], which has the effect that the date of priority will count as of the date on which the design was displayed at an officially recognised exhibition[172]. The request, accompanied by evidence of the display, must be filed within 6 months of the initial disclosure at an exhibition[173].

Contrary to the design laws of several Member States, the scope of relevant exhibitions for claiming priority covered by the Regulation is essentially limited to world

[170] Priority of applications filed in different jurisdictions is determined in line with the Paris Convention for the Protection of Industrial Property (1883); Article 41 of the Regulation.
[171] Article 44 of the Regulation.
[172] Exhibition falling within the terms of the Convention on International Exhibitions signed in 1928 and last revised in 1972.
[173] Article 44(1) and (2) of the Regulation and Article 9(1) and (2) of the Implementing Regulation.

exhibitions[174] and does not cover display at other, national or international, exhibitions. As a result, the EUIPO only accepts evidence of world exhibitions, and does not accept exhibition certificates from other trade fairs. Given the paucity of world exhibitions, and the fact that such exhibitions do not involve business-to-business exchange, this limitation was criticised by quite a number of respondents to the Public Consultation representing the exhibition industries, who called for broadening the notion of exhibition priority under the Community design regime to other trade fairs.

While some Member States (e.g. Bulgaria, Croatia, Czechia, Denmark, Germany, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, and Spain) provide for exhibition priority, some others (e.g. Estonia, Ireland and the United Kingdom), do not. The Legal Review reports that in many Member States, exhibition certificates from trade fairs, including those organised by private entities, are accepted as evidence of priority. For example, in Germany in the years 2017, 2018 and 2019, respectively 207, 140 and 118 priority certificates were issued.

In spite of these different practices throughout the EU, the Legal Review finds it doubtful whether a practical need for harmonisation exists, considering the minimal number of such exhibitions and the fact that Member States have some form of protection for such exhibitions in their national law. On the other hand, different views were expressed through the Public Consultation. Some respondents suggested broadening the list of trade fairs that are recognised for establishing exhibition priority, to improve the EU design protection systems. The lack of harmonisation of priority certificates issued by trade fair organisers was considered to negatively influence the coherence of the Community and national design systems.

The potential for harmonising the provisions on exhibition priority across the EU could be further explored to improve the efficiency and coherence of the EU design protection systems.

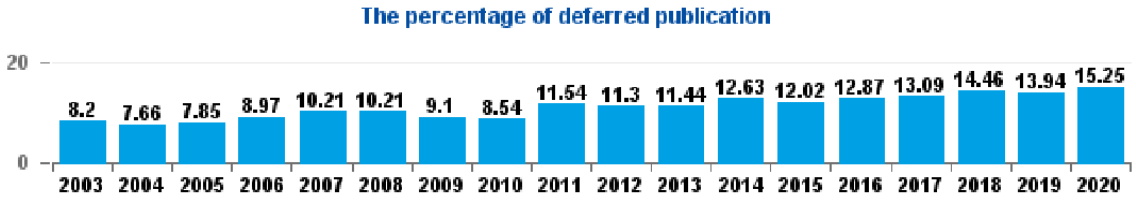
Request for deferment of publication

The applicant for an RCD may request that its publication be deferred for 30 months from the date of its filing or from its priority date (Article 50(1) of the Regulation). In these cases, only very basic details about the design (number, filing and registration date, the names of the applicant and the representative) are published. Neither the design representation nor the indication of products are published (Article 14(3) of the Implementing Regulation). This period of confidentiality affords the applicant an opportunity to further develop a marketing strategy or to finalise preparations for production without competitors being aware of the design(s) in question.

Since the launch of the Community design system, approximately 1 out of 10 RCD registrations filed directly with the EUIPO was subject to deferment; the demand for deferment of publication has been steadily growing (Fig. 6).

[174] Also referred to as ‘expo’ a world exhibition is a large international exhibition designed to showcase achievements of nations. These exhibitions vary in character and are held in different parts of the world at a specific site for a period of time, ranging usually from 3 to 6 months.

Fig. 6 – Volumes of deferred RCD applications



Source: EUIPO Statistics of Community Designs 2003 to 2020 Evolution

The Legal Review reports that while many of the Member States have provisions concerning deferred publication, the period of deferral varies significantly[175]. Also, some Member States do not provide for deferral of publication at all (e.g. Poland and Italy).

According to the Legal Review, most Member States that have made provision for deferred publication do not cite any difficulties with the system. However, most respondents to the Public Consultation (76%) are in favour of harmonisation of the rules on deferment of publication, and some respondents suggest making the option to request a deferral mandatory at national level.

The potential for harmonisation of the rules on – and the length of – deferred publication should be explored with a view to: (i) enhancing legal certainty and coherence; (ii) reducing costs in managing design portfolios; and (iii) establishing a level playing field for businesses.

Multiple applications

While applying for an RCD, an applicant may choose to combine a number of designs in one application ('multiple application'). This option was introduced to simplify the registration process, in particular for those sectors of industry which produce large numbers of possibly short-lived designs over short periods of time[176]. However, it only facilitates the process for filing multiple designs; each of the designs contained in a multiple application is examined and dealt with separately. In particular, each design may separately be: enforced, licensed, renewed, assigned, the subject of deferred publication, or declared invalid (Article 37(4) of the Regulation).

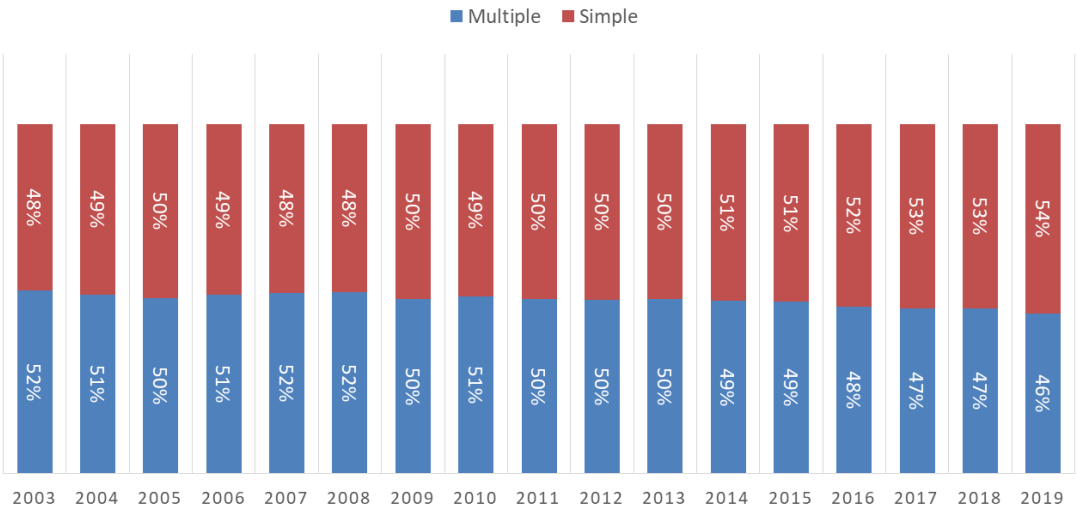
The number of designs contained in a multiple application is unlimited. The designs do not have to be related to one another or be otherwise similar. However, the designs must meet the 'unity-of-class' requirement: the products in which the designs are intended to be incorporated or to which they are intended to be applied must all belong to the same class of the Locarno Classification[177]. Multiple applications constitute almost 50% of all applications, which shows the practical importance of this filing option (Fig. 7). The Legal Review indicates that although small and large entities may file multiple designs the current fee structures (see Section 5.3.6) tend to most benefit larger entities, who (all other things being equal) have more designs per year to file and therefore access the lowest rate more often.

[175] E.g., the period of deferral is 6 months in Denmark and Sweden; 12 months in the Benelux countries, United Kingdom, Luxembourg and Slovenia; 18 months in Austria; and 30 months in Czechia, Spain and Lithuania.

[176] Recital 25 of the Regulation. It should also be read in light of the aim set out in Recital 18 of "keeping to a minimum the registration and other procedural burdens on applicants."

[177] As an exception, the indication ornamentation or product(s) X (ornamentation for -) in Class 32-00 can be combined with indications of products belonging to another Locarno class.

Fig. 7 – Volumes of multiple applications for RCD



Source: EUIPO data

Although the respondents to the Public Consultation appreciated the benefit of combining multiple designs in a single application, they considered the unity-of-class requirement too rigid and burdensome. The reason is that not all products in which designs are intended to be used belong to the same class. One respondent gave an example of products such as 'hairdryers' and 'parts of hair dryers' which – due to the unity-of-class requirement – cannot be included in the same multiple application, whereas other completely different products such as a 'chair' and a 'table' can. As a result, instead of facilitating the expeditious and smooth processing of multiple designs, the unity-of-class requirement gives rise to many deficiencies to be remedied in the course of the application procedure. This is because, in order to save costs, applicants often choose incorrect product indications or apply for designs within a certain (complementary) product range, in an attempt to adhere to the same class requirement for products that belong to different classes.

According to the Legal Review and opinion of most respondents to the Public Consultation, abolishing the requirement for designs in multiple applications to belong to the same Locarno Classification would be beneficial. The unity-of-class requirement creates unnecessary administrative burdens for the EUIPO and, in particular, for businesses wishing to apply for multiple designs by means of one application. In its current form, it is neither effective nor efficient. It cannot therefore be seen as relevant anymore for fulfilling the objectives of the Regulation.

Although the Directive has no provisions about multiple applications, this option is available in most of the Member States[178] even though the conditions differ. According to the Legal Review, most national laws still require that the designs applied for belong to the same class of the Locarno Classification. This is not the case in Germany, the Benelux countries and the United Kingdom. Under French law, there is an exception to the unity-of-class requirement for designs pertaining to industries that change the form

[178] The Estonian and Polish national offices do not accept multiple applications, but allow different variants of the design in one application.

and presentation of goods frequently. The maximum number of designs that can be included in a multiple application also varies across the Member States[179].

The Review further reports that most interviewees from IP offices considered the unity-of-class requirement not helpful or no longer necessary. Also, the results from the Public Consultation show that 88% of all respondents considered that multiple applications and its conditions are in need for harmonisation.

The lack of harmonisation of rules on multiple design applications makes such applications burdensome and costly for businesses, including in the context of multi-jurisdictional filings.

Conclusions

EU value added has been created by the filing options for: (i) claiming convention or exhibition priority; (ii) requesting deferment of publication; and (iii) filing several designs in one application. These options are also considered **relevant**. However, the **effectiveness and efficiency of these filing options are not optimal**. The **lack of coherence** in deferment periods across the EU, and the differences in types of trade fairs covered by the notion of exhibition priority, make the application of these filing options burdensome and costly for businesses, especially for multi-jurisdictional filings. The rules on multiple applications, and in particular the unity-of-class requirement, are also burdensome for businesses, and they give rise to many deficiencies that must subsequently be remedied in the course of the application procedure.

5.3.3. Substantive examination

During the registration process, the substantive examination of RCDs is limited to a verification that the application is for a design and that the design is not contrary to public policy or morality[180], thereby keeping to a minimum the registration and other procedural burdens on applicants[181]. As a result, the EUIPO does not check whether the design is new or if it possesses individual character[182].

This limited examination on substantive grounds seems to work well in practice. The majority (66%) of the respondents to the Public Consultation, when asked whether the EUIPO should carry out some novelty examination, replied in the negative. They are of the opinion that the main advantage of the system – quick and efficient registration – should not be impaired. Only 10% of all respondents would favour a mandatory search. Those against a mandatory search would prefer that special tools are made available to conduct image searches[183], or that a novelty search by the EUIPO be optional. This would counterbalance the lack of examination and increase legal certainty. Their main argument against mandatory novelty examination of RCDs (an argument also made by the Legal Review[184]) is that it would not bring significant benefits to users, but would increase costs, significantly delay registration and would not be exhaustive, since any earlier design in the world (registered or not) can be novelty-destroying. Moreover, searching by

[179] From up to 50 in Spain and the Benelux countries, to up to 100 in Germany, Lithuania and Portugal; in the United Kingdom there is no limit.
[180] Article 9 of the Regulation.
[181] Recital 20 of the Regulation.
[182] Article 47(1) of the Regulation and Article 11(1) of the Implementing Regulation.
[183] https://euipo.europa.eu/ohimportal/en/searching-for-images-in-esearch-plus.
[184] See Legal Review, p. 109.

product class is not possible, since neither the product indication nor the classification affects the scope of protection of a Community design as such[185].

On the other hand, according to some respondents to the Public Consultation, too many designs lacking novelty and individual character are being registered, which goes against legal certainty and leads to unjust situations in court. They consider that presumption of validity of an RCD puts an unfair burden on the alleged infringer who would have to conduct costly prior art searches to prove the invalidity of the invoked designs rights, while the design right holder may not have conducted a search before filing at all.

However, these concerns do not seem to be reflected in the total number of disputes. Data received from the EUIPO reveal that, on average, less than 0.05% of all RCDs are declared invalid each year. Furthermore, empirical analysis of the design case-law of the EU Member States shows that the absence of a full-blown substantive examination does not mean that designs are more likely to be declared invalid[186].

The Directive merely lists the substantive grounds for refusal of registration[187] for those Member States that provide for substantive examination of applications before registration. As a result, according to combined data from the Legal Review and the IPO Questionnaire, only five national IP Offices provide for such substantive examination and assess *ex ante* whether a design applied for meets the requirements of novelty and individual character. These are the offices in Czechia, Finland, Hungary, Romania and Slovakia, which to varying degrees also examine some of the optional grounds for refusal[188]. Such examinations impact the overall duration of registration proceedings in these offices[189]. However, most national offices perform a limited check of substantive grounds, verifying only if the application is for a design that is not contrary to public policy or morality, or does not constitute improper use of a protected symbol[190].

Respondents to the Public Consultation would welcome harmonisation of the different national substantive examination procedures[191]. However, the results of the Public Consultation are not indicative of how such harmonisation should take place.

Since the Legal Review assesses that introduction of a mandatory *ex ante* novelty examination would increase burdens rather than bring benefits, the Review concludes

[185] Article 36(6) of the Regulation. A registered Community design confers on its holder the exclusive right to use the relevant design in all types of products, and not only in the product indicated in the application for registration (21/09/2017, C-361/15 P & C-405/15 P, Shower Drains, EU:C:2017:720, § 93).

[186] O. Church, E. Derclaye, G. Stupfler, 'An empirical analysis of the design case law of the EU Member States' (2019) International Review of Intellectual Property and Competition Law, available on https://link.springer.com/Art./10.1007/s40319-019-00813-0.

[187] Article 11(1) of the Directive.

[188] E.g. Finland and Romania examine most of the grounds listed in Article 11 of the Directive.

[189] According to data available on the portal of the European Union Intellectual Property Network (EUIPN, https://www.tmdn.org/network/web/csc), the average duration of registration proceedings amounts on average to one year in CZ, over 3 months in FI, over 8 months in RO, and around 4 months in SK. According to the IPO questionnaire the average duration in HU is 4 months. Registration of an RCD with the EUIPO, where no substantive examination is carried out, took 4 days on average for applications without deficiencies (2019). See Section 5.3.5.

[190] Symbol protected by Article 6ter of the Paris Convention or by national law.

[191] Of those design law aspects not (fully) harmonised by the Directive, 92% of the respondents consider the substantive examination the second most important in need of harmonisation.

that there is a strong case for abandoning such a system also on the national level, especially as so few Member States currently use the practice[192].

Conclusions

The limited examination on substantive grounds appears to be **effective and efficient** overall. It therefore fulfils the objectives of the Regulation, namely to guarantee speedy and cost-efficient registration with minimum administrative burden. The limited examination on substantive grounds thus contributes to the **EU added value** of the design protection system. Efforts to develop powerful and user-friendly search tools to enable businesses and designers to conduct reliable searches are considered particularly useful by both design applicants and design users.

The requirement for national offices to examine prior art adds to the administrative burden they face. It also causes considerable delay and extra costs for businesses seeking design protection at national level. The benefits of harmonising national rules on the scope of substantive examination so that they align with the Community design system should therefore be further explored. This could improve **coherence**, facilitate access to design protection, and create a level playing field for businesses and individual designers.

5.3.4. Administrative invalidity proceedings

Once a Community design right has been registered, it can be declared invalid by the EUIPO upon a direct request to the office, or by a court on the basis of a counterclaim[193].

The grounds for declaring an RCD invalid are listed exhaustively in the Regulation (Article 25). The EUIPO reports[194] that the vast majority (87.7%) of the invoked grounds found in invalidity actions filed during the last decade concern claims by applicants that the contested designs lack novelty or do not possess individual character. Claims that holders are not entitled to the contested designs accounted for 6.7% of invoked grounds, with the remaining 5.6% being distributed among the other existing grounds.

Feedback to the Public Consultation shows that 82% of all respondents are overall satisfied with the invalidity proceedings at the EUIPO. This is in line with the data from the EUIPO's annual user satisfaction survey[195].

In summary, the legislator's choice to provide for an invalidity procedure before the EUIPO has proven to be efficient and is working effectively.

At national level, every Member State has introduced its own procedure for invalidating a design right. A major distinction exists between those Member States where invalidity proceedings can be brought before national offices (e.g. Austria, Bulgaria, Czechia, Denmark, Germany, Hungary, Ireland, Poland, Portugal and the United Kingdom)

[192] It does, however, recommend that no changes occur because: (i) this is primarily a matter for national offices to determine; (ii) it may not be politically feasible in some of the more recent EU members to switch their intellectual property infrastructure; and finally (iii) there may be a benefit in that it will assist in having a more experienced invalidation office.

[193] Articles 24-26 of the Regulation; in addition, Title VI of the Regulation (Articles 52-54) deals with invalidity proceedings at the EUIPO and Title IX, Section 2, with disputes concerning the validity of Community designs before Community design courts (Articles 84-87 of the Regulation).

[194] "Design Focus 2010 to 2019 Evolution".

[195] EUIPO User Satisfaction Survey 2017, p.19.

and those Member States in which they may only be brought before a judicial body (e.g. Greece, Italy, the Benelux countries and Sweden)[196].

The substantive grounds for invalidation of national registered designs are exhaustively enumerated in the Directive (Article 11(1)), which makes a distinction between mandatory and optional grounds for invalidity. This does not mean that all mandatory grounds are examined by the national offices that offer invalidity proceedings. Some grounds can only be invoked in court.

The Legal Review reports that interviewees' preference for office-based proceedings or the court system is determined by the levels of expertise available. Those in favour of the court system are concerned that smaller national offices lack sufficient expertise in design law. Others prefer inexpensive administrative procedures, which are more reassuring to individual designers or SMEs[197]. Applications to court for injunctions or declarations can add to the overall transaction costs involved in obtaining and maintaining a registered design in the EU. The subsequent delay can, in the long run, discourage innovation and commerce.

The Legal Review follows the latter arguments and recommends that it be made mandatory for national offices to offer a quick and inexpensive invalidation procedure such as already done in the area of trade marks in the context of the recent reform[198]. It further recommends that cooperation between the EUIPO and national offices be extended on this point, so as to mitigate the lack of expertise.

The results from the Public Consultation show that harmonisation of the approach is desired. Moreover, litigation costs for pursuing infringement cases/invalidity cases is considered as one of the top three costs of having a design. Respondents stressed the importance of introducing quick and inexpensive invalidity proceedings in all the national IP offices and see no reason why the situation for designs should differ from that of trade marks. Also many public authorities are in favour of introducing mandatory invalidity proceedings on national level after having to implement such proceedings for trade marks. Those respondents who were against introducing mandatory administrative invalidity proceedings point out that in some Member States so few designs are invalidated that there is not enough experience nor demand to run such proceedings efficiently.

The non-availability of office-based proceedings for the invalidation of registered designs in a part of the EU makes the design system at national level unnecessarily inefficient and ineffective, and thus burdensome for businesses, in particular SMEs and individual designers. It is neither coherent with the RCD system nor with the recently reformed trade mark *acquis*.

---

[196] However, it should be noted that of those IP Office who do not provide invalidity procedures, some provide a pre-grant opposition procedure (e.g. Portugal and Romania), or post-registration opposition procedures (e.g. Finland, Spain, Lithuania), or even both invalidity and opposition procedures (e.g. Portugal and Poland). In addition, the Hungarian IP Office provides a procedure for a decision on lack of infringement and the Portuguese office provides for a procedure for alteration of a decision.

[197] In the industry survey, 25% of respondents (rising to 35% for non-automotive stakeholders) noted that the different grounds for invalidation of a design in different Member States presented them with difficulties when seeking to invalidate a design right.

[198] Article 45(1) of Directive (EU) 2015/2436 obliges Member States to provide for an efficient and expeditious administrative procedure before their offices for the revocation or declaration of invalidity of a trade mark. According to Article 54(1), Member States have to transpose that provision by 14 January 2023.

Conclusions

The legislator's decision to provide for an invalidity procedure before the EUIPO has proven to be an **efficient and effective** way of guaranteeing a speedy and cost-effective way to register with a minimum of administrative burden. This has contributed to the overall **added value** of the EU design protection system.

However, there are no efficient and fast administrative procedures for declaring a registered design invalid before several national offices. This shows a **lack of coherence**, and makes the procedure burdensome and expensive, especially for SMEs and individual designers that wish to object to designs that do not merit protection in certain countries.

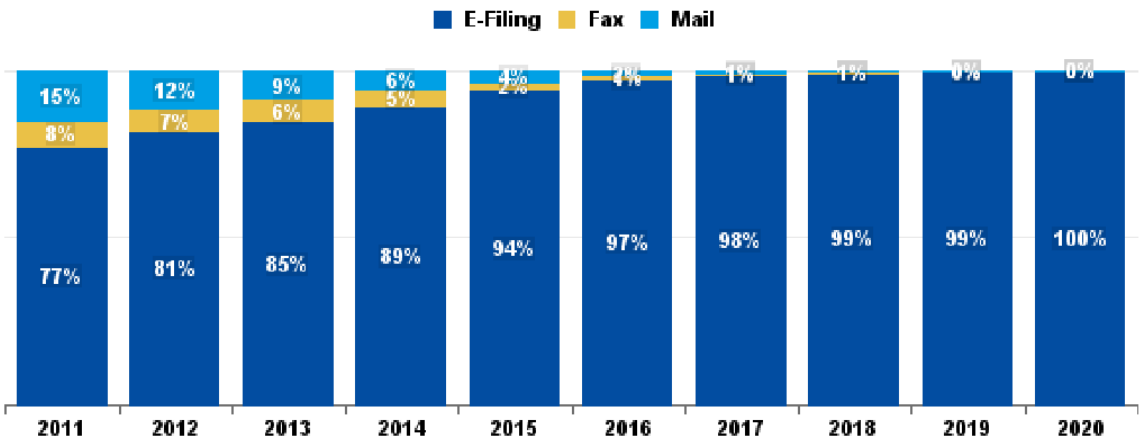
5.3.5. Experience with the Community and national registration systems

Electronic filing and other online services

Applications for an RCD may be submitted by electronic means, including the representation of the design, unless it concerns a filing of a specimen[199]. An RCD can be filed via the EUIPO's website[200], which also allows for the accelerated procedure ('fast track'). This procedure allows for faster treatment of an application if it complies with certain standards and no deficiency is flagged up. Online filings not only simplify the process, but also reduce the administrative costs for the EUIPO.

It is also possible to file an RCD application by mail or fax[201]. The use of these possibilities is very limited though, and has steadily decreased over the years, reaching close to zero over the past 2 years (Fig. 8). Given the costs involved in making a system of filing by mail or fax available and its very limited use, the usefulness of its further maintenance seems questionable.

Fig. 8 – Filing of RCD applications via website (e-filing), fax and mail



Source: EUIPO data

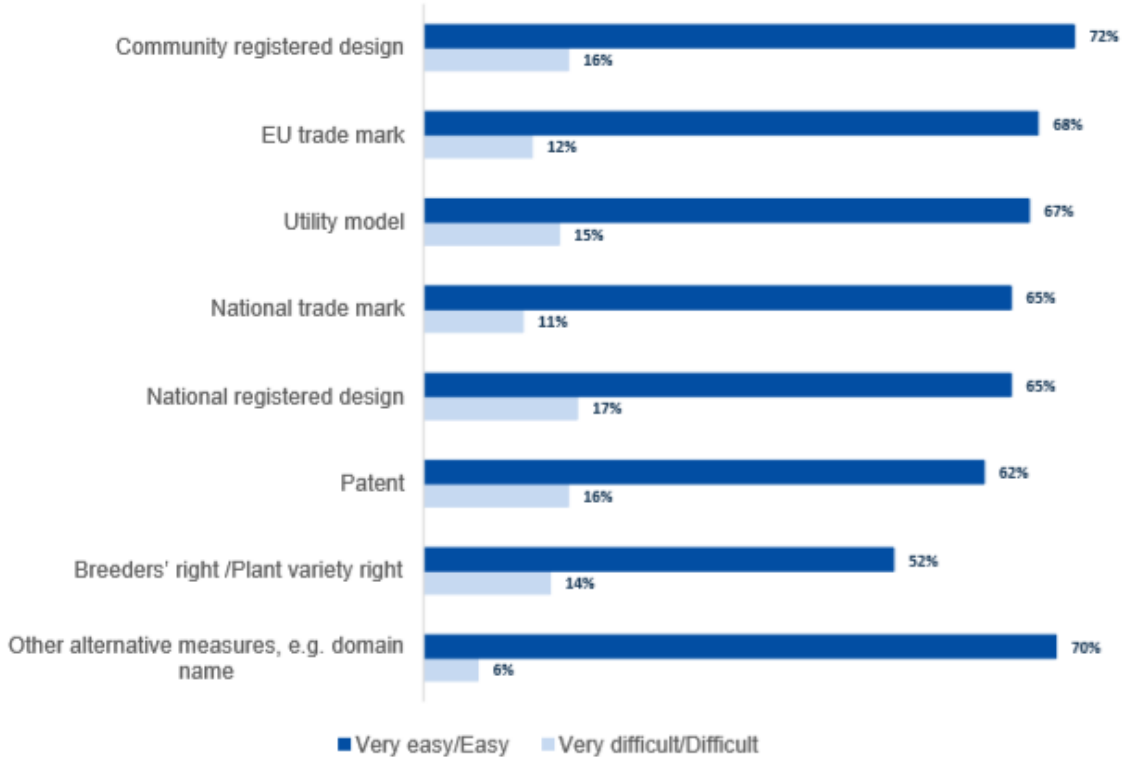
In procedures relating to Community designs, the accepted means of electronic communication with the EUIPO is the 'User Area'. The User Area offers the option of receiving all communications from the Office electronically. For example, an application for a declaration of invalidity[202], a request for renewal or a recordal may be filed with the

[199] Articles 65(2) and 67 of the Implementing Regulation.
[200] https://euipo.europa.eu/ohimportal/en/rcd-apply-now
[201] Articles 65 and 66 of the Implementing Regulation.
[202] The EUIPO launched the e-filing tool for invalidity requests in 2018, with great success – approx. 74% of invalidity requests were filled online in 2018, and approx. 93% in 2019.

Office through the User Area. The EUIPO offers several online services[203] that are also available to national IP offices as software modules (see Annex VI).

Most SMEs that have gone through the process of registering IPRs consider the processes for registering Community designs to be particularly easy (Fig. 9)[204].

Fig. 9 – Difficulty of the IPR registration process



Source: 2019 Intellectual Property SME Scoreboard

Although most Member States have an electronic system for filing design applications, this does not mean automatically that all their proceedings can be managed online. For example, in some Member States it is not possible to file electronically renewal applications or applications for a declaration of invalidity of a registered design.

Filing to registration time

In terms of application-process time, the EUIPO is very fast. In 2019, it took the EUIPO on average 4 days to register a design if the application showed no deficiencies, compared with 12 working days in 2010 (Fig. 10). Some national offices do even better. The data received through the IPO questionnaire show that some offices only needed a few days to register an application if there are no deficiencies (i.e. the application meets all the formal and substantive requirements). For example, the offices in Spain and the United Kingdom registered applications on average in 2 and 3 days respectively in 2019. However, other offices tend to take much more time to process an application (e.g. approx. 2 months for Sweden, France, Latvia and Estonia) for cases without any registration problems. Therefore, for multiple jurisdictional applications, it may take quite some time before a design is duly registered in different jurisdictions (especially in

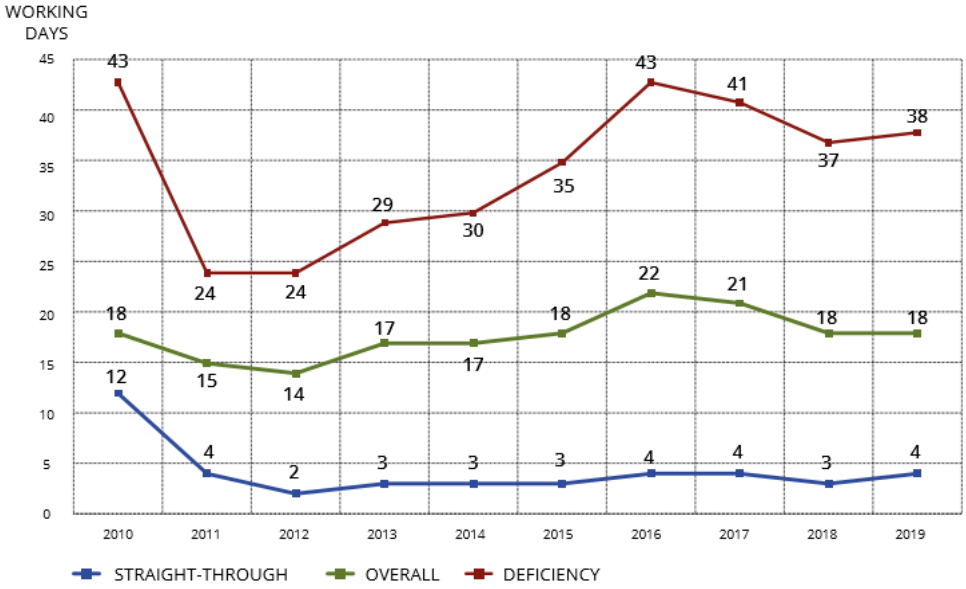
[203] https://euipo.europa.eu/ohimportal/en/online-services

[204] 2019 Intellectual Property SME Scoreboard, European Observatory on Infringements of Intellectual Property Rights, p. 81.

those cases where the application does not meet all the formal and substantive requirements, where registration may even take as long as a year).

The enormous differences in the time between filing and registration between the different Member States put applicants in slower jurisdictions at a disadvantage and hamper multi-jurisdictional filings. It could be explored how the registration time can be improved in certain Member States to make the system more efficient overall.

Fig. 10 – Direct RCD registration timeliness



Source: EUIPO design focus 2010 to 2019 evolution, p. 19.

Deficiencies and registration rate

If the application complies with all formal and substantive requirements, the design will be registered and published immediately. However, if an application has deficiencies the applicant will be asked to correct it, which may lead to the amendment of the application. In turn, this may lead to a delay in registration or, if the deficiency is not remedied, to its final refusal. Since the launch of the RCD system, on average almost 1 in 5 examined direct RCD filings were deficient (Fig. 11)[205]. Design applications from applicants assisted by a professional representative tend to have fewer deficiencies when compared with applications from applicants without a representative[206].

The registration rate reflects the share of applications that are finally registered out of the total number of designs applied for. The EUIPO had an average registration rate of 95.1% between 2010 and 2019[207]. Data from the IPO Questionnaire show similar results for some national offices, such as 97%, 98% and 100% in Slovenia, Hungary and Cyprus

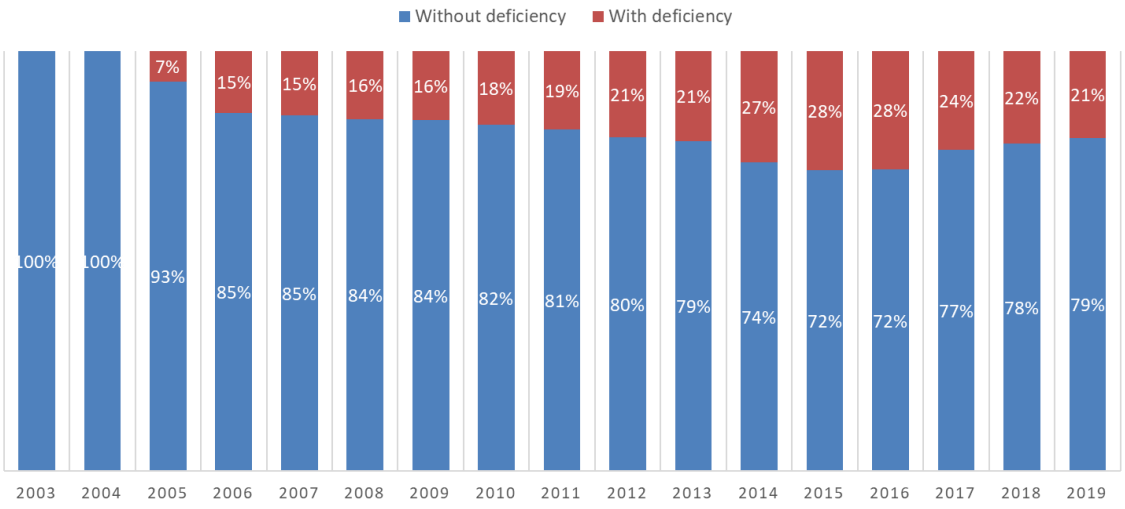
[205] Please note that the deficiency rate is counted not per design but per application, including multiple applications. In practice, this means that in cases where there is a deficiency for a single design contained in a multiple filing, the entire multiple filing is considered to be deficient. In other words, the deficiency rate per design is lower.

[206] Based on EUIPO data for 2010-2020: for applicants with a representative, 18.8% of their applications were deficient; for applicants without a representative, 30.6% of their applications were deficient. Therefore, applicants without a representative have 11.8 percentage points more deficiencies. In other words, they are 1.63 times more likely to have a deficiency.

[207] EUIPO design focus 2010 to 2019 evolution.

respectively, but also considerably lower rates in Poland (79%), Croatia (77%), Denmark (74,5%) and Romania (74%)for the years 2014 and 2015.

Fig. 11 – Average deficiency rate examined direct RCD filings



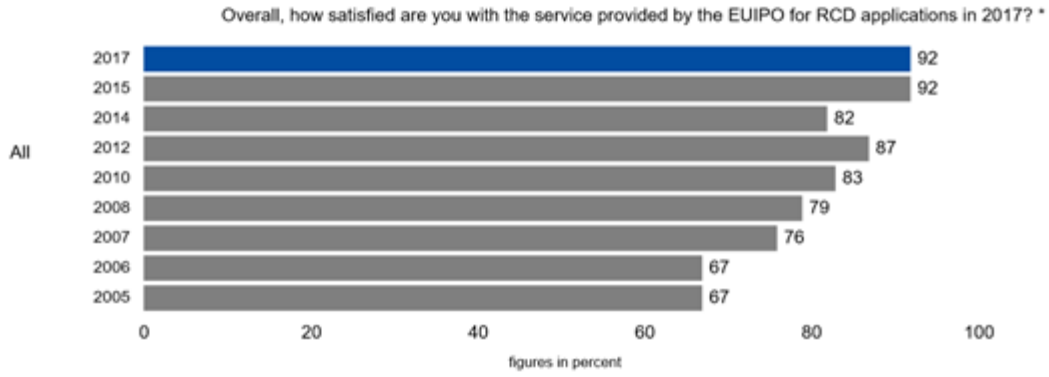
Source: EUIPO data

Satisfaction with the registration process

The respondents to the Public Consultation are generally very satisfied with the design registration at the EUIPO. Its general performance is rated at 97% among all respondents. They particularly appreciate the possibility of filing electronically; the speed of the registration process; the ease of the application process and forms; and its level of fees, which all show very high satisfaction levels[208].

Figures from the EUIPO's most recent (2017) annual user satisfaction survey[209] show that the satisfaction rate has significantly increased over time (Fig. 12).

Fig. 12 – Overall satisfaction with RCD – Combined score - Comparison over time*



Source: EUIPO User Satisfaction Survey 2017

The respondents to the Public Consultation rated the general performance of the national offices less highly than that of the EUIPO, but still very highly (satisfaction rate of 79% among all respondents). The most appreciated features were the possibility of filing

[208] Factual summary report, question 32.
[209] https://euipo.europa.eu/ohimportal/en/transparency-portal/organisational/user-satisfaction-survey

electronically; the transparency of the registration process; the ease of the application process and forms; the supplied information on how to register a design; and the level of fees[210].

Conclusions

Users are very satisfied with the overall functioning of the two parallel registration systems. The high level of digitalisation of both the procedures and the communications for the RCD is particularly important for their **efficiency**.

The relatively simple and fast national procedures are also appreciated. However, in some Member States, insufficient automation of filing systems negatively impacts the speed of the processing of incoming applications, undermining the **effectiveness and efficiency** of the current framework. Further convergence of IP-office practices across the EU (in particular by increasing digitalisation) could be considered to **improve coherence**.

5.3.6. Fees

The costs of registering a design can be divided into the fixed administrative fees and the costs of legal assistance (which may vary significantly depending on applicants' choice).

Administrative fees for registering an RCD

Community design applications are subject to various fees (Fig. 13), which the applicant must pay at the time of filing[211], including the registration fee and the publication fee or, where the application includes a request for deferment of the publication, the deferment fee. For multiple applications, additional registration, publication or deferment fees must be paid for each additional design. If payment was not made when filing the application, late payment fees must also be paid. There is no distinction in fees between electronic and paper filings.

Fig. 13 – The fee structure for RCDs

Registration fee	EUR 230 for a single design or the first design of a multiple application
Multiple application	EUR 115 for each design from the second to the tenth design EUR 50 for each design from the eleventh design onwards
Publication fee	EUR 120 for a single design or the first design of a multiple application EUR 60 per design for the second to the tenth design and EUR 30 from the eleventh design onwards of a multiple application
Deferment of publication	EUR 40 for a single design or the first design of a multiple application EUR 20 per design for the second to the tenth design and EUR 10 from the eleventh design onwards of a multiple application
Renewal fee	EUR 90 for the first renewal, EUR 120 for the second, EUR 150 for the third and EUR 180 for the fourth period of renewal

Source: Regulation, the Implementing Regulation and the Fees Regulation

[210] Factual summary report, question 33.
[211] Article 6(1) of the Implementing Regulation.

In practice this means that an applicant will have to pay a fee of EUR 350[212] for a single Community design application, and, for example, EUR 1 050[213] for a multiple application consisting of five designs.

On average, about half (51.3%) of the total volume of RCD registrations are renewed at least once, and around a third (30%) at least twice.

Applicants can also use the international registration system administered by the WIPO and designate the EU as a territory of protection on the basis of an international registration ('IR'). In order to be able to designate the EU as a territory of protection, the applicant must have an international registration. The fee for designating the EU comes on top of the costs of the basic fee for the international registration.

Although the Legal Review sees no need for a reduction of fees for RCD applications, it does recommend conducting a comprehensive fee review to ensure the coherence and viability of the different (national, EU, and international) registration systems[214].

The responses to the Public Consultation are in line with the recommendations of the Legal Review. Although most of the respondents (79%) think that the current level of fees for RCDs is appropriate overall, some of the respondents consider the level of the renewal fees to be too high – especially for SMEs or single designers[215]. While a similarly high percentage of the respondents did not regard the current fee structure as problematic, a fifth (22%) believes that the fee structure presents some difficulties. Among these difficulties, they indicate renewal fees, which should not increase each time a registered design is renewed.

A slight majority of the respondents (56%) considers it inappropriate that all designs of a multiple application must refer to products in the same Locarno class to be able to benefit from the current bulk discount (see also Section 5.3.2). Moreover, they criticise the fact that for multiple applications the renewal fee applies to each and every single design contained in the multiple application, so that the bulk discount at the moment of filing is no longer available once the design is registered. In that context, the Legal Review points out that the current multiple design fee structures tend to benefit mostly larger entities[216]. The interests of smaller entities, and in particular SMEs and individual designers, should therefore be properly accounted for in any future review.

Furthermore, the registration fee for the change of holder is considered unjustified, in particular since it does not exist for EU trade marks (see Section 5.7). Some respondents also explicitly supported the Legal Review's recommendation to carry out a more in-depth examination of the fee structure.

Against this background, it could be useful to further explore the potential for increasing the efficiency of the Community design system (especially accessibility for SMEs or

[212] EUR 230 (registration fee) + EUR 120 (publication fee) = EUR 350.

[213] EUR 230 (registration for the first design) + 4 x EUR 115 (registration for 4 additional designs) + EUR 120 (publication for the first design) + 4 x EUR 60 (publication for additional 4 designs) = EUR 1 050.

[214] More specifically, the Legal Review recommends reviewing the fee structure for multiple applications and renewal fees and aligning them with the fee structure of EU designations of international registrations (e.g. for IRs, each EU design renewal fee is only EUR 31 and the fees are not progressive over time). The Review also argues that all other fees set by the EUIPO should, for the convenience of both the public and the EUIPO, be aligned with their direct counterparts under the EUTM Regulation.

[215] Factual summary report, questions 56, 57 and 58 (addressed to those respondents who identified themselves i.a. as lawyers/legal advisers, authorities and academia).

[216] Legal Review, p. 49.

single designers) by adjusting fee levels and streamlining the fee structure. Such a review should take into account the need to ensure a balanced EUIPO budget and coexistence and complementarity between the Community design, national design and international registration systems.

Administrative fees for registering a national design right

Since the Directive did not harmonise rules for fees or levels of fees, all Member States have their own fee system for registration of national designs. The application fees vary greatly between national offices. For example, in Estonia a single electronic filing of an application for registration of an industrial design by a natural person costs EUR 26, whereas in Finland a single electronic filing costs EUR 215. There does not seem to be a correlation between having a substantive examination and higher registration fees.

The fees for additional designs in a multiple application are mostly within the range of EUR 7-35, but there are some exceptions such as in Sweden, Finland, Denmark, the Benelux countries and Slovenia, where fees vary between EUR 65 and EUR 140. This can result in enormous price differences for multiple design applications per country. For example, the electronic filing of a multiple design application containing 10 designs costs EUR 120 in Germany, and EUR 1 285 in Finland.

The renewal fees can also differ largely, and not only in amount but also in structure. Some Member States charge the same fee for each renewal term[217], but others impose increasing fees[218] like the EUIPO. For example, where France charges the same EUR 52 for any renewal period, Poland charges EUR 58.40 for the first renewal period and EUR 467.30 for the fourth renewal period for each design registered.

Regardless of whether the fees are incremental or not, statistics from the IPO Questionnaire show that over time fewer designs are renewed. In most Member States, around 20-30% of the total amount of design registrations that were filed originally are renewed after their first 5 years. After that first renewal period, there is a clear decline except for Cyprus and Estonia, where in general a relatively high percentage of designs are renewed.

It is not only the level of fees that can vary among the Member States. The composition of the fees can also be very different. Where some Member States require publication fees for each additional design (e.g. in Croatia, Latvia and Sweden), or fees for entry in the register (Finland), others do not charge such additional fees. Moreover, many Member States provide discounts for electronic filing[219] and some provide fee reductions to designers (Croatia, Latvia, Czechia and Hungary) or natural persons (Lithuania and Estonia)[220].

---

[217] E.g. Finland charges EUR 380 and France EUR 52; Romania charges EUR 100 for 1-20 designs, EUR 125 for 21-50 designs and EUR 150 for 51-100 designs.

[218] E.g. Germany: EUR 90 for the 1st renewal, EUR 120 for the 2nd renewal, EUR 150 for the 3rd renewal and EUR 180 for the 4th renewal, Poland: EUR 58.40 for the 1st renewal, EUR 116 for the 2nd renewal, EUR 233.60 for the 3rd renewal and EUR 467.30 for the 4th renewal for each design registered (also in a multiple application).

[219] Usually a 15-20% discount.

[220] HR: the applicant who is also the designer pays fees reduced by 50%; LV: designers applying for a design who are (i) individual authors have to pay 40% of the respective fees; (ii) pupils, students and pensioners 20% of the respective fees; CZ: the fee is lower where the author(s) is (are) the only applicant(s); HU: the fee is EUR 101 if the applicant is not the designer and EUR 25 if the applicant is the designer; LT: the amount of the fees for the filing of an application for a design will be reduced by 50% for

Because of these many and significant differences, while taking into account Member States' freedom to determine the fees of national designs, it could be a good idea to further explore whether the setting of common principles for fee structures could help to optimise the system.

Costs of legal assistance and representation

Fees are often not the only costs involved in filing a design application. To a large extent, costs are also determined by the costs of legal assistance and representation. Levels of lawyers' fees were considered a significant factor when deciding on the type of protection[221]. Costs of legal assistance and representation are not fixed, and vary significantly on a case-by-case basis. While such costs cannot be compared, the applicant will incur them in those jurisdictions where representation by a professional is required by law. Where such a requirement does not exist, it is an applicant's choice whether or not they want to invest resources in such representation.

Although anyone can file an application for an RCD[222], data from the EUIPO show that over the period 2010-2019, on average 85% of all RCD applicants were represented by a professional.

Conclusions

Applicants appreciate the relatively low levels of fees for RCD registrations. However, there is room for improving the fee structure to **make it more efficient**. In particular, it appears that due to the unity-of-class requirement the existing bulk discount available for multiple applications does not allow applicants to appropriately benefit from such multiple filings. It also appears that the structure of the bulk discount tends to benefit larger companies rather than SMEs and individual designers. In addition, the renewal fees appear to be too high compared to the application fee. Certain other fees (e.g. recordal of a transfer) also no longer appear to be **justified or coherent**.

5.3.7. Conclusions

The introduction of EU design legislation has substantially improved the process for registering designs in the EU. Nevertheless, there are some issues undermining the **effectiveness** of the existing registration procedures that should be addressed. In particular, the current legal framework for representing designs: (i) no longer satisfies applicants' need to represent certain designs properly; and (ii) prevents the acceptance of new types of designs. The widespread requirement that designs be represented graphically and in a static manner is not in line with current ways of doing business. This requirement is also not flexible enough to offer applicants the best possible option for identifying the protected subject-matter. Moreover, existing **incoherence** prevents the EUIPO and national offices from promoting the convergence of practices, and forms a hindrance for applicants who apply for the same designs across the EU.

natural persons who register an industrial design in their names; EE: filing of an application for registration of an industrial design by a natural person or solely natural persons is EUR 26 compared with EUR 105 for a legal person.

[221] Economic Review, p.6.

[222] Only where the applicant does not have their domicile or principal place of business or a real and effective industrial or commercial establishment within the European Economic Area (EEA), they must be represented by a representative in all proceedings before the Office other than in filing an application.

The system for registering a Community design allows applicants to obtain design protection in registered form for the whole EU area through one application to the EUIPO using a single procedure under EU law. The system is prompt and has enormous cost advantages. The steadily growing number of Community design applications is clear evidence of its overall **efficiency and relevance**. The existing procedures for registering national designs are also considered relatively **efficient**. However, there is still room for improvement, in particular in: (i) the unity-of-class requirement for multiple applications; and (ii) making the proceedings more digital – or fully digital – on the national level.

The **relevance** of the EU legal framework for design protection is undermined by the current representation requirements, which have not been adapted to the digital age and need to be updated. Other requirements, such as for paper filing and the filing of specimens, have totally lost their relevance and could be discarded to simplify the system and reduce costs for IP offices. In addition, the very narrow scope of application of the Regulation's exhibition-priority right has led to its very limited relevance. This is due to the paucity of world exhibitions and the fact that such exhibitions do not involve business-to-business exchange.

The lack of harmonised procedures to obtain, maintain or invalidate a design has resulted in a **lack of coherence** in procedural rules between the Member States and the Community design system. There are significant divergences in: (i) the means and requirements for representing designs; (ii) the types of fairs covered by exhibition priority; (iii) the length of deferment periods; (iv) the level and structure of fees; (v) the applicable examination grounds; and (vi) invalidity proceedings. Lack of alignment of these rules undermines the complementarity and interoperability of the design protection systems in the EU, making it difficult for applicants to use the same filing material when filing in multiple jurisdictions.

User satisfaction with the overall performance of the Community and national registration systems proves the clear success and **added value** of EU legislation on design protection. This user satisfaction also reflects the increasing economic importance that companies attribute to the protection of their designs. Without EU intervention, the acquisition of design protection across the EU would have involved much higher costs and greater administrative burden for companies. This would have hampered innovation, the development of new products, and investment in their production.

	Effectiveness	**Efficiency**	**Relevance**	**Coherence**	**EU added value**
Means and requirements of design representation	+ -	+ -	- -	- -	N/A
Different filing options	+ -	+ -	+	- -	+
Substantive examination	+	+	N/A	-	+
Administrative invalidity proceedings	+ -	+ -	N/A	-	+
Experience with the Community and national registration systems	+	+	N/A	+ -	N/A
Fees	N/A	+ -	N/A	-	N/A
Overall	**+**	**+ -**	**-**	**- -**	**+**

5.4. ENFORCEMENT

The introduction of EU legislation on design protection had among its objectives to improve access to a simple and affordable design protection system and to reduce transactional and litigation costs. To accomplish these objectives, the Regulation provided for a common framework allowing for efficient design enforcement. Title IX of the Regulation contains a series of provisions on jurisdiction and procedure in legal actions relating to Community designs. These include rules on jurisdiction, Community design courts, sanctions in actions for infringement, and provisional measures.

In addition, measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights (including RCDs, UCDs and national design rights) in civil and/or administrative infringement proceedings are harmonised by Directive 2004/48/EC[223] ('Enforcement Directive'). The recent evaluation[224] of the Enforcement Directive concluded that the means set out in this Directive have effectively helped to better protect IPR throughout the EU and are still fit for purpose. The Enforcement Directive has led to the creation of a common legal framework where the same set of tools is applied across the EU. However, it was considered that the provisions of the Enforcement Directive were not implemented and applied in a uniform manner in all EU countries. Therefore, the Commission issued a Guidance Communication[225] to clarify the application of certain aspects of the Enforcement Directive, and thus allow for more consistent and effective interpretation and application. The Commission, in cooperation with the Member States and the European Observatory on the infringements of IPR, continues to monitor the application of the Enforcement Directive.

Means used in criminal proceedings have not been harmonised in the EU[226]. Rules on the enforcement of IPRs, including design rights, by customs authorities are set out in Regulation (EU) No 608/2013[227].

There is no harmonisation in administrative court fees, the costs of legal representation, and the obligation for legal representation before the Community design courts or other national courts. These can all vary significantly depending on the jurisdiction, case at hand, and representation strategy chosen by the right holder. These costs cannot therefore be analysed or compared in a meaningful manner. Having said that, design holders can incur significant costs in relation to the enforcement of their rights. They may have to invest substantial sums to: (i) detect an infringement; (ii) identify the infringer; (iii) investigate and gather evidence of infringement; (iv) secure seizure, and (v) store and ultimately destroy infringing goods. Also, because of the complexity of the matter, high-level technical expertise can be needed to understand the nature of the right and the scope of potential infringement[228].

---

[223] Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, OJ L 157, 30.4.2004, pp. 16–25.
[224] Evaluation Report SWD(2017) 431.
[225] Guidance on certain aspects of Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights, COM(2017) 708.
[226] The proposal for a Directive on criminal measures aimed at ensuring the enforcement of intellectual property rights (COM/2005/0276) did not get sufficient support and was withdrawn by the Commission.
[227] Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No 1383/2003, OJ L 181, 29.6.2013, pp. 15-34.
[228] Evaluation Report SWD(2017) 431, p. 17.

The quality and accessibility of enforcement measures across the EU has a significant impact on the decision of whether or not to apply for registered protection of an industrial design in the first place. The greater the enforceability of an industrial design, the more likely a firm is to protect designs through this method, all else being equal[229].

5.4.1. Design rights as protection tools against the unlawful behaviour of third parties

As part of the evaluation, stakeholders were asked to assess the effectiveness and efficiency of using design rights as protection tools against the unlawful behaviour of third parties.

Almost all of the respondents to the Public Consultation considered that registered designs provide useful protection against unauthorised use by a third party. A majority of the respondents also considered that the UCD provides useful legal protection against unauthorised copying. Among the respondents who launched infringement proceedings, most relied on the RCD as a basis for their legal action, followed by national registered design, international designs registered through WIPO, and UCD. Those few respondents, who indicated that they rely on other legal bases, referred to copyright protection, the law against unfair competition (passing off), protection awarded for figurative or 3D trade marks, national unregistered design right (UK), utility models, and patents.

The respondents to the survey carried out as part of the Economic Review had slightly different preferences: according to their replies, the most common form of protection underpinning legal action over the preceding 5 years was national registered industrial design right, followed by the RCD. Similar results were presented in literature[230].

Respondents to the Public Consultation who decided to rank different protection tools estimated that relying on the national title gives them the best chance of winning an invalidity action or an infringement action. Their chances of winning were considered the lowest when the applicant relies on a UCD. Some respondents believed that the chances of success of an infringement and invalidity action before the courts are equal in relation to national design registrations and RCDs. Some respondents indicated that the chances of success are higher when the case is heard by a specialised IP court, as compared with a general court, independent from the protection title indicated as legal basis.

Respondents pointed to difficulties with enforcement of UCDs, such as the reversed burden of proof and high threshold of evidence required to prove that the contested use resulted from copying the protected design. In that context, several respondents considered that it would be useful to clarify the notion of 'copying' (Article 19(2) of the Regulation). Some respondents also believed that the necessity to disclose the design in the EU to obtain the protection based on a UCD is a burden for those companies who need to rely on a global marketing strategy[231] (see Section 5.2.3).

[229] Economic Review, pp. 49 and 83.
[230] O. Church, E. Derclaye, G. Stupfler, 'An empirical analysis of the design case law of the EU Member States', International Review of Intellectual Property and Competition Law (IIC), July 2019. Based on the case sample examined in this paper, overall there is more litigation based on national registered design rights than on RCDs. National registered design rights seem very popular overall compared to the RCD in countries which have a smaller market. In the UK, the national unregistered design right is very popular.
[231] Factual summary report, question 9.

Stakeholders involved in the cooperation under the Memorandum of Understanding on the sale of counterfeit goods via the internet[232] report[233] that relying on design protection to defend against online sales of counterfeit goods is becoming increasingly important.

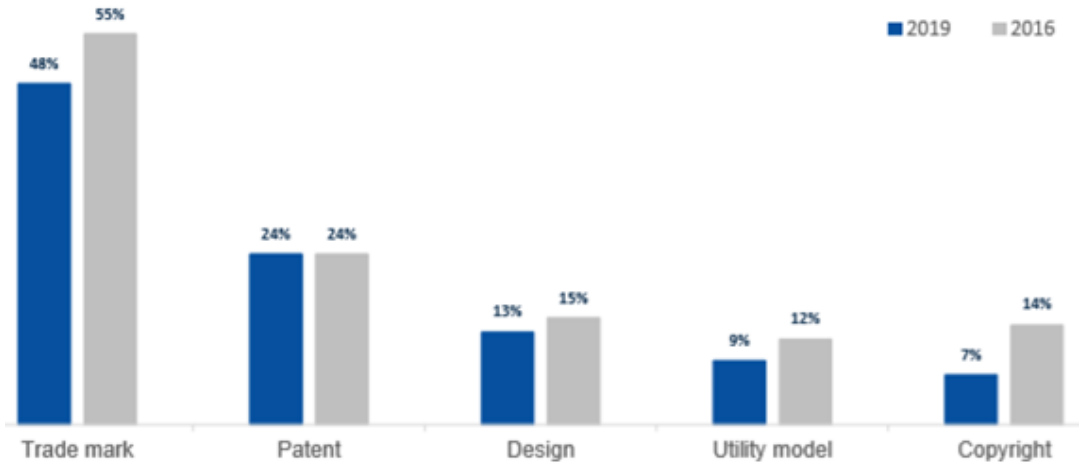
The feedback received demonstrates that stakeholders appreciate the possibility of relying on different types of design rights to protect their designs, as this gives them the possibility to adjust their protection strategy to the realities of the sector in which they are active. Heavy reliance in particular on the RCD proves the added value of creating unitary protection.

Finally, there is no alignment between the scope of design rights and the trade mark *acquis* concerning the possibility to enforce the design rights against goods in transit (as discussed in Section 5.2.4). This currently limits the scope of action of the IPR customs enforcement.

5.4.2. Functioning of the design enforcement system

SMEs report that design rights are in third place among the most infringed IPRs (Fig. 14)[234].

Fig. 14 – Top 5 infringed IPRs, according to SMEs



Source: 2019 IP SME Scoreboard

According to a survey carried out as part of the Economic Review, fewer than 20% of respondents have initiated a legal action to enforce protection of their designs. Enforcement is most common among firms in the field of manufacturing, where 25% of respondents had initiated such a process. The survey's results show that design enforcement is more common in Western Europe than in other parts of the EU. The Member States accounting for the highest proportion of initiated legal actions were Germany, France and the Netherlands. On the other hand, when we look at the countries in which respondents were subject to legal action, Germany, France and Czechia are the leading jurisdictions.

Recent academic research[235] demonstrates that France has by far the most design litigation compared to the other Member States; it also finds that UK has comparatively

[232] https://ec.europa.eu/growth/industry/policy/intellectual-property/enforcement/memorandum-understanding-sale-counterfeit-goods-internet_en
[233] Report on the functioning of the Memorandum of Understanding on the sale of counterfeit goods via the internet SWD(2020) 166 final/2, pp. 13-14, 24, 38.
[234] 2019 IP SME Scoreboard, p. 112.

less litigation than other big states such as Italy, France and Germany. This can potentially be explained by designers' perception that the cost of litigation in the UK is high.

The evaluation report for the Enforcement Directive[236] assessed the average duration of civil proceedings for infringement of IPRs by comparing the situation in four selected Member States (France, Germany, the Netherlands and the United Kingdom). The average duration of litigation related to all IPR types and to all of these four Member States was estimated to be about 1 year. In design infringement cases, the duration was estimated to be the longest in France with an average of 1.4 years, followed by the UK with 1 year, Germany with 0.5 years and the Netherlands with 0.1 years.

Respondents to the survey conducted as part of the Economic Review rated their satisfaction with the EU design enforcement system as rather low (those who have initiated legal action rated it 4.8 out of 10; those who had been subject to legal action rated it 3.3 out of 10). The companies that participated in this survey seem to still believe that it is costly and time-consuming to enforce industrial designs in Europe, and that there is a lack of specialised training for courts and judges on intellectual property issues. The companies also seemed doubtful of their ability to enforce design rights outside the EU. The Economic Review summarises the strengths and weaknesses identified by firms with respect to enforcement of design rights (Fig. 15).

Fig. 15 – Strengths and weaknesses of the design enforcement system

Strengths	Weaknesses
• Clear and coherent national legislation available across the EU with regards to design rights. • In some countries, a specific design can be protected both by design law and copyright law thus rendering it more difficult to copy. • Steps have been taken to improve the harmonisation of requirements for – and enforcement of – design rights.	• Costly and time-consuming to enforce an intellectual property right. • Lack of specialised training for courts and judges on intellectual property issues. • Unable to enforce design rights outside the EU. • Lack of complete EU harmonisation of enforcement strategies across Member States.

Source: Economic Review

The Economic Review concludes that there remain material differences in the enforcement of design rights across the EU, potentially still segmenting the single market. It refers in particular to the fact that each Member State has its own judicial system and that, despite the partial harmonisation achieved thanks to the Enforcement Directive, the requirements for evidence and the sanctions imposed vary from country to country. Lack of harmonisation of measures, procedures and remedies used in criminal proceedings is another sub-optimal factor. The Legal Review mentions two additional aspects that may threaten to undermine the unitary nature of the Community design: (i) the differences among Member States regarding the level of difficulty in obtaining an

[235] E. Derclaye, 'EU Design Law: Transitioning Towards Coherence? 15 Years of National Case Law' in Bruun, Dinwoodie, Levin and Ohly (eds), Transition and Coherence in Intellectual Property Law, Cambridge University Press, 2019.
[236] SWD(2017) 431, p. 19.

ex ante injunction to restrain the infringement of a design right; and (ii) the lack of harmonisation in respect of actions for a declaration for non-infringement (which exists only in some Member States)[237].

Against this background, the Economic Review called for further progress in the standardisation and harmonisation of the enforcement measures relevant for design protection. The Review recommends in particular further harmonising the rules on evidence and penalties, and further unifying the court system. It also advised monitoring the development of new technologies, and in particular 3D printing, as they seem likely to lead to material and widespread consumer-driven infringements in the future[238] (see Section 5.2.4). Further harmonisation efforts are also supported by the conclusions of the Legal Review. These conclusions and recommendations have been taken into consideration in the evaluation of the Enforcement Directive and are being monitored by the Commission in cooperation with the Member States.

Recent academic research[239] examined the use of the design enforcement system in the EU, bringing interesting conclusions on the trends observed in design litigation after analysing over 2 000 court decisions in cases where design rights were litigated. The study concludes that EU design legislation has been effective over the first 15 years of its existence. Based on its findings, the study considers that, overall, the EU design legal framework has been effective for all types of design rights, making the current system well-suited to the different needs of the various design industries. The growing – and then stable – number of litigations overall, and the stable proportion of litigations finding designs valid and infringed over time, show that designers have relied with confidence on the EU design legal framework. The growing number of design applications in the EU (see Section 5.3.2) might be explained by the generally good level of enforceability of designs.

5.4.3. Functioning of the Community design courts

The Designs Regulation introduced an obligation for Member States to designate national courts and tribunals of first and second instance, which will be competent to hear cases concerning RCDs and UCDs ('Community design courts', Article 80). The obligation refers to 'as limited a number as possible' of such courts, to ensure it stimulates centralisation of proceedings and thus increased specialisation of courts. In practice, the

[237] Legal Review, pp. 105-107.
[238] Economic Review, pp. 115-125, 167-168.
[239] O. Church, E. Derclaye, G. Stupfler, 'An empirical analysis of the design case law of the EU Member States', International Review of Intellectual Property and Competition Law, July 2019. Among the conclusions of the study the authors indicated i.a. that: (i) Vast majority (90.9%) of designs litigated upon are the three-dimensional designs; (ii) Designs are more likely to be found infringed than not infringed; and unregistered designs are more likely to be found infringed than registered designs; (iii) Decisions are more likely to be affirmed than reversed on appeal. This suggests that first instance courts generally have applied the law correctly or at least that courts of appeal were not minded to overrule the lower court decisions. This also means that courts have agreed with claimants and that claimants have been likely to have their design rights found valid and infringed on appeal. Therefore, it has been worthwhile for parties to register or use designs as a type of protection for their creations, proving effectiveness of the EU system; (iv) The proportion of designs found valid by courts is stable over time, and likewise for the proportion of designs found infringed. The rate of validity and of decisions affirmed on validity show that design right holders are generally confident that their designs are valid and are therefore not afraid to sue the alleged infringers. These findings go against those of the Economic Review which state that some designers may be reluctant to bring proceedings as they are uncertain of the validity of their designs.

Member States designated from two – one of first instance and one of second instance – (majority of the Member States) to over 40 Community design courts (Italy)[240].

The Regulation also: (i) indicates the types of cases in which Community design courts have exclusive jurisdiction (Article 81); (ii) sets out rules making it possible to establish both jurisdiction over infringements and the validity of Community designs (Article 82, 83); and (iii) sets out other rules relevant in such proceedings (Article 84, 85, 86, 87), including on applicable law (Article 88).

There is currently no obligation on the Community design courts to provide the Commission with information about the cases they hear (e.g. volume of cases, overall outcomes, etc.). It is therefore difficult to evaluate the effectiveness and efficiency of the Community design courts system. Lack of data about the jurisprudence in the IPR infringement cases was also one of the impeding factors indicated in the evaluation of the Enforcement Directive[241].

Some respondents to the Public Consultation indicated that the chances for success in design infringement proceedings are higher when the case is heard by a specialised IP court, as compared with a general court, independent from the protection title indicated as a legal basis. While the feedback received in the framework of the Economic Review seems to indicate that firms still believe there is a lack of specialised training for courts and judges on intellectual property issues, the assessment of actual cases seems to point to a relatively high level of specialisation[242].

5.4.4. Conclusions

Enforcement of the design rights appears to be working reasonably well, contributing to the overall **effectiveness and efficiency** of the design protection system. Enforcement remains highly **relevant**, with the existing design rights considered to be useful and reliable protection tools. The possibility of choosing between different types of rights (national/Community, registered/unregistered) also seems to be well appreciated by the right holders from a rights-enforcement perspective.

Although judicial recourse is widely used and has proven to be **effective**, there is still room for improving its **efficiency** and **coherence**. For the sake of coherence between different IPRs, means to achieve such improved efficiency and coherence should account for the follow-up work to the recent evaluation of the Enforcement Directive and the Guidance Communication. Stakeholders favour further harmonisation and would particularly appreciate better access to enforcement of design rights by reducing the cost of proceedings and the time the proceedings take. Lack of provisions that would allow enforcing design rights against goods in transit (i) limits the scope of action for IPR customs enforcement, and (ii) **undermines coherence** between the enforcement tools available for trade marks and designs.

---

[240] Publication of the lists of EU trade mark courts and Community design courts in accordance with Article 123(3) of Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union trade mark and Article 80(4) of Council Regulation (EC) No 6/2002 on Community designs 2020/C 327/06, OJ C 327, 5.10.2020, p. 6–15.

[241] Evaluation Report SWD(2017) 431, p. 7.

[242] O. Church, E. Derclaye, G. Stupfler, 'An empirical analysis of the design case law of the EU Member States', International Review of Intellectual Property and Competition Law (IIC), July 2019. Data examined as part of this research show that most of the judges (68.1%) hearing design cases are specialised, i.e. are members of a court that is an intellectual property court or a court that has intellectual property in its competences and frequently renders decisions on intellectual property law.

The designation of Community design courts brought significant **added value**, as it promoted the specialisation of courts, a trend that should be further encouraged.

	Effectiveness	Efficiency	Relevance	Coherence	EU added value
Design rights as protection tools against the unlawful behaviour of third parties	+	+	+ +	+ -	+ +
Functioning of the design enforcement system	+	+ -	+	+ -	+
Functioning of the Community design courts	+ +	+	+ +	+ +	+ +
Overall	**+**	**+**	**+ +**	**+**	**+ +**

5.5. SPARE PARTS

5.5.1. Specific rules on spare parts used for repair purposes

As explained in Section 5.2.2, design rights can protect the appearance of the whole or part of a product, including parts intended to be assembled into a complex product[243]. Component parts of a complex product can only be protected if, once they have been incorporated into the complex product, they remain visible during the normal use of the product[244]. Design protection cannot be granted for those features of appearance of a product which are solely dictated by its technical function, nor for the so-called **must-fit** mechanical interconnections[245]. These provisions are particularly important when we consider protection awarded to those visible parts of a complex product that are being replaced for repair purposes ('spare parts').

In the initial 1993 proposals for the Regulation[246] and the Directive[247], the Commission proposed a so-called **repair clause**, which would limit to 3 years the design protection for spare parts used for the purpose of repair to restore the original appearance of a complex product. The purpose of that repair clause was to prevent the creation of captive markets (i.e. markets where consumers face a severely limited number of competitive suppliers) for certain spare parts, e.g. for cars[248]. In reaction to the Opinion of the European Parliament, the Commission presented in 1996 an amended proposal for the Directive[249] with a repair clause reducing the design right to one of remuneration instead of limiting the term of protection. Because it was still not possible to reach agreement on the repair clause, an interim compromise solution was agreed and implemented in the final text of the Directive. The adoption of the Regulation 3 years later had to take

[243] A complex product is defined as a product that is composed of multiple components which can be replaced permitting disassembly and reassembly of a product (Article 1 of the Directive and Article 3 of the Regulation).
[244] Article 3(3) of the Directive and Article 4(2) of the Regulation.
[245] Article 7(1) and (2) of the Directive and Article 8(1) and (2) of the Regulation.
[246] Proposal for a European Parliament and Council Regulation on the Community design, COM(93) 342 (final) at Article 23.
[247] Proposal for a European Parliament and Council Directive on the legal protection of designs, COM(93) 344 (final) at Article 14.
[248] COM(93) 342 (final), p. 20.
[249] COM(96) 66 (final) at Article 14.

account of that interim solution by also including an interim provision in its final text. Those interim provisions were designed to apply until amendments to the EU legislation are adopted based on new proposals from the Commission to address the issue of spare parts protection.

The transitional provision included in the Directive (Article14) is often referred to as the '**freeze plus clause**'. According to this provision, Member States are obliged to maintain in force their existing legal provisions relating to the component parts of complex products used for repair purposes; they can only change these provisions to liberalise the market for spare parts.

The transitional provision in the Regulation (Article 110) introduces a repair clause in a temporary manner ("*pending amendments to this Regulation, the protection as a Community design shall not exist for a design which constitutes a component part of a complex product used for the purpose of repair of that complex product so as to restore its original appearance"*). As a result, applying for a Community design (applicable in all Member States) will not grant protection for component parts used for the purposes of repair of complex products. As clarified by the CJEU[250], for the repair clause to apply, the protected design does not have to be dependent upon the appearance of the complex product. However, the repair clause applies only to component parts of a complex product that are visually identical to original parts[251].

In accordance with Article 18 of the Directive, the Commission presented in 2004 a new proposal to harmonise design protection of visible spare parts through the introduction of a repair clause, in language very similar to that contained in Article 110 of the Regulation. It required Member States to also exclude visible component parts used to repair a complex product from the protection awarded by national design rights. The proposed introduction of such a repair clause was coupled with an obligation for third-party sellers to clearly label their products, so as there would be no confusion as to their origin. The proposal aimed at improving the functioning of the internal market and allowing for more competition in the aftermarket, in particular access and participation of SMEs therein, with the benefit of greater choice and lower prices for consumers. Despite overwhelming support by the European Parliament[252], the proposal did not receive sufficient support in the Council, and was eventually withdrawn in 2014. As a result, the transitional provisions of the Directive and the Regulation that were only supposed to serve as a temporary solution, remain binding for almost 20 years.

Therefore, Member States still apply divergent rules on protection of spare parts in their national law (Fig. 16). This results not only in a difference in the scope of protection awarded by different national design rights, but also between the scope of protection awarded by the Community design rights and most national design rights.

---

[250] Judgment of the Court of 20 December 2017, joined cases C-397/16 and C-435/16 *Acacia*, para. 54: *"… the 'repair' clause (…) does not make the exclusion of protection as a Community design for a design which constitutes a component part of a complex product which is used for the purpose of the repair of that complex product so as to restore its original appearance subject to the condition that the protected design is dependent upon the appearance of the complex product"*.

[251] *Ibidem*, para. 75-78.

[252] European Parliament legislative resolution of 12 December 2007 on the proposal for a directive of the European Parliament and of the Council amending Directive 98/71/EC on the legal protection of designs (COM(2004)0582-C6-0119/2004-2004/0203(COD)).

Fig. 16 – Rules on protection of spare parts in the EU

Repair clause introduced	Repair clause not introduced	Shorter term of protection	Other regime
Belgium, Hungary, Ireland, Italy, Latvia, Luxembourg, Netherlands, Poland, Spain	Austria, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, France, Germany[253], Lithuania, Malta, Portugal, Romania, Slovenia, Slovakia	Denmark, Sweden (15 years in both countries)	Greece (repair clause combined with a five-year protection period and remuneration[254])

Source: Legal Review, Economic Review, own research

5.5.2. Segmented internal market for spare parts

Diverging national rules that apply in different Member States led to a segmentation of the internal market for visible spare parts in the EU. As indicated in the Economic Review, this is a clear and straightforward case of single-market segmentation. It negatively impacts legal certainty and increases compliance costs for market operators.

Both the Economic Review[255] and the Legal Review[256] thoroughly examine the issue of visible spare parts protection, analysing whether the situation in the aftermarket for spare parts requires intervention, and if so, whether it is more advisable to carry out such intervention within the remit of IP law (design law, but also copyright law) or competition law (in particular, by introducing, if legally feasible, a block exemption regulation that would set out unacceptable practices in the spare parts aftermarket)[257].

The Economic Review considers that also introducing a repair clause for national design rights is likely to have a negligible impact on innovation. The economic evidence also suggests that there is no broad economic justification for maintaining spare parts protection. The evidence further suggests that spare parts protection is leading to higher consumer prices in those Member States that did not introduce a repair clause, due to the dominance of original equipment manufacturers in the market for spare parts.

According to the Legal Review, there is a clear fragmentation of the market, which is not likely to change on a voluntary basis or through industry self-regulation. The current situation is facilitative of neither the completion of the internal market for goods, nor the goal of conferring equivalent protection on right holders. The Legal Review analyses different solutions to address the issue of protecting visible component parts if used for repair purposes of a complex product[258], and concludes that a legislative amendment at EU level appears necessary. The Legal Review also recommends following the approach

[253] Germany is currently in the process of adopting a bill that will introduce a repair clause in the German national law.
[254] According to the 2004 Commission proposal, the remuneration system has never been implemented, because the vehicle manufacturers and the equipment suppliers have never been able to agree on the amount of royalties.
[255] Economic Review, pp. 137-160.
[256] Legal Review, pp. 135-152, 163-165.
[257] Please also see para. 66 of the 2009 impact assessment report that preceded the entry into force of the current Motor Vehicle Block Exemption Regulation: "One other major rigidity exists which cannot be satisfactorily removed by competition rules. Design protection for certain categories of spare parts […]".
[258] These options are: (i) a limited term of protection, (ii) a compulsory licensing and remuneration system, (iii) liberalisation of the spare parts market, and (iv) maintaining the status quo.

proposed by the Commission in 2004[259]. The Review also recommends clarifying that the repair clause only applies to 'must-match' spare parts, and that it does not translate in enabling third parties to use trade marks of the original manufacturer[260]. Regarding the national law harmonisation, the Review recommends aligning the provisions of the Directive with those of the Regulation.

The Legal Review also points to cumulative protection by design and copyright law, and the relevant case-law of the CJEU[261]. According to the Review, the likely outcome of the current CJEU case-law is that component parts of complex products that pass the protection threshold for designs will also probably be protectable by copyright law. It recommends extending the existing repair clause within EU design legislation to copyright law to prevent liberalisation efforts being undercut by the effect of 'cumulation' with copyright[262].

The Information Society Directive[263] (Article 5(3)(l)) gave Member States the possibility to introduce a copyright exception for use in connection with the demonstration or repair of equipment. However, only some Member States[264] decided to introduce this exception in their legislation. Although it remains controversial whether this exception, as currently implemented by the Member States, could cover spare parts used for repair of any type of a complex product[265], the alignment of exceptions under copyright and design law is supported in academic discourse[266].

Although the harmonisation of rules on spare parts protection seems to be widely supported by the different stakeholders, there continues to be no clear consensus as to an acceptable solution.

A vast majority of the respondents to the Public Consultation considered that different rules on spare parts protection in the EU are a problem. The respondents explained that the current complexity of the system, based on divergent approaches of the Member States: (i) makes it difficult for companies (SMEs in particular) to operate across the internal market; (ii) leads to serious obstacles in the free movement of goods; and (iii) involves confusion and considerable legal uncertainty both for professionals and consumers. The respondents believe that the fragmentation of the market results in:

---

[259] In particular, the Legal Review recommends that Article 110(1) of the Regulation should be re-cast as a defence to infringement and accordingly moved to Article20(2) to clarify its effect and its permanent status.

[260] In line with the CJEU jurisprudence, i.e. Order of the Court of 6.10.2015, *Ford Motor Company*, C-500/14, ECLI:EU:C:2015:680.

[261] Judgment of the Court of 27.1.2011, *Flos*, C-168/09, ECLI:EU:C:2011:29 – cumulation with copyright may enable an extension of copyright protection for spare parts; see also Judgment of the Court of 21.06.2012, *Donner*, C-5/11, ECLI:EU:C:2012:370.

[262] See Legal Review in relation to the Regulation, p. 140: "It may be desirable to extend Article 110 to any copyright subsisting by virtue of Article 96(2)".

[263] Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society, OJ L 167, 22/06/2001 p. 10.

[264] Austria, Croatia, Czechia, Germany, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and the UK.

[265] See e.g. L. Bentley, 'The Return of Industrial Copyright?' (2012) 19 University of Cambridge Legal Studies Research Paper Series 1, 36; E Derclaye, 'Doceram, Cofemel and Brompton: How Does the Current and Future CJEU Case Law Affect Digital Designs?' in Pasa (ed), Design, technological and digital innovation. Interdisciplinary proposals for reshaping legal protectionism, ESI Press, 2020.

[266] A. Kur, 'Unite de l'art is here to stay – *Cofemel* and Its Consequences' (2019) Max Planck Institute for Innovation and Competition Research Paper No. 19-16, p.16.

(i) unequal chances for companies, notably SMEs; and (ii) different offerings of products available to consumers across the Member States. There was unanimity among the respondents that the rules on spare parts protection should be the same throughout the EU. Respondents stressed that common rules are a necessary pre-requisite for the proper functioning of the single market.

Although there seemed to be general agreement on the need for harmonisation of the rules, different groups of stakeholders presented different opinions on the direction such future harmonisation should take. The representatives of independent manufacturers and consumer associations argued that all the EU Member States should introduce a repair clause in their legislation. However, right holders' representatives (including in particular original equipment manufacturers) argued against this. This is because the vested interests of these groups are diametrically opposed: car manufacturers who protect visible spare parts directly benefit from this protection, while the independent spare parts producers suffer as a result of the protection[267].

Right holders mainly argued that an exclusion of repair spare parts from design protection is alien to the intellectual property system and not justifiable. It deprives the manufacturers of complex products (in particular cars) of a fair return on their investment and eliminates the incentive for innovation. Furthermore, it creates difficulties in efficiently protecting and enforcing their rights across the EU. They explained that the lack of harmonisation makes it necessary to file multiple national applications, which are both burdensome and costly, and makes understanding of the system difficult for economic actors. In addition, in their view, the lack of harmonisation negatively impacts the efficiency of anti-counterfeiting strategies and favours forum shopping.

Representatives of independent producers and consumer organisations argued that the protection of 'must-match' spare parts constitutes an abuse of design protection, because it contradicts the true purpose of this protection, namely to foster the creation of new designs through design innovation. Such protection in countries without a repair clause implies the complete elimination of competition in the spare parts aftermarket. It also gives manufacturers of complex products (in particular vehicle manufacturers) an undue product monopoly. The existing patchwork of national legislations makes it difficult and costly to: ensure compliance; agree on licences; set out distribution networks; and manage imports. Manufacturers in countries without a repair clause are disadvantaged, as they cannot produce spare parts to compete with companies operating in countries where the market has been liberalised, including countries outside the EU. The lack of fair competition in countries without a repair clause deprives consumers of any choice and results in higher prices for spare parts. Some respondents stressed that the divergent existing rules make it difficult for customs to assess the infringing (or non-infringing) character of spare parts crossing the border, and in particular to assess the purpose for which these parts are being imported (i.e. for repair purposes or for other purposes).

Finally, some respondents explained that Member States offer different interpretations of what is a visible motor vehicle spare part used for repair purposes. Another issue discussed in the legal literature is whether consumable parts (e.g. a light bulb or a toner cartridge) constitute component parts of complex products, given that the complex product may still be considered complete without them, and that consumable parts can be typically considered products on their own, in some cases having a separate market.

[267] Factual summary report, questions 16 and 17.

The discussion on spare parts protection is also of significant importance in view of the current work on the EU's green transition, in particular following the European Green Deal[268] and the Circular Economy Action Plan[269]. In that context, the Commission's further work on Ecodesign and the right to repair should be monitored closely, to ensure coherence between measures proposed within these initiatives and the EU legislation on design protection. Although the work stream on Ecodesign focuses on the environmental performance of devices (efficiency, recyclability, etc.), it also sets requirements for the availability of spare parts[270].

5.5.3. Conclusions

A lack of uniform rules on the protection of visible spare parts is preventing the completion of the single market in an important economic area. The transitional rules provided in the Directive have proven **ineffective** to overcome the segmentation of the internal market, **undermining the overall effectiveness and efficiency** of the design protection system. The freezing of the national status quo (permitting Member States to amend their design laws only towards liberalisation), together with the introduction of a repair clause in the Regulation, were important and necessary interim steps to ensure interoperability between national systems and EU system. Nevertheless, these measures **did not make it possible to achieve coherence** and cannot be considered an appropriate final solution.

In result, fair and effective competition is undermined (in particular, but not exclusively, in the automotive aftermarket, which is also important in view of the existing antitrust block exemption rules for the automotive sector), with particular negative impact on the competitiveness of the independent repair spare parts sector (for SMEs in particular). This in turn leads to limited choice and higher prices for consumers, and negatively impacts product reparability, going against the objectives and development of the circular economy.

Lack of complete harmonisation of the rules on protection of visible spare parts makes the assessment of the infringing character of goods difficult, in particular in the context of the related IPR customs enforcement.

	Effectiveness	**Efficiency**	**Relevance**	**Coherence**	**EU added value**
'Freeze plus' clause in the Directive	-	-	-	-	+ -
'Repair clause' in the Regulation	+ -	+	+	+ -	+ +
Overall	**-**	**+ -**	**+ -**	**-**	**+**

5.6. INTERNATIONAL DIMENSION

The EU framework on design protection is embedded in the international framework on design protection. It therefore has to take into account the international obligations under

[268] COM (2019) 640.
[269] COM (2020) 98.
[270] https://ec.europa.eu/commission/presscorner/detail/en/QANDA_19_5889

the WIPO system, such as the existing Hague Agreement and the Design Law Treaty currently under negotiation, as well as the World Trade Organisation agreements, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights ('TRIPS') and General Agreement on Tariffs and Trade ('GATT'), and free trade agreements concluded by the EU with its trade partners.

5.6.1. Link to the international Hague agreement

In 2006, the EU acceded to the Hague Agreement, linking the Community design system with the international design registration system of the WIPO. Under the Hague System applicants can obtain, via a single application, protection for a design in the EU and in countries that are members of the Hague Agreement concerning the international registration of industrial designs.

This accession is considered useful by a large majority (93%) of respondents to the Public Consultation. Reasons for this view include the saving of time and money and the reduced administrative burden (including less monitoring of national registrations). Some respondents, even though they were in favour of the EU's accession, mentioned that improvements are needed, such as the harmonisation of the protection requirements and the number of views.

A large majority of respondents to the Public Consultation (77%) are in favour of the accession of the Member States[271] to the Hague Agreement. In addition to the advantages already identified above, respondents consider that this would allow for a better tailoring of their IP strategy (i.e. to target specific territories through national applications).

A slight majority of respondents to the Public Consultation considered that the international, Community and national design systems operated well, but that there remained inconsistencies[272]. The main inconsistency, cited by several respondents, was the representation requirements (e.g. the number of views and the lack of harmonised representation approach).

The accession of the EU to the Hague System has proved a success. The accession of the Member States to the Hague System should be considered and the main inconsistencies between the different systems should be addressed.

5.6.2. Conformity with the Design Law Treaty

The text of the international Design Law Treaty (DLT)[273] is not finalised, pending in particular discussions on technical assistance and disclosure with respect to traditional cultural expressions, traditional knowledge, or biological/genetic resources used or incorporated in industrial design. Similar to the Singapore Treaty on the Law of Trademarks[274], the draft DLT aims at simplifying and harmonising administrative design registration standards and procedures.

---

[271] Only eight Member States have not acceded to the Hague Agreement (namely, Malta, Portugal, Sweden, Slovakia, Cyprus, Austria, Ireland and Czechia) see the list of contracting parties on the WIPO website. Some respondents consider that MS should be encouraged to accede to the Hague system while others consider that they should be required to do so.

[272] See Factual summary report.

[273] For the draft articles and draft regulations as published for the SCT/35/2 (25 to 27 April 2016) see: https://www.wipo.int/meetings/en/details.jsp?meeting_id=50415.

[274] For further information see: https://wipo.int/treaties/en/ip/singapore.

Current EU legislation on design protection is not in conformity with the draft provisions of the DLT.

For example, Article 12(2) DLT states that where the applicant or holder has failed to comply with the time limit fixed by the office of a contracting party and that contracting party does not provide for the extension of a time limit after it has expired, the contracting party must provide the applicant or holder with the possibility of filing a request for the continuation of proceedings. However, in contrast also to the EUTM Regulation, the Regulation does not provide for the option of the continuation of proceedings.

With respect to other draft provisions of the DLT, it is less straightforward to conclude whether current EU legislation on designs (talking here about the legal framework for the RCD) is compatible or not. This matter therefore requires further thorough consideration for the purposes of a potential ratification of the DLT.

5.7. COHERENCE WITH THE TRADE MARK REFORM

As already touched upon in relation to certain issues of substantive law (e.g. goods in transit in Section 5.2.4) and procedural law (e.g. administrative invalidity proceedings in Section 5.3.7), the recent EUTM reform has increased significantly the level of incoherence with existing EU legislation on design protection.

This is most obvious with respect to the supplementary provisions concerning the EUIPO contained in Title XI of the Regulation (Articles 97 to 106). As the main provisions on governance of the EUIPO were amended in the EUTM reform, the supplementary provisions in the Regulation have become outdated and need to be aligned with the amended provisions in the EUTM Regulation as far as terminology and competences of the relevant Office organs are concerned.

Furthermore, the degree of incoherence has clearly further increased as a result of the numerous amendments to the EUTM legislation. This increase in incoherence comes on top of the already existing differences between EUTM proceedings and RCD proceedings before the EUIPO, which are mostly the inadvertent consequences of the parallel legal framework for EUTM and RCDs. The resulting inconsistencies are causing friction in the smooth running of EUIPO proceedings, in particular in terms of its workflows and back-office IT.

Another point raised by respondents to the Public Consultation was the differences in practice and law, which are also detrimental for businesses active in both systems (EUTM and RCD), who rightly expect to encounter corresponding procedural provisions when not justified by the specificities of the IPR at hand.

The following is merely a sample of the differences that exist:

- the procedural provisions related to the place at which RCD applications may be filed;
- the persons that can be a proprietor of an RCD;
- the provisions regarding professional representation;
- the means and rules of communicating with the EUIPO;
- the legal instruments available in proceedings and their requisites;
- the fees and costs that arise.

These differences hamper the overall efforts to simplify and streamline procedures managed by the EUIPO, limiting benefits for both the EUIPO and its user community.

5.8. COMPLIANCE WITH THE LISBON TREATY

The Regulation, the Implementing Regulation and the Fees Regulation still refer to the 'Community design'. As a consequence of the entry into force of the Lisbon Treaty, this terminology needs to be updated.

Furthermore, the Regulation confers in its Article 107 powers on the Commission in order to adopt necessary measures for implementing its provisions. Those measures are currently laid down in the Implementing Regulation and the Fees Regulation. As was already done with the EU legislation on trade marks in the recent trade mark reform, the entry into force of the Lisbon Treaty also makes it necessary to align the powers conferred upon the Commission under the Regulation with Articles 290 and 291 of the Treaty. As a consequence of that alignment of Commission powers with the Lisbon Treaty, the existing secondary legislation consisting of the Implementing Regulation and the Fees Regulation will have to be substituted by the enactment of implementing and delegated acts adopted on the basis of the new powers to be conferred upon the Commission.

5.9. OVERALL CONCLUSIONS

The evaluation shows that EU legislation on design protection: (i) is working well overall; (ii) has mostly met the evaluation criteria; and (iii) is still largely fit for purpose. This is especially true of the basic foundations and principles of EU design law, which have clearly stood the test of time. However, the evaluation has also revealed a number of important shortcomings, which need to be addressed to complete harmonisation, modernise the legal framework and make it fit to support both the digital and green transitions.

More specifically, the evaluation showed that the objectives of EU legislation on design protection continue to be highly **relevant** in light of the substantial contribution made by design-intensive industries to the EU economy. The role of design in making products more meaningful to customers and increasing companies' competitiveness is becoming more and more important. In addition, the significance of new technological designs such as graphical user interfaces and icons has grown dramatically. The steady increase in the number of design registrations with the EUIPO proves the clear success of the Community design system, and also reflects well the rising economic importance of design protection.

However, the evaluation also revealed indications of a possible underuse of design rights, in part due to a lack of awareness of the specific design protection regime and its benefits. The evaluation also revealed that the legislation's relevance is somewhat diminished by not being adapted to the digital age in various areas (e.g. (i) eligible subject-matter of protection; (ii) means of design representation; (iii) the scope of design rights; and (iii) the scope of the private use limitation in the context of 3D printing). In result, the current rules do not allow to properly account for new types of products and designs.

In terms of **effectiveness**, the evaluation found that EU legislation on design protection has largely been successful in building a single market for products that embody designs. This was achieved by removing significant discrepancies in substantive design law, providing useful and reliable protection tools, and creating the unitary protection system.

The unitary protection system provided access to simple and affordable design protection, and thus made it possible to reduce the costs of engaging in cross-border activities. Provisions on design protection for component parts used for the repair of complex products are an exception in this regard. Because there has been only partial harmonisation in this area, the economically significant spare parts market continues to be very fragmented, causing considerable legal uncertainty and severely distorting competition. The evaluation also brought to light certain shortcomings that appear to limit the effectiveness of EU legislation on design protection. These include the definition of the eligible subject-matter of protection, gaps in the scope of rights conferred (e.g. the inability to enforce design rights against counterfeit goods transiting through the EU), and an inadequate set of permissible uses within the list of limitations.

On **efficiency**, it has not been possible to fully quantify the costs and benefits of EU legislation on design protection. However, the evaluation has not revealed particularly high or disproportionate costs, and there is no doubt that the costs involved in implementing both the Directive and the Regulation are outweighed by the benefits they have brought. In particular, the unitary registration system has yielded clear and substantial benefits compared to multi-jurisdictional filings in the Member States through: (i) lower registration costs; (ii) less complexity and delay; and (iii) greater transparency and predictability. Nonetheless, the evaluation highlighted certain elements of the Community design registration system that seem to create unnecessary administrative burden and costs for its users, and thus reduce the system's efficiency. These elements include: outdated requirements for the design representation; the unity-of-class requirement for multiple applications; and inappropriate fee levels and structure for RCDs (see Section 5.3.6).

The Directive and Regulation are **coherent** with each other to a high degree (both addressing the same aspects of substantive design law in the same way). However, the lack of harmonisation of procedural rules under the Directive has resulted in inconsistencies between the Member States and in relation to the Regulation. This has hindered the interoperability of the design protection systems in the EU. One example of this is the lack of obligatory administrative procedures for declaring national registered designs invalid. This makes it burdensome and expensive – especially for SMEs and individual designers – to object to designs that do not merit protection. In addition, the interaction between design law and copyright law remains unclear, raising serious doubts as to whether the principle of cumulative protection is still appropriately addressed. The recent trade mark reform greatly simplified and modernised procedures for trade marks. However, this reform has also significantly increased the level of incoherence between EU trade mark law and EU legislation on design protection (see Section 5.7), being detrimental to overall efficiency in EUIPO procedures and limiting cost benefits for both the EUIPO and its user community. Finally, the evaluation showed that EU legislation on design protection is not yet compliant with the Lisbon Treaty (see Section 5.8).

In terms of **added value**, it is likely that without the Directive and the Regulation national laws on design protection would have remained widely disparate. It is also likely that this would have severely distorted competition and resulted in a very fragmented internal market for goods embodying designs. Both the acquisition of design protection and its enforcement across the EU would have involved much higher costs and administrative burden. This would have discouraged design excellence in the EU, and hampered the development of new products.

	Effectiveness	**Efficiency**	**Relevance**	**Coherence**	**EU added**

					value
Protection tools	+	N/A	+ -	-	+
Procedures	+	+ -	-	- -	+
Enforcement	+	+	+ +	+	++
Spare parts	-	+ -	+ -	-	+
Overall	+	+ -	+ -	-	+

ANNEX 1: PROCEDURAL INFORMATION

1. LEAD DG, DECIDE PLANNING/CWP REFERENCES

Lead DG: DG Internal Market, Industry, Entrepreneurship and SMEs

2. ORGANISATION AND TIMING

The evaluation roadmap was published on 3 July 2018. It was followed by a consultation period that lasted from 3 to 31 July 2018. Eleven stakeholders submitted feedback[275].

The Commission held a public consultation from 3 December 2018 to 30 April 2019. This consultation was available on the Better Regulation Portal of the Commission and open to anyone who wished to reply. The public consultation received 196 replies through the EU survey and six via email.

Simultaneously, the Commission sent a questionnaire to the Member States' Intellectual Property Offices (IPOs) in December 2018. This questionnaire was sent to all Intellectual Property Offices of the Member States of which 24 offices responded.

Finally, on 9 December 2019 the Commission held an Expert Group on Industrial Property Policy[276] Meeting to discuss the evaluation of EU legislation on design. During that meeting, results of the questionnaire sent to IPO where discussed.

The evaluation was carried out in cooperation with other Commission DGs in the context of several Inter-Service Steering Group ('ISSG') meetings. The following DGs participated in the ISSG: DG TRADE, DG CONNECT, DG ENV, DG ENER, DG COMP, JRC, DG TAXUD, DG JUST together with the Secretariat-General and the EUIPO.

3. EXCEPTIONS TO THE BETTER REGULATION GUIDELINES

N/A

4. CONSULTATION OF THE RSB (IF APPLICABLE)

N/A

5. EVIDENCE, SOURCES AND QUALITY

The design evaluation relies on several sources. First, as indicated above, the Commission held a public consultation and sent a questionnaire to IPOs. Results of both processes fed this evaluation report.

The evaluation also relies on different studies, considering both legal and economic aspects:

- The "**Economic Review of Industrial Design in Europe**", prepared by Europe Economics and published in January 2015[277]. This Economic Review provides an

[275] More information on the following website: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1846-Evaluation-of-EU-legislation-on-design-protection

[276] More information about this expert group can be found here: https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3434.

overview of design-intensive industries in Europe, of the type of IPR being used to protect designs and of the economic rationale behind using some IPRs more often than others. It also assesses whether the existing legal framework fulfils its objectives, i.e. constitutes an economically effective tool that facilitates design activities. Finally, the study touches upon the economic consequences of the non-harmonisation of the rules governing spare parts design protection in Europe, as well as the latest developments related to design protection, e.g. 3D printing.

In the framework of the Economic Review an online survey was conducted among those companies that develop designs in Europe. The response rate to the survey was some way below the total of 1 000 responses (with 36% of respondents from the manufacturing industry, 35% from the trade or repair sector and 29% represented professional, scientific and technical activities). Further input from stakeholders was received through a series of structured interviews with WIPO and the EUIPO and four trade associations, one from the textiles industry, one from the furniture industry and two from the motor vehicles/spare parts industry).

- The "**Legal review on industrial design protection in Europe**"[278] was prepared by Time.lex, Spark Legal Network, Queen Mary University and Indiville and published on 15 April 2016. It examines whether harmonisation has facilitated the system of design protection in the Internal Market. It assesses the dual system of design protection at both national and EU level, and evaluates its contribution to the Innovation Union. It also considers whether the current legal framework requires updating in light of the technological advances and the modern requirements of users. The study analyses the need for further harmonisation within and beyond the scope of the current Design Directive.

For this study two surveys were conducted and formed an intrinsic part of the stakeholder consultation. The purpose of the surveys was to flag the issues of most concern to industry stakeholders and other stakeholders in practice. The first survey was targeted at industry stakeholders of the design system, including national design associations, design companies and designers in 15 Member States[279]. In total 409 responses were received, of which 68% came from the automotive industry, 5% from the textile industry, 7% from the furniture industry, 8% from the electrical goods industry, 15% represented the services sector, 7% the mechanical manufacturing industry and 3% represented the rest category. The second survey was addressed to a more defined group of stakeholders within the design system, namely national enforcement authorities, IP offices, OHIM, WIPO, legal practitioners and judges and received 28 responses[280]. The outcome of the surveys was then used as the basis for further data gathering via stakeholder interviews targeting again both industry stakeholder and legal & institutional stakeholders.

---

[277] The Review is available on the following link: https://ec.europa.eu/growth/content/economic-review-industrial-design-europe-0_en

[278] The Review is available on the following link: https://ec.europa.eu/growth/content/legal-review-industrial-design-protection-europe-0_en

[279] Austria, Czechia, Denmark, France, Germany, Italy, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Slovenia, Spain, Sweden and the United Kingdom.

[280] See for more information about the applied method of gathering information and data, pages 20-22 of the Legal Review and Annex II to the Legal Review, pages 4-12.

- The "**Study on the Intellectual Property implications of the development of industrial 3D printing**"[281] was commissioned to Bournemouth University and published on 15 April 2020. The aim of this Study was to analyse the IP implications of the development of industrial 3D printing and clarify how the existing IP framework brings protection to IP rights holders. It identifies potential challenges and how they can be removed and opportunities in need of clarification in order to aid the competitiveness of the Additive Manufacturing sector in Europe. The focus is on seven industrial applications of Additive Manufacturing: health, aerospace, automotive, consumer goods/electronics, energy, industrial equipment and tooling and construction and building sectors. This report identifies the pertinent IP considerations according to different elements in the 3D printing process, i.e. designing a CAD file, using and sharing a CAD file, printing the CAD file, distributing the printed good and finally, licensing it.

The Commission also relied on the Expert Group on Industrial Property Policy Meeting as mentioned above. The Commission worked in close relationship with the EUIPO and benefited from its expertise when carrying this evaluation report. The Commission also participated in multiple stakeholder events, and had bilateral meetings with stakeholders to hear about their experiences with the EU legislation on design protection and better understand the challenges they are facing. Finally, the Commission relied on academic literature, as referenced in the evaluation report.

[281] The Study is available on the following link: https://op.europa.eu/en/publication-detail/-/publication/e193a586-7f8c-11ea-aea8-01aa75ed71a1/language-en/format-PDF/source-124493516

ANNEX 2: STAKEHOLDER CONSULTATION – SYNOPSIS REPORT

1. Introduction

In order to establish the degree to which Directive 98/71 and Regulation 6/2002 can still be considered fit for purpose the Commission launched a comprehensive evaluation of the overall functioning of design protection systems in 2014.

2. Consultation activities

In the framework of this evaluation, the European Commission conducted several targeted consultations and stakeholders interviews as part of two commissioned studies. These studies were "The Economic review of industrial design in Europe"[282] (hereafter: Economic Review) and "The Legal review on design protection in Europe"[283] (hereafter: Legal Review).

The Economic Review was prepared by Europe Economics and published in January 2015. As part of the Economic Review an **online survey** was conducted among those companies that develop designs in Europe. The key purpose of the survey was to provide information on the development of designs and the rationale for the use of different types of intellectual property rights (IPRs) to protect designs by different companies. It also aimed at gathering information on the enforcement of industrial designs in Europe and the consequences of the non-harmonisation of spare parts legislation. The response rate to the survey was some way below the total of 1 000 responses. Some sectors were over-represented among respondents, especially those sectors that have an interest in the protection of visible spare parts. In total 36% of respondent came from the manufacturing industry, 35% from the trade or repair sector and 29% represented professional, scientific and technical activities. 29% of them came from Western[284] Europe, 17% from Southern Europe, 14% from Central Europe, 4% from northern Europe and 36% of the responses could not be attributed to a particular region[285]. The study secured further input from stakeholders through a series of structured **interviews** with WIPO, the EUIPO and four trade associations, one from the textiles industry, one from the furniture industry and two from the motor vehicles/spare parts industry.

The Legal Review was prepared by Time.lex, Spark Legal Network, Queen Mary University and Indiville and published on 15 April 2016. The general purpose of the study was to analyse whether the existing EU legal framework for design protection contributes to the Innovation Union strategy, which aims to create an innovation-friendly environment that makes it easier for ideas to be turned into products that will bring growth of the EU economy and jobs. It assesses the substantive and procedural rules of Community and national design rights and provides a coherent assessment of the current dual design protection on both national and EU level in the EU. For this study **two**

[282] https://ec.europa.eu/growth/content/economic-review-industrial-design-europe-0_en.
[283] https://ec.europa.eu/growth/content/legal-review-industrial-design-protection-europe-0_en.
[284] Northern – Denmark, Finland, Sweden; Central – Bulgaria, Czechia, Estonia, Hungary, Latvia, Poland, Romania, Slovakia and Slovenia Western – Austria, Belgium, Germany, France, Ireland, Luxembourg, the Netherlands, and the United Kingdom; Southern – Cyprus, Spain, Greece, Croatia, Italy, Malta and Portugal.
[285] See for more information about the applied method of gathering information and data, pages 11-19 of the Economic Review.

surveys were conducted and formed an intrinsic part of the stakeholder consultation. The purpose of the surveys was to flag the issues of most concern to industry stakeholders and other stakeholders in practice. The first survey was targeted at industry stakeholders of the design system, including national design associations, design companies and designers in 15 Member States[286]. In total 409 responses were received, of which 68% came from the automotive industry, 5% from the textile industry, 7% from the furniture industry, 8% from the electrical goods industry, 15% represented the services sector, 7% the mechanical manufacturing industry and 3% represented the rest category. The second survey was addressed to a more defined group of stakeholders within the design system, namely national enforcement authorities, IP offices, EUIPO, WIPO, legal practitioners and judges and received ultimately 28 responses[287]. The outcome of the surveys was used as the basis for further data gathering via stakeholder **interviews** targeting again both industry stakeholder and legal and institutional stakeholders.

In addition, in December 2018 the Commission sent a questionnaire to the Member States' Intellectual Property Offices to which 24 offices responded. The questions concerned the Offices' statistics and registration processes. The results were discussed with the Member States' representatives during the Commission expert Group on Industrial Property[288] (hereafter: GIPP) which was held on 9 December 2019.

On 24 July 2019 the European Union Intellectual Property Office (EUIPO) sent the European Commission an extensive report containing numerous suggestions for a legal reform of the Community design legal framework[289] based on its experience with administering the registered Community dDesign system.

Finally, from 18 December 2018 to 30 April 2019, the European Commission held a public consultation[290] to evaluate the performance of EU and national systems of design protection, and identify potential areas for improvement. This consultation was available on the Better Regulation Portal of the Commission and open to anyone who wished to reply. The public consultation received 196 replies through the EU survey and six via email. Two thirds of all answers came just from six countries (Germany, Spain, the United Kingdom, France, Belgium and Italy). Respondents attached 43 position papers to their replies. See for more statistics about the respondents and the key findings, the Factual Summary report annexed to the Evaluation Report.

3. Analysis of responses

General feedback

Stakeholders are generally positive about the **functioning of the design** protection system in the EU, indicating throughout different consultations that it works considerably well. Stakeholders appreciate the predictability, speed and cost effectiveness of the system, the relatively high degree of harmonisation and useful complementarity between the national and unitary titles. However, the stakeholders also point to some

[286] Austria, Czechia, Denmark, France, Germany, Italy, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Slovenia, Spain, Sweden and the United Kingdom.

[287] See for more information about the applied method of gathering information and data, pages 20-22 of the Legal Review and Annex II to the Legal Review, pages 4-12.

[288] https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3434

[289] Consisting of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ 2002 L 3, p. 1), Commission Regulation (EC) No 2245/2002 of 21 October 2002 implementing Regulation No 6/2002 (OJ 2002 L 341, p. 28) and Commission Regulation (EC) No 2246/2002 of 16 December 2002 on the fees payable to [the EUIPO].

[290] https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-3527248/public-consultation_en.

shortcomings that should be remedied, such as the remaining harmonisation gaps (e.g. rules on spare parts protection), or the need for modernising the protection system so that it is fully fit for the digital age.

Protection tools

Different consultation activities[291] have examined **how designs are protected** and the reasons underlying the choice to opt for one means of protection rather than another. Results of the public consultation show that the most popular means of protection is the registered Community design ('RCD'). National designs and international registrations are respectively the second and third preferred protection means. Although a decision to opt for a specific means of protection relies on multiple factors, consultation activities have identified two determinant factors, namely the territorial coverage of the protection and the fees. All Consultations show a lesser reliance on unregistered Community design ('UCD'), compared to registered protection. However, this means of protection retains its attractiveness with stakeholders mentioning as key advantages the avoidance of fees and the lack of formalities. Finally, it appears that the uptake of registered designs remains low compared to other IPRs. Consultation activities indicate that this can be explained by the lack of awareness around designs and the fact that protection provided by IPRs can in certain circumstance be sufficient.

Results of the Public Consultation show that the **definitions and protection requirements** appear effective and relevant. However, the consultation activities have identified some room for clarification. First, although the notion of a 'product' is generally considered clear, some stakeholders consider it should be adapted to the needs of emerging industry sectors (to include e.g. virtual and animated designs). Second, both the surveys conducted as part of the legal review and the results of the Public Consultation show that the applicability and assessment of the visibility requirement should be clarified. Third, results of the Public Consultation show that the scope of protection is not clear. In particular, concepts used to determine **the scope of protection** (i.e. 'informed user', 'individual character' and 'different overall impression') appear abstract and thus unclear. Finally, a majority of stakeholders considered it important to harmonise the extent to which product indication determinates the scope of protection.

As regards the **commencement of the protection**, some stakeholders indicated that there is legal uncertainty – and thus need for clarity – as regards the relevant geographical location of the disclosure for the creation of a UCD. However, stakeholders' views are divided as to the solution. The EUIPO, on the other hand, has taken the clear position that disclosure must take place within the territory of the EU in order to create a UCD.

In general the consultation activities show that the **rights conferred** on the holder of a design right do not appear to cause any major difficulty apart from the following issues. The first relates to 3D printing, where stakeholders are divided as to whether design rights provide sufficient protection against copying a protected design by means of 3D printing. The study "Intellectual Property Implications of the Development of Industrial 3D Printing"[292] and results of the Public Consultation provide several avenues to address legal uncertainty around designs and 3D printing (i.e. extension of the scope of design rights, introduction of an indirect infringement and review of the private use limitation).

[291] Including in particular the Economic Review and the Public Consultation.

[292] The European Commission published on 15/04/2020 a more general IP study on the "Intellectual Property Implications of the Development of Industrial 3D Printing ", which also touches upon design and thus further feeds in the evaluation work.

A survey conducted as part of the Legal Review addressed the specific issue of fair compensation in the context of 3D printing. Views were divided on the question (except for the interviewed French automotive manufacturers who were in favour of fair compensation). The second identified issue relates to goods in transit. A majority of stakeholders are in favour of enlarging the scope of design rights as to prohibit the transit of goods that are infringing design rights registered in the EU through the EU territory, even if the goods are not intended to be placed on the EU market. Thirdly, the feedback received through the Public Consultation pointed to the narrow catalogue of limitations to the rights of design holders (compared to copyright) and the recent judicial interpretation[293] given to the quotation limitation. Some respondents to the Public Consultation also expressed their concerns as to the possible reach of the private use limitation, in particular when considering technological developments such as 3D printing.

Respondents to the Public Consultation generally consider the 25-year **term of protection** of RCD to be adequate. Only a slight majority of respondents consider the term of protection of a UCD to be adequate. Regarding national registered designs, results of the IPO Questionnaire showed that a few Member States operate with an initial term of 10 years, with three renewal periods, each of 5 years (instead of an initial term of five years).

Results of the Public Consultation show that some stakeholders consider the **interaction between copyright and design law** to be unclear and potentially leading to a smaller reliance on design protection. It has to be noted that the *Cofemel* decision of the Court of Justice[294] was rendered after the closure of the Public Consultation and that, although some respondents referred to it, they could not react to the judgment itself. Nevertheless, the results show that an unclear relationship between designs and copyright law can also lead to a circumvention of one right by another.

The interaction between design law and trade marks appears to be less problematic in view of the replies to the Public Consultation. Because of the possible overlap between designs and figurative and shape marks, some stakeholders highlighted the need to further harmonise trade marks and design law (e.g. harmonising invalidity grounds, alignment of the calculation of renewal dates, etc.). Here again, this is meant to avoid the circumvention of one right by the other.

Finally, the EUIPO raised the issue of the interaction between designs and **patents and utility models**. The EUIPO noted in that respect that a relevant proportion of RCD mainly concerns a technical solution rather than an aesthetic consideration.

Procedures

The responses to the Public Consultation show that overall the users are very satisfied with the design registration at the EUIPO with a **general performance** rate of 97% among all respondents. The general performance of the national offices is not rated as high as that of the EUIPO, but still good with a percentage of 79%of all respondents. With regard to both the Community and national registration systems, stakeholders particularly appreciate the possibility to file electronically. However, the stakeholders also point to several aspects of the registration procedures that should be remedied.

[293] Judgment of the Court, 27.9.2017, joined cases C-24/16 and C-25/16.

[294] Judgment of the Court, 12.9.2019, C-683/17. This judgement touches upon the issue of interaction between copyright and design right.

For instance, different consultation activities show that further harmonisation of the current **requirements for the representation** of national designs would be desirable in order to remove existing legal constraints in better defining the scope of protection of a design. The most criticised requirements were the permitted number of seven perspectives of a Community design application and the limited means of representing the design. Stakeholders consider that the maximum of **seven views to represent a design** is insufficient to represent some types of designs, for instance to show details of a multi-position or motion design, and can create problems when claiming priority rights for the same design in other jurisdictions. The EUIPO and numerous respondents to the Public Consultation, therefore, recommended to increase the number of views with a view to facilitating the filing of designs and increasing legal certainty.

Currently the legally accepted **means to represent a design** are limited to static views. Respondents to the public consultation and the EUIPO point out that this restriction may lead to problems in defining the scope of protection of certain types of designs, as certain qualities of designs of modular systems or designs that show a set sequence or movement, might not necessarily be visible in a line drawing. They, therefore, suggest that other means of representation should be allowed to protect a wider range of designs or designs more effectively. For instance, design protection should also be made available for manifestations that are not physically defined as two or three-dimensional objects (e.g. animated designs and graphical user interfaces) by widening the notion of product to other types of designs.

Due to this need for more modern means of representing designs, also the possibility to substitute the graphic or photographic reproduction of a design by a **specimen**, is considered by a majority of the respondents to the Public Consultation as well as the EUIPO as an obsolete option in a time of online deposits.

Finally, some respondents to the Public Consultation pointed to the fact that there are no rules on **disclaimers** indicating which features of a design are not intended to be protected. They therefore suggest exploring ways to make possible a description as an interpretative, or even as a decisive factor (e.g. as a verbal disclaimer) for determining the subject-matter of protection. The EUIPO, on the other hand, suggests to legally acknowledge the use of visual disclaimers, as agreed between the EUIPO and national offices in their Common Practice.

Other registration aspects considered in need for improvement included some of the filing options. One of these options allows applicants who have displayed their design at certain trade fairs to claim **exhibition priority.** This right has the effect that the date on which the design was displayed at an officially recognised exhibition, will count as the date of filing of the design application for the purposes of establishing which rights take precedence. For Community designs this right is essentially limited to world exhibitions and does not cover display at other, national or international, exhibitions. This limitation was criticised by quite a number of respondents to the Public Consultation representing the exhibition industries, who called for aligning the Community design regime with broader national standards accepting exhibition certificates from other trade fairs. They, furthermore, considered the lack of harmonisation of priority certificates issued by trade fair organisers as an issue, which negatively influences the complementarity and interoperability between the Community and national design systems.

Another filing option provided for by the Regulation and various Member States and intended to benefit applicants who want to further develop their marketing strategy or to finalise preparations for production in secret, is the right to request **deferment of**

publication. Due to existing divergences in national laws, e.g. in terms of duration of the deferral period, a clear majority of respondents to the Public Consultation is in favour of harmonisation of the rules on deferment of publication, and some suggest to make this option mandatory at national level.

Lastly, the Regulation and most national laws give applicants the right to **combine multiple designs in a single application** under the condition that these designs must be applied for products that belong to the same class of the Locarno Classification. According to the results of the Public Consultation, respondents consider this so-called "unity of class" requirement the most inappropriately rigid and burdensome requirement of the Regulation and of the Implementing Regulation. Moreover, the EUIPO reports that it gives rise to many deficiencies and hampers the rationale pursued, namely to ease the registrations of several designs in a single application for users and the EUIPO alike. Therefore, many stakeholders are in favour of abolishing this requirement.

On a more positive note, the results of the Public Consultation show that a majority of the respondents sees no need to change the current limited **substantive examination** of design by the EUIPO, which does not include the assessment of novelty and individual character of a design. They are of the opinion that the main advantage of the system – quick and efficient registration – should not be impaired and see more benefits in optional searches or better tools to conduct image searches themselves. On the other hand, a minority of respondents argues that too many designs lacking novelty and individual character are being registered though, which goes against legal certainty and leads to unjust situations in court. On a national level, where a great divergence in examination grounds exists, respondents to the Public Consultation would welcome harmonisation of the different national substantive examination procedures.

Stakeholders are also positive about the EUIPO's procedure to declare a registered design invalid. Feedback to the Public Consultation shows that 82% of all respondents are overall satisfied with such **invalidity proceedings** at the EUIPO. On a national level, office-based invalidity proceedings are not available in all Member States, some only offering invalidity proceedings before a judicial body. The results from the Public Consultation show that harmonisation of the approach is desired. Moreover, litigation costs for pursuing infringement cases/invalidity cases is considered as one of the top three costs of having a design. Therefore, major associations of right holders and representatives, as well as most authorities, are in favour of introducing quick and inexpensive invalidity proceedings before the office of each Member State.

Another important aspect of the procedures are the **fees** charged by the offices for acquiring and maintaining registered design rights. Although a majority of all respondents to the Public Consultation thinks that the current fee level for RCDs is appropriate, some of the respondents believe that the fee structure presents some difficulties. Among these difficulties, they indicate renewal fees, which are considered too high, especially for SMEs or single designers, and should not increase each time a registered design is renewed. Moreover, some respondents point out that for multiple applications the renewal fee applies to each and every single design contained in the multiple application, so that the bulk discount at the moment of filing no longer is available once the design is registered.

Enforcement

Stakeholders consider that the design enforcement system is working reasonably well. While they would welcome improvements on the general affordability and accessibility of judicial redress and further harmonisation of the enforcement proceedings, they

consider the existing design rights to be useful and reliable protection tools. The right holders appreciate the possibility to choose between different types of rights (national/Community, registered/unregistered), as they are able to rely on the types of rights best fitted for their needs, and particularities of the sector they operate in. The stakeholders consider specialisation of courts as a favourable factor, and see the creation of Community design courts as a positive step.

Spare parts

The issue of spare parts protection was heavily commented on by many stakeholders. Stakeholders consider that different rules on spare parts protection in the EU are a problem. They believe that the current complexity of the system, based on divergent approaches of the Member States, makes it difficult for companies (and SMEs in particular) to operate across the internal market, leads to serious obstacles in the free movement of goods and involves confusion and considerable legal uncertainty both for professionals and consumers. Stakeholders seemed to agree that the rules on spare parts protection should be the same in the EU, as they are a necessary pre-requisite for a proper functioning of the single market.

While the harmonisation of rules on spare parts protection seems to be widely supported by the different stakeholders, there continues to be no consensus as to an acceptable solution. In general, the representatives of independent manufacturers and consumer associations support the idea that all the EU Member States should introduce a repair clause in their legislation. On the other hand, right holders' representatives (including in particular original equipment manufacturers) are against such solution. This divide is not unexpected, as the vested interests of these groups are diametrically opposed: while car manufacturers who protect visible spare parts directly benefit from this protection, the independent spare parts producers suffer as a result of protection.

International aspects

In 2006, the EU acceded to the Hague Agreement, linking the Community design system with the international design registration system of the WIPO. A large majority of stakeholders welcomes this accession as it creates savings in term of time, money and less administrative burden. A large majority of stakeholders also appear in favour of the accession of the Member States to the Hague Agreement, arguing that this would allow for a better tailoring of their IP strategy. Results of the Public Consultation show that the international, Community and national design systems operate well, although inconsistencies remain.

4. How the results of consultations were used?

The results of various consultations presented above underpin the whole evaluation of the design protection system in the EU. They were used to judge the effectiveness, efficiency, relevance, coherence and added value of the current system and helped in formulating recommendations for the future.

ANNEX 3: METHODS AND ANALYTICAL MODELS

The evaluation of the EU design protection system was a transparent and inclusive process, involving wide groups of public and private stakeholders. This Evaluation Report is based on various sources of information, including in particular:

- proposals (including explanatory memoranda) and other preparatory materials (e.g. Green Paper on the Legal Protection of Industrial Designs and Prospective Study about the Design Registration Demand at a European Union Level) issued to support the adoption of the EU legislation on design protection, and the conclusions from these documents as reflected in the recitals of the Directive and the Regulation;
- dedicated studies prepared by external contractors to feed the evaluation process: "The Economic Review of Industrial Design in Europe", January 2015 ('Economic Review'), "Legal review on industrial design protection in Europe", April 2016 ('Legal Review') and study on "The Intellectual property implications of the development of industrial 3D printing", April 2020 ('3D Printing Study');
- studies and reports prepared by the EUIPO[295] and the European Observatory on the infringements of IPR[296];
- other available studies and data collections prepared by national or international public authorities, including in particular national IP offices, academics or other stakeholders;
- economic, legal and other specialised literature;
- feedback received from the stakeholders on the Evaluation Roadmap[297];
- results of the open public consultation "Evaluation of EU legislation on design protection" ('Public Consultation')[298];
- exchanges with Member States representatives in the framework of the Commission Expert Group on Industrial Property Policy[299];
- feedback received through the EUIPO from the work of the EU Intellectual Property Network, including in particular achievements and experiences of the Convergence Programmes;
- feedback received from the stakeholders during bilateral meetings and public conferences.

The following evaluation grid shows how the various sources contributed to addressing the evaluation questions across different Sections of this Evaluation Report:

---

[295] https://euipo.europa.eu/ohimportal/en/publications
[296] https://euipo.europa.eu/ohimportal/pl/web/observatory/observatory-publications
[297] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1846-Evaluation-of-EU-legislation-on-design-protection
[298] Public consultation "Evaluation of EU legislation on design protection", results available at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/1846-Evaluation-of-EU-legislation-on-design-protection/public-consultation and summarised in the Factual Summary Report (Annex IV to this Evaluation Report).
[299] https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3434

SECTION	MAIN SOURCES USED
Background to the intervention	• Recitals of the Directive and the Regulation • Green Paper on the Legal Protection of Industrial Designs • Prospective Study about the Design Registration Demand at a European Union Level • Proposals and other preparatory materials • Economic Review and Legal Review • Literature review
Implementation/State of play	• Economic Review and Legal Review • 3D Printing Study • Public Consultation • IPO Questionnaire • Data from the EUIPO • Literature review
Overall Functioning of the EU system for design protection	• Economic Review and Legal Review • Public Consultation • Data from the EUIPO • Literature review
Protection tools	• Economic Review and Legal Review • 3D Printing Study • Public Consultation • IPO Questionnaire • Data and feedback from the EUIPO • Literature review
Procedures	• Economic Review and Legal Review • Public Consultation • IPO Questionnaire • Data and feedback from the EUIPO • Literature review
Enforcement	• Economic Review and Legal Review • 3D Printing Study • Public Consultation • Evaluation Report on the functioning of the Directive 2004/24/EC on the enforcement of intellectual property rights • Literature review
Spare parts	• Economic Review and Legal Review • Public Consultation • Literature review
International dimension	• Economic Review and Legal Review • Public Consultation • Literature review

Coherence with the Trade Mark Reform	• Economic Review and Legal Review • Public Consultation • Literature review
Compliance with the Lisbon Treaty	• Economic Review and Legal Review • Public Consultation

	Desk research	Surveys	Interviews
Economic Review	- comprehensive review of the economic literature on five principal topics: the characteristics of design-intensive industries; the economic effects of design protection at the level of companies; the relationship between protecting designs and economic growth, innovation, employment and competition; the enforcement of industrial designs; and the economic consequences of the non-harmonisation of spare parts legislation	- online survey targeting companies in design-intensive industries - 435 replies received	- series of semi-structured interviews with companies that had responded to the survey - WIPO, EUIPO, two trade associations, 10 companies
Legal Review	- desk research consisted of a review of the legal developments at the EU level and desk research in the 15 selected EU Member States	- two survey questionnaires: one for industry stakeholders (409 replies) and one for legal and institutional stakeholders (28 replies)	- structured stakeholder interviews with industry stakeholders and legal and institutional stakeholders - 2 interviews per MS (except LU), 28 on the national level and several interviews on the EU level
3D Printing Study	- legal analysis comprising a literature-based review of the current EU IP law was utilised together with a systematic review technique to explore the various legal issues regarding 3D printing and IP law. This study also includes a mapping exercise of industry sectors and related value chains where 3D printing is used.	N/A	- semi-structured interviews with 41 industry participants

No specific models or methods have been developed for the Evaluation Report itself. Having said that, the Report heavily relied on the studies prepared by external contractors, that each had their own methodology[300]. The main methods used by these studies are outlined in the table below.

[300] Economic Review – chapter 1.2 "Methodology applied"; Legal Review – chapters 2.1 "Summary of method" and 2.2 "Key information sources"; 3D Printing Study – Executive summary, section "Methodology and Structure of the Report".

ANNEX 4: RESULTS OF THE OPEN PUBLIC CONSULTATION – FACTUAL SUMMARY REPORT

This annex presents detail analysis of the responses to the open public consultation "Evaluation of EU legislation on design protection"[301] supporting the evaluation of Directive 98/71/EC on the legal protection of designs and Regulation No 6/2002 on Community designs.

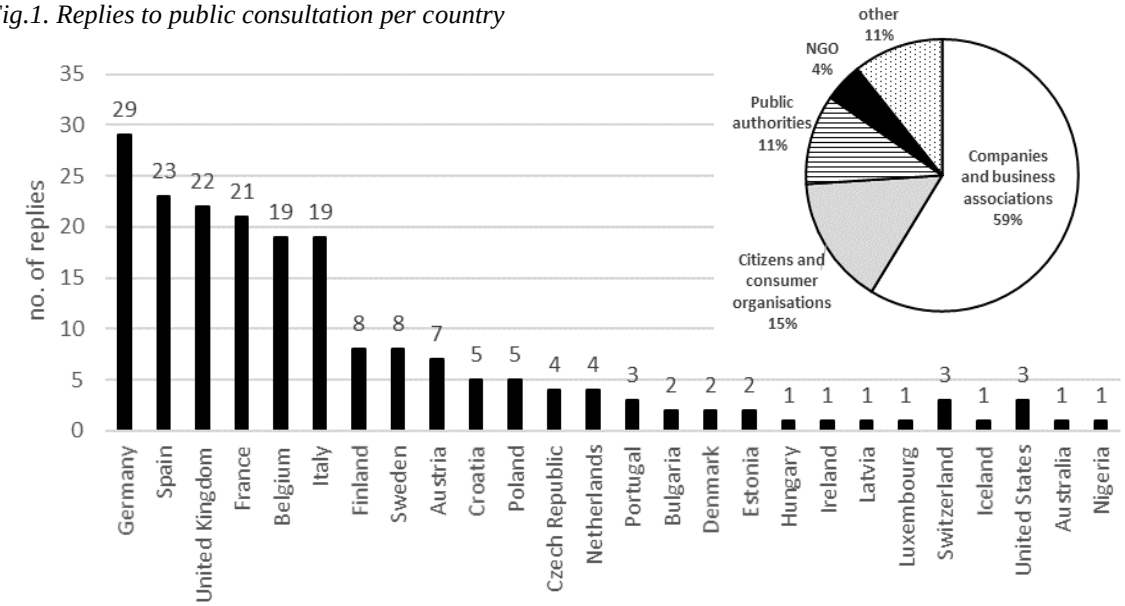
This consultation was available on the central consultations website of the Commission and used EUSurvey online questionnaire in 23 EU languages. The reply period lasted between 18.12.2018 and 30.4.2019. All received answers are published[302].

This consultation was open to anyone who wished to reply. There was no sampling or pre-selection of respondents. Therefore, the results should be treated as representing views of those who participated and cannot be interpreted as representative for the EU in statistical sense.

Demography of respondents

The Commission received 196 answers through EUSurvey and six by email. Answers were received from 21 EU Member States, two EEA countries and three other countries (see Fig.1). Two thirds of all answers came from six countries (DE, ES, UK, FR, BE and IT). Respondents attached 43 position papers to their replies. The statistics below are calculated based on EUSurvey replies only.

Fig.1. Replies to public consultation per country



Source: EUSurvey

More than half of the respondents were representing business: individual companies (37%) and business associations (22%). Less than half of individual companies (43%) were SMEs (micro enterprises -11%, small – 18% and medium-sized -14%). Citizens and

[301] https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-3527248/public-consultation_en
[302] https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-3527248/public-consultation_en#consultation-outcome

consumer organisations accounted for 15% of answers (including three answers from consumer organisations). 11% of answers came from public authorities (representing 16 EU Member States, two EEA countries and the United Kingdom), 4% from NGOs; three answers were received from academia and two from trade unions.

Around 40% of respondents were registered in the European transparency register.

A bit more than a third of respondents were active in professional, scientific and technical activities, followed by manufacturing (30%), wholesale and retail (22%), information and communications (16%) and creative, arts and entertainment (9%) (Fig. 2).

Fig.2. Replies to public consultation per activity of respondents

Activity	% of responses*
Professional, scientific and technical activities	36%
Manufacturing	30%
Wholesale and retail trade; Repair of motor vehicles	22%
Information and communication	16%
Public administration	12%
Creative, arts and entertainment activities	9%
Other activities	35%

**This was a multiple choice question*
Source: EUSurvey

Among manufacturers, around 40% of respondents were manufacturing motor vehicles or their parts and accessories, around 20% - electrical equipment, wearing apparel and footwear, transport equipment and tools, and general hardware. One in six produced furniture, lightning equipment, household goods, games, toys and sports goods, and travel goods; one in eight – computers and optical products, jewellery, graphic symbols and logos, clocks and watches, and machinery. Finally, every tenth produced packages and containers, building units, medical and office equipment[303].

When asked about their knowledge of the design protection systems in the EU, 40% of respondents declared that they were providing (legal) advice (hereafter referred to as "**advisers**"), 39% that they were owners/creators of designs (hereafter "**owners**"), and 30% that they were users of designs of others (hereafter "**users**"). One in six worked in intellectual property office, ministry or other authority (hereafter "**authorities**") or lectured/conducted research on designs (hereafter "**researchers**" (see Fig.3). A fifth (20%) of respondents did not choose any of the mentioned categories, and are thus referred to as "**others**" in this report. Six respondents indicated that they do not have any knowledge of the design protection systems.

These categories will be used to analyse all the answers below. **Please note that one respondent could have chosen more than one category to describe itself.** Questionnaire consisted of common questions and questions specific to each category of respondents. The respondents received different sets of questions, depending on the categories they have chosen.

[303] Please note that it was possible to select more than one area of manufacturing.

Additionally, answers of SMEs (companies with less than 250 employees) are presented.

Fig.3. Respondents by their role

Role	% of responses*
Advisers	40%
Owners	39%
Users (of designs of others)	30%
Authorities	16%
Researchers	15%
Others	20%

**This was a multiple choice question*
Source: EUSurvey

The below analysis shows percentages without taking into account "no opinion" answers. Numbers are rounded thus sometimes do not sum to 100%.

General questions to all

Q2. What do you generally think about the overall functioning of the design protection system in the EU (taking national design systems and the Community design regime altogether as a complementary whole and considering all relevant aspects of design protection)?

	Very well or rather well	Very bad or rather bad	No. of answers*
Owners	89%	11%	65
Users	51%	49%	53
Advisers	84%	16%	73
Authorities	97%	3%	30
Researchers	93%	7%	28
Other	45%	55%	31
SMEs	77%	23%	26
All answers	**75%**	**25%**	**166**

**no opinion answers not included*
Source: responses to open public consultations on designs

Most respondents considered that the design protection system in the EU works well or very well. Representatives of authorities, researchers and owners of designs were most positive about the functioning of the design protection system in the EU, with around or more than 90% positive answers. A vast majority of SMEs and advisers also considered that the system is functioning very well or rather well. On the other hand, users were split on the issue, while slight majority of other respondents considered that the system is not functioning well.

The positive comments about the functioning of the EU design system referred to its predictability, speed and cost effectiveness, as well as a high degree of harmonisation and useful complementarity between the national and unitary titles. On the negative side, the respondents pointed to harmonisation gaps (e.g. spare parts, harmonisation of invalidity proceedings), need for improvements (e.g. procedural, in the areas of raising

awareness, enforcement, preventing abuse) and modernisation (e.g. protection of new types of designs), and lack of legal certainty (due to lack of substantive examination).

While one in four respondents considered the overall functioning of design protection system to be rather bad or very bad, around 85% of those respondents considered also that non-harmonisation of spare parts protection is a problem.

Q3. Please evaluate the importance of the following objectives of the harmonisation of national rules and of the creation of the Community design system.

	Own.	**Use.**	**Adv.**	**Aut.**	**Res.**	**Oth.**	**SME**	**All**
Providing the same protection of designs everywhere in the EU	100%	98%	100%	100%	100%	100%	100%	**99%**
Preventing counterfeiting and copying of Community designs	100%	98%	99%	100%	100%	100%	96%	**99%**
Allowing for a simplified enforcement of Community designs	96%	89%	97%	100%	97%	100%	100%	**96%**
Making Community design registration readily accessible to small and medium-sized enterprises as well as to individual designers	97%	96%	93%	100%	96%	100%	93%	**95%**
Promoting innovation, creativity and development of new products in the EU	92%	93%	96%	100%	100%	97%	96%	**94%**
Serving the needs of all industry sectors	94%	95%	91%	100%	93%	97%	88%	**94%**
Allowing for simple registration of Community designs	92%	87%	89%	100%	93%	100%	89%	**91%**
Allowing for affordable registration of Community designs	95%	94%	88%	100%	97%	96%	89%	**91%**
Allowing products to circulate freely in the internal market	77%	89%	87%	96%	100%	100%	93%	**86%**
Max no. of answers	75	58	73	30	29	34	27	**185**

All the objectives of the EU designs system were seen as important by vast majority of the stakeholders with answers in range of 90%. Relatively the lowest importance, around 85%, was attributed to the internal market objective, especially by the owners.

Among other objectives that should be pursued, the respondents indicated need for further harmonisation, in particular in relation to spare parts protection, improving cooperation between public authorities to prevent imports of counterfeit goods, and preventing abuse of design rights and creations of product monopolies.

Q4. Based on your knowledge of the design protection systems in the EU, how have the harmonisation of national rules and the creation of the Community design system contributed to the achievement of those objectives since 2003?

	Own.	**Use.**	**Adv.**	**Aut.**	**Res.**	**Oth.**	**SME**	**All**
Allowing for simple registration of Community designs	100%	97%	97%	100%	100%	100%	100%	**98%**
Allowing for affordable registration of Community designs	100%	98%	95%	100%	100%	100%	100%	**97%**
Promoting innovation, creativity and development of new products in the EU	93%	96%	93%	92%	90%	96%	89%	**96%**
Making Community design registration readily accessible to small and medium-sized enterprises as well as to individual designers	98%	94%	88%	96%	96%	95%	90%	**94%**
Preventing counterfeiting and copying of Community designs	90%	93%	90%	93%	93%	95%	95%	**92%**
Allowing for a simplified enforcement of unregistered Community designs	91%	86%	73%	84%	83%	95%	78%	**85%**
Providing the same protection of designs everywhere in the EU	95%	56%	88%	93%	93%	42%	82%	**80%**
Allowing products to circulate freely in the internal market	89%	50%	78%	96%	83%	39%	60%	**72%**
Serving the needs of all industry sectors	77%	38%	66%	91%	76%	32%	61%	**65%**
Max no. of answers	62	52	64	28	27	31	22	**157**

**no opinion answers not included, thus the residual to 100% represents "hindered" answers; cells with less than 50% shaded*
Legend: Own.=owners, Use.=users, Adv.=advisers, Aut.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the maximum number of respondents that answered this question
Source: responses to open public consultations on design

Respondents were almost unanimous in praising EU design system rules for making it simple and affordable to register Community designs. They also considered that the system helped in promoting innovation and is accessible to SMEs and individual designers, as well as helps in preventing counterfeiting. Around 85% said it simplified enforcement of UCDs. All but users (who were split on these issues) and others (who said it hindered) thought that the system provides uniform protection everywhere in the EU and allows for free circulation of products in the internal market. The objective of 'Serving the needs of all industry sectors' seemed to have a lower rate of achievement: only around two thirds of owners and advisers said that the system serves the needs of all industry sectors, while majority of users and others said it was rather a hindrance in that respect. In their additional remarks some of the respondents referred to the lack of harmonisation of spare parts protection and insufficient harmonisation of design enforcement (need to launch infringement proceedings separately for all MSs) as factors undermining the functioning of the design protection system in the EU.

Specific question to public authorities

Q5. Do you agree that the respective costs involved in implementing the Design Directive and the Community Design Regulation are justified given the benefits that have already been achieved by harmonising essential aspects of design protection and providing for a unitary system of EU-wide protection?

	Yes	No	No. of answers*
Authorities	100%	0%	22

**no opinion answers not included*
Source: responses to open public consultations on designs

All representatives of public authorities agreed that the cost of implementing the Design system is justified by the achieved benefits.

General questions to all

Q6. In this context, to what extent do you agree that the harmonisation of national rules and the creation of the Community design system is of added value compared to a situation where Member States would have (entirely) different rules on design protection and such protection would be available at national level only?

	Agree	Disagree	No. of answers*
Owners	99%	1%	73
Users	98%	2%	57
Advisers	97%	3%	73
Authorities	100%	0%	30
Researchers	100%	0%	28
Other	100%	0%	35
SMEs	93%	7%	27
All answers	**98%**	**2%**	**183**

**no opinion answers not included*
Source: responses to open public consultations on designs

Respondents in all categories acknowledged the added value of the EU harmonised system as compared to rules set individually by each Member State. The respondents underlined the following benefits of harmonisation: simplified registrations, increased legal certainty and predictability, provision of a unique protection title, prevention – or at least reduction – of counterfeiting activities and of unfair competition. Harmonisation is viewed as highly valuable for businesses which activities are not purely national. In the open replies to this question, some respondents called for further harmonisation as regards specific issues. This is further examined under question 48, which specifically deals with the degree of harmonisation.

Q7. Are you aware of any unintended consequences or shortcomings of the Design Directive or the Community Design Regulation?

	Yes	No	No. of answers*
Owners	50%	50%	58
Users	78%	22%	50
Advisers	69%	31%	64
Authorities	54%	46%	26
Researchers	74%	26%	23
Other	88%	12%	34
SMEs	57%	43%	23
All answers	**61%**	**39%**	**158**

**no opinion answers not included*
Source: responses to open public consultations on designs

All categories of respondents found some unintended consequences or shortcoming of the EU Design system. Owners of designs were less inclined (50%) to find unintended consequences or shortcomings than users (78%), researchers (74%) and advisers (69%).

Some respondents pointed to the existing discrepancies between the Design Regulation and the Design Directive (i.e. indication of products, description of the designs, and publication of the description of the designs). As shown under question 48, respondents would welcome harmonisation of the representation requirements as well as of the products indications and their potential effects on the scope of protection. As regards descriptions of designs, replies to question 44 show that a third of respondents have concerns about their limited utility. Other discrepancies mentioned in the replies to this question (regarding e.g. the scope of protection, the presentation requirements, protection requirements, the interaction between designs and copyright law, etc.) are detailed later in the text, in the questions directly dealing with these issues. Some respondents expressed concerns and requested clarity as regards the possible consequences of a disclosure of an unregistered Community design outside the EU (see also question 9).

Finally, several respondents representing the exhibition industries criticised in their position papers limiting the scope of relevant exhibitions for claiming priority covered by the Regulation to world exhibitions, and called for broadening the notion of exhibition priority under the Community design regime to other trade fairs.

Q8. In general, do you think that there is sufficient awareness among designers and entrepreneurs (including small and medium-sized enterprises) of the availability, benefits and ways for protecting designs in the EU?

	Yes	No	No. of answers*
Owners	25%	75%	53
Users	56%	44%	52
Advisers	19%	81%	62
Authorities	24%	76%	25
Researchers	4%	96%	25
Other	59%	41%	34
SMEs	28%	72%	25
All answers	**35%**	**65%**	**148**

**no opinion answers not included*
Source: responses to open public consultations on designs

Almost two thirds of respondents agreed that the awareness of the availability, benefits and ways for protecting designs in the EU is insufficient. Only users of designs of others and other respondents thought otherwise. Advisers and researchers were the most sceptical as were around three quarters of owners and SMEs.

Respondents seemed to agree that the problem of insufficient awareness of the availability, benefits and ways for protecting designs affects in particular young designers and SMEs. Some respondents indicated fashion and clothing industry as the one where low awareness on design protection benefits can have particularly detrimental effects. Respondents also indicated that future awareness raising activities should not only focus on explaining benefits of design protection, but also on clarifying differences between design and other IP rights, in particular trade mark and copyright.

Q9. Do you consider that the unregistered Community design provides a useful legal protection against unauthorised copying of that design by a third party?

	Yes	No	No. of answers*
Owners	74%	26%	57
Users	69%	31%	26
Advisers	69%	31%	68
Authorities	58%	42%	19
Researchers	64%	36%	28
Other	76%	24%	17
SMEs	50%	50%	16
All answers	**70%**	**30%**	**124**

**no opinion answers not included*
Source: responses to open public consultations on designs

Majority of respondents (70%) considered that unregistered Community design provides a useful legal protection against unauthorised copying. Authorities and SMEs were the most sceptical on this point.

Respondents described the unregistered Community design as an attractive tool for protecting short-cycle (short commercial life) or seasonal products, and thus particularly useful in some specific industry sectors (e.g. fashion, textile and clothing, eyewear, furniture and furnishing). Lack of formalities and registration costs seem to make unregistered Community design generally attractive also for SMEs and young designers. Some stakeholders reported that they use this title as a 'back up' protection in situations where they did not file application for registered designs. On the other hand, some other respondents believed that rules on unregistered designs should be removed altogether due to uncertainties they create for market participants (as lack of registration makes it more difficult to verify existence of the right).

Respondents also referred to difficulties with enforcement of unregistered Community designs. Main challenges they reported on included the reversed burden of proof and high threshold of evidence required to prove that the contested use resulted from copying the protected design. In that context, several respondents considered it useful to clarify the notion of 'copying' (art. 19 (2) of the Regulation on Community designs). Some respondents also believed that the necessity to disclose the design in the EU to obtain the protection based on unregistered Community design is a burden for those companies who need to rely on global marketing strategy.

Specific questions to users of designs of others

The questions below were only asked to those who identified themselves as "Users of designs of others"[304].

Q10. What is your opinion on design protection in the EU? (% of fully agree and somewhat agree answers)*

	Use. & Own.	**Only Use. ****	**Use. & Adv.**	**Use. & Auth.**	**Use. & Res.**	**Use. & Oth.**	**Use. & SME**	**All**
It helps acknowledging and protecting the marketing value of a design	96%	71%	93%	80%	90%	75%	88%	**91%**
It fosters innovation through competition by encouraging the creation of new designs	92%	70%	92%	100%	100%	100%	78%	**90%**
It's difficult/costly to find out if a design is protected	81%	82%	82%	75%	75%	100%	100%	**88%**
I never know if I am breaking the law or not	67%	73%	64%	50%	50%	100%	78%	**79%**
It allows the designer/owner to receive a fair return on its design investment	71%	80%	71%	60%	90%	83%	44%	**78%**
It is abused to seek protection for	65%	55%	73%	60%	67%	94%	75%	**74%**

[304] Please note that respondents were able to choose more than one category; thus besides "users of designs of others" the respondents might have identified themselves also as other categories (e.g. owners of designs, legal advisers, etc.). This is reflected in the tables in this section, where column "All" should be interpreted as all who selected "users of designs of others". Column "Only Use." – those who identified themselves only as "Users of designs of others". The remaining columns should be interpreted as follows: e.g. column "Use. & Own." – are those "users of designs of others" who also identified themselves as "creators/owners" (but might also click other categories), etc.

designs that should never be registered								
It is difficult to defend oneself against an infringement claim given the unclear subject-matter of what is actually protected	48%	73%	36%	0%	50%	94%	78%	**71%**
It helps preventing a misappropriation of research and development expense	70%	71%	50%	60%	56%	50%	67%	**70%**
It allows me to use designs legally	71%	71%	79%	100%	80%	50%	75%	**67%**
It rightly gives the designer/owner the right to prevent others from using it without its consent	84%	60%	93%	100%	100%	44%	70%	**65%**
It is too easy to claim design infringement	35%	64%	31%	40%	40%	94%	56%	**62%**
It helps me to innovate, building on what others have created	76%	60%	75%	80%	78%	31%	88%	**58%**
Use of protected designs is too expensive	15%	100%	20%	0%	14%	50%	50%	**37%**
It stifles innovation	13%	11%	15%	20%	10%	6%	25%	**8%**
Max no. of answers	25	11	14	5	10	18	10	**51**

**no opinion answers not included, thus the residual to 100 represents "disagree" answers; cells with less than 50% shaded; ** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the maximum number of respondents that answered this question
Source: responses to open public consultations on designs

Almost all respondents who identified themselves as users of designs or others concluded that design protection in the EU helps acknowledging and protecting the marketing value of a design and fosters innovations. At the same time, however, similar number of respondents stated that it is difficult and costly to find out if a design is protected and many respondents stated that they never know if they are breaking the law or not by using a design. Around three quarters agreed that the system allows designer/owner to receive a fair return on their design investment. Similar number noted that the system is abused to seek protection for designs that should never be registered. Around 70% said the system allows them to use designs legally.

While respondents who identified themselves only as users (73%) and those who identified themselves as users and others (94%), and users and SMEs (78%) thought that "it is difficult to defend oneself against an infringement claim given the unclear subject-matter of what is actually protected", those who identified themselves as users and owners of designs and users and researchers were split on the issue. Those who identified themselves as users and advisers and users and authorities considered the opposite.

Around 65% of all respondents agreed that design protection in the EU "rightly gives the designer/owner the right to prevent others from using it without its consent" with the highest support from the users who also identified themselves as authorities, researchers or advisers. Respondents who identified themselves as users and other did not agree.

While around 60% of respondents who identified themselves only as users, and those who identified themselves as users and others or users and SMEs thought it is too easy to

claim design infringement, the remaining groups claimed the opposite is true by the same margin (around 60%).

A slight majority (60%) of most respondents (all but those who identified themselves as users and others) thought that the system "helps me to innovate, building on what others have created".

While the respondents who identified themselves only as users thought that the use of protected designs is too expensive, those who identified themselves as users and others or users and SMEs were split on the issue, and all remaining groups hold the opposite view.

Only around 10% of respondents thought that the system stifles innovation.

The additional remarks provided by the respondents on this question referred to specific challenges in the spare parts aftermarket and called for further harmonisation of rules in this respect, in particular by abolishing design protection of motor vehicle spare parts used for repair purposes. They have also pointed out the difficulties in verifying if any prior unregistered designs exist and called for improving the possibility to run automatic searches.

Q11. Why do you use protected designs of others? (multiple choice question; % of reasons selected)*

	All
Other	**64%**
To improve products that I sell	**33%**
For my private, non-commercial use	**12%**
For educational purposes and in research papers/articles	**9%**
Max no. of answers	**58**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

While there was some confusion about this question and majority of respondents selected answer "other" and explain that they "do not use protected designs of others", the remaining noted that designs are used to improve products they sell (33% of answers), or for private non-commercial use, education and research (together 21%).

Q12. How do you check who owns the design? (multiple choice question; % of reasons selected)*

	All
Other	**52%**
I search in the database provided by the European Union Intellectual Property Office (EUIPO)	**33%**
I search in the database provided by the World Intellectual Property Organization (WIPO)	**31%**
I use a professional service to conduct the search for me	**24%**
I search on the Internet	**24%**
I search in the database of the competent industrial property office of a Member State	**24%**
I do not check at all	**5%**
I do not check as my usage is exempted from protection	**3%**
no. of answers	**58**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

As regards the way users verify the ownership of designs, the most popular options selected by one third of respondents was searching the database of EUIPO or the database of WIPO (31%) – this is by far the preferred options for users that are also advisers, researchers or authorities. Around one quarter uses professional service to conduct the search, similar number does the search on internet or check databases of competent industrial property office in their country. Only around 5% do not check at all. And 3% do not check as their usage is exempted.

Regarding other ways of running the search (selected by around half of respondents), suppliers of motor vehicle spare parts indicated that the easiest way for them is either to verify the ownership of design rights directly with car manufacturers, or to run searches in public databases based on the car manufacturer brand.

Those who use professional services were asked about **cost of such search**. They explained that the cost depends on several factors, including the scope of the search (number of countries covered). Two respondents reported that in their experience the average cost of a search would amount to approximately EUR 1 500, with the cost of worldwide search going far beyond this amount.

Q13. Have you come across any of the following problems? (% of always and often answers)*

	Use. & Own.	**only Use. ****	**Use. & Adv.**	**Use. & Auth.**	**Use. & Res.**	**Use. & Oth.**	**Use. & SME**	**All**
I could not establish if a design is still protected	24%	89%	18%	25%	20%	94%	88%	**63**
I could not establish if a design is protected in my Member State	20%	89%	18%	50%	30%	94%	71%	**62**
The licensing cost of using a design was too high for me	36%	80%	20%	0%	0%	0%	80%	**50**
I could not identify the owner of a design	10%	56%	9%	25%	20%	6%	29%	**18**
Max no. of answers	21	9	11	4	10	17	8	**46**

**no opinion answers not included, thus the residual to 100 represents "rarely" and "never" answers; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the maximum number of respondents that answered this question
Source: responses to open public consultations on designs

Vast majority of respondents (except those who identified themselves only as users) reported that identifying the owner of a design is rarely or never a problem.

For around two thirds of respondents establishing whether a design is still protected, or whether it is protected in their Member State was often difficult, and around half considered the cost of using designs was too high. These three issues where chosen mainly by those respondents that identified themselves only as users or as users and SMEs, and users and other, while remaining categories did not consider them as problems.

Among other problems they have come across, the respondents indicated difficulty with verifying existence of unregistered design protection. One respondent reported that it is

often impossible for him to obtain a licence for designs covering motor vehicle spare parts.

More specific questions to all

The following questions were asked to all respondents.

*Q14. An unregistered Community design is protected for 3 years after its first making available to the public. Do you think this term of protection is adequate?**

	Yes	No, it is too long	No, it is too short	No. of answers*
Owners	51%	5%	44%	63
Users	33%	33%	35%	43
Advisers	59%	5%	36%	64
Authorities	71%	8%	21%	24
Researchers	52%	7%	41%	27
Other	50%	35%	15%	26
SMEs	62%	5%	33%	21
All answers	**54%**	**14%**	**31%**	**145**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A slight majority of all respondents (with exception of users) considers that the term of protection for unregistered Community design is **adequate**. This statement was particularly supported by authorities (71%) and SMEs (62%).

Almost a third of all respondents (and more than 40% of owners and researchers) considers the term of protection to be **too short**. Among those respondents, the majority suggested a term of protection of 5 years[305]. Others – albeit fewer – suggest a term of protection similar to the one applicable in the United Kingdom (i.e. 10 years after the first sale or 15 years after it was created). Finally, a couple of respondents consider that there should be a possibility to renew the term of protection or to allow the conversion of the unregistered design into a registered right with retroactive effect. Besides the term of protection as such, an issue appears to be the starting point of the term of protection. Some respondents consider indeed that the term of protection of 3 years is insufficient given that is starts as from the divulgation and not as from the exploitation. The type of products, and in particular their life cycle, also appears to be an important element to take into account when considering the term of protection. A couple of respondents consider that an option could be to allow a renewal of the term or to allow the conversion into a registered right with retroactive effect.

A minority (14%) of respondents considered the term protection **too long**. One third of users of design and other respondents were of this opinion (against for instance 5% of owners). Arguments in favour of the same or of a shorter term of protection include the need to take into account the decreasing life cycle of the products (notably as regards fashion) and the need to maintain the attractiveness of registered Community designs.

[305] 25 answers.

*Q15. A registered Community or national design can be protected up to 25 years from the date of filing. Do you think this term of protection is adequate?**

	Yes	No, it is too long	No, it is too short	No. of answers*
Owners	75%	4%	21%	71
Users	54%	35%	11%	46
Advisers	83%	6%	12%	69
Authorities	86%	3%	10%	29
Researchers	73%	10%	17%	30
Other	57%	43%	0%	28
SMEs	80%	8%	12%	25
All answers	**74%**	**14%**	**12%**	**164**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Around three quarters of respondents considered the 25-year protection period as **adequate**, with biggest support coming from authorities (86%) and the lowest from users (54%). Around 43% of other respondents and 35% of users said the protection period is **too long**. Those who thought the current protection is too long mostly opted for 20 years instead (8 answers). Around 20% of owners and researchers considered the period **too short**. Those who considered the period too short mainly suggested protection between 35 and 100 years, with most answers calling for 50 years (4 answers). Some asked for a lifetime protection or the same protection period as in copyright or trade marks.

Spare parts protection

The following two questions were asked to all respondents.

*Q16. Are different rules on spare parts protection in the Member States a problem for you?**

	Yes	No	No. of answers*
Owners	74%	26%	50
Users	91%	9%	45
Advisers	86%	14%	51
Authorities	80%	20%	20
Researchers	77%	23%	22
Other	97%	3%	34
SMEs	94%	6%	17
All answers	**84%**	**16%**	**130**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A vast majority of respondents (over 80%) considered that different rules on spare parts protection in the EU are a problem, with almost unanimous support to that statement coming from spare parts manufacturers, other respondents, users and SMEs. On the other hand, around a quarter of owners and researchers and 20% of authorities thought otherwise.

The respondents explained that the current complexity of the system, based on divergent approaches of the Member States, makes it difficult for companies (SMEs in particular) to operate across the internal market, leads to serious obstacles in the free movement of goods and brings legal uncertainty both for professionals and consumers. Fragmentation of the market results in unequal chances for companies and different offer of products available to consumers across the Member States.

Right holders complained about the difficulties in efficiently protecting and enforcing their rights across the EU. They explained that lack of harmonisation leads to the necessity to file multiple national applications, which is both burdensome and costly, and makes understanding of the system difficult and complex for economic actors. In addition, in their view, lack of harmonisation negatively impacts efficiency of anti-counterfeiting strategies and favours forum shopping.

Other respondents, including design users and independent producers, reported that the current patchwork approach leads to difficulties with and high cost of ensuring compliance, agreeing on licences, setting out distribution networks and managing imports. They explained that lack of harmonisation harms manufacturers in countries without repair clause, as they cannot produce spare parts to compete with companies operating in countries where market has been liberalised, including countries outside the EU.

Some respondents stressed that the divergent existing rules make it difficult for customs to assess infringing (or not) character of the spare parts crossing the border, in particular as to the purpose for which these parts are imported (i.e. for repair purposes or for other purposes).

Finally, some respondents explained that Member States offer different interpretations of what is a visible motor vehicle spare part used for repair purpose. Others indicated that maintaining the 'freeze plus clause' (Art. 14 of the Design Directive) is particularly problematic, as this clause was only intended as a temporary solution.

*Q17. Should the rules on spare parts protection be the same in the EU?**

	Yes	No	No. of answers*
Owners	98%	2%	54
Users	100%	0%	46
Advisers	97%	3%	60
Authorities	100%	0%	19
Researchers	100%	0%	23
Other	97%	3%	35
SMEs	95%	5%	22
All answers	**98%**	**2%**	**140**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

There was unanimity among the respondents that the rules on spare parts protection should be the same in the EU. Respondents stressed that common rules are a necessary pre-requisite for a proper functioning of the single market.

While there was a general agreement on the need for harmonisation of the rules, different groups of stakeholders presented different opinions on the direction of such future

harmonisation. While the representatives of independent manufacturers and associations representing car users argued that all the EU Member States should introduce a repair clause in their legislation, right holders' representatives (including in particular original equipment manufacturers) argued against it. The main arguments presented by the respondents concerning the potential abolition of design protection for spare parts offered on the aftermarket for repair purposes (introduction of the so-called repair clause) are summarised below:

In support of maintaining design protection for spare parts on the aftermarket (against 'repair clause'):

Respondents opposing introduction of an EU-wide repair clause (vehicle manufacturers, design right holders and business associations representing their interests) considered it is not justified to exclude spare parts from design protection beyond the restrictions already existing under Art. 4(2), 8(1) and 8(2) of the Design Regulation and Art. 3(3), 7(1) and 7(2) of the Design Directive (i.e. specific way of assessing novelty and individual character for designs incorporated in products that constitute component parts of complex products, limitation in protection for designs dictated by their technical function and for designs of interconnections). Some respondents believed it is necessary to take a step back, and revise the Designs Regulation so as to remove the repair clause (Art. 110) and restore full design protection for component parts of complex products.

Those respondents believed that lowering the protection level by way of a mandatory EU-wide repair clause would prove detrimental to designers' and right holders' interests. Those respondents explained that introducing repair clause will lead to *de facto* expropriation of rights, as it would allow third parties to benefit in an unjustified manner from the innovation and investment made by the original manufacturer of the spare part, removing incentives to innovate and thus decreasing the number of designs developed in the EU. They stressed that design development costs are amortised over the entire life cycle of a product.

Some respondents questioned the argument according to which introduction of a repair clause would lead to lowering prices of spare parts on the aftermarket. They called for examining the situation in countries where the liberalisation has already been introduced.

In addition, some respondents believed that opening of the spare parts market to competition presents several risks for the automotive sector, such as increased entry of non-EU players (mainly from Asia) and in consequence, loss of market share of European players (manufacturers and subcontractors).

Finally, some respondents indicated that introducing EU-wide repair clause would encourage counterfeiting/product piracy, confuse consumers as to the quality of specific products and create safety risks, without however substantiating these arguments with data.

Against maintaining design protection for spare parts on the aftermarket (for 'repair clause'):

Respondents supporting introduction of EU-wide repair clause (independent manufacturers and suppliers of spare parts, associations representing car users, researchers) indicate that design law in the aftermarket does not fulfil any independent innovation-promoting function. They believe that lack of competition in the spare parts market limits consumers' choice and leads to excessive prices.

Representatives of the automotive suppliers argued for introduction of a repair clause both for unitary and national titles. They explained that it would make it possible for the

automotive suppliers to sell their parts to the original equipment manufacturers as well as to the independent aftermarket, broadening consumer's choice. They have pointed out again the detrimental impact of lack of harmonised rules in this areas, stressing difficulties in understanding what is protected (lack of legal certainty) in which Member State, what is making the situation particularly difficult for actors who export/import parts from the EU MS or from outside the EU. They argued that an EU-wide repair clause could contribute to keeping the jobs in the EU and encourage creation of new jobs. It will also give possibility to produce spare parts for markets where there is no design protection for spare parts.

Some respondents stressed the need to restrict the repair clause to the 'must-match' parts. They also explained that such limitation should not extend to component parts that are subject to regular exchange (e.g. toner cartridges).

Other respondents explained that the new harmonised rules should allow for manufacturing spare parts in a manner that makes it possible to completely restore the appearance of a product, including the possibility of reproducing the trade mark of a third party when it is an inherent part of the design of a visible part.

Some respondents also believed that introduction of repair clause should be combined with introducing a requirement to clearly indicate the origin of the goods when distributing the spare parts (so the consumer is able to easily distinguish between parts coming from the original manufacturer/supplier and independent manufacturer/supplier).

Several respondents stressed that limiting design protection would not be sufficient, and that appropriate measures should also be taken to limit possible copyright protection for spare parts.

Finally, some respondents questioned the argument that spare parts provided on the aftermarket are subject to safety risks. They stressed that safety relevant components must comply with relevant safety regulations and homologation requirements, which are completely independent of design protection.

Other comments:

Some respondents referred to other possible ways of harmonising the rules on spare parts, e.g.:

- introducing a limited protection period;

- introducing a system of compulsory licences;

- deleting Art. 110 of the Regulation and establishing a defence against infringement claims that would be clearly limited to acts of repair/parts replacement so as to restore the original appearance of a complex product.

Some respondents pointed out that introducing limitation for spare parts protection only for one sector (e.g. automotive) would be unfair, as it would in their view lead to unequal treatment of industry sectors. Other respondents considered it unfair to have different sets of rules on protection of designs embedded in spare parts that constitute component parts of complex products and 'non-complex' products.

Some respondents considered introduction of limitation for design protection in the secondary market inappropriate in situation where no similar restrictions are provided for other intellectual property rights. They have indicated in particular that such solution seems void of purpose, as it would not prevent spare parts from being protected e.g. by copyright law.

Some respondents indicated that any spare part specific design right limitation in the EU design legislation should be abolished, and the matter should be rather addressed by means of competition law, if needed.

Finally, some respondents anticipated significant difficulties in finding agreement on spare parts protection, and argued that this should not be an impediment to updating and modernising EU rules on design protection in other areas.

Specific questions to creators/owners of designs

The questions below were only asked to those who identified themselves as "creators/owners of designs"[306].

Q18. How do you (your members) protect your designs? (multiple choice)

	Only Own. **	**Own. & Use.**	**Own. & Adv.**	**Own. & Auth.**	**Own. & Res.**	**Own. & Oth.**	**Own. & SME**	**All**
I register them as Community designs at the EUIPO	57%	83%	85%	67%	78%	100%	62%	**71%**
I register them as national designs at the industrial property offices of Member States	57%	62%	67%	56%	72%	100%	54%	**58%**
I register them as international designs at WIPO	32%	55%	61%	44%	61%	75%	31%	**49%**
I rely on unregistered Community design protection	29%	45%	52%	22%	44%	25%	31%	**40%**
Other	11%	21%	18%	33%	33%	50%	15%	**17%**
I do not actively seek protection of my designs	11%	10%	12%	0%	11%	25%	23%	**10%**
I don't own any designs	0%	14%	15%	33%	17%	50%	23%	**8%**
no. of answers	28	29	33	9	18	4	13	**77**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the number of respondents that answered this question
Source: responses to open public consultations on designs

Registration of a **Community design** at the EUIPO is the most preferred option of protecting designs, chosen by around 70% of respondents to the survey. This is preferred by those owners who are also users, advisers or researchers (around 80%), when compared to those respondents who only chose the 'owners' category or identified themselves as owners and SMEs (around 60%).

[306] Please note that besides "creators/owners of designs" the respondents might have identified themselves also as other categories (e.g. users of designs of others, legal advisers, etc.). This is reflected in the tables in this section where column "All" should be interpreted as all who selected "creators/owners of designs". Column "Only Own." – those who identified themselves only as "creators/owners of designs" and nothing else. The remaining columns should be interpreted as follows: e.g. column "Own. & Use." – are those "creators/owners of designs" who also identified themselves as "users of designs of others" (but might also click other categories), etc.

The second most popular response (around 60% of answers) is registration as **national designs** at the industrial property offices of Member States. Around half of respondents register **international designs** at WIPO (but only around 30% of those respondents who identified themselves only as owners or as owners and SMEs).

Less than half of the respondents (40%) relies on **unregistered Community design** protection. A bit more than half of the respondents that identified themselves as owners and advisers relies on unregistered Community design. Finally, around 10% do not actively seek protection.

Around 20% of respondents uses other protection methods that include copyright, trade marks and unfair competition law.

Although reasons for opting for a specific design are further explained below, replies to this question already provide an overview of the main factors playing a role when opting for a specific type of design. Among these factors, we can note the territorial scope of the business activity, the nature and life cycle of the product, the budget, the distribution chain and the level of protection afforded by other intellectual property rights.

Q19. What are the reasons for relying on unregistered Community design protection? (multiple choice; % of answers selected)*

	Only Own. **	**Own. & Use.**	**Own. & Adv.**	**Own. & Auth.**	**Own. & Res.**	**Own. & Oth.**	**Own. & SME**	**All**
Lack of any formalities	63%	69%	88%	100%	88%	100%	100%	**74%**
Other	25%	54%	35%	100%	50%	100%	25%	**39%**
It is best suited to my needs	25%	38%	41%	100%	38%	100%	50%	**35%**
Adequate territorial coverage	0%	31%	29%	50%	50%	0%	50%	**19%**
no. of answers	8	13	17	2	8	1	4	**31**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the number of respondents that answered this question
Source: responses to open public consultations on designs

Lack of any formalities was the chief reason (74%) for choosing the unregistered Community design protection. Around third of those using this kind of protection said it is best suited for their needs. Around 20% considered that it provides adequate territorial coverage.

Around 30% named other reasons, such as avoiding cost of protection by registered design rights, ease of use, and suitability for creations with a short or seasonal commercial lifespan (e.g. fashion, decoration). Finally, some features of the national protection (e.g. possibility to defer publication, presumption of ownership and validity) were also mentioned as a reason for opting for national registered designs.

Q20. What are the reasons for registering your designs as national designs? (multiple choice; % of answers selected)*

	Only Own. **	**Own. & Use.**	**Own. & Adv.**	**Own. & Auth.**	**Own. & Res.**	**Own. & Oth.**	**Own. & SME**	**All**
Other	50%	50%	36%	40%	38%	50%	29%	**47%**
Adequate territorial coverage	50%	33%	45%	0%	54%	25%	43%	**44%**
It is best suited to my needs	13%	50%	50%	60%	62%	75%	57%	**36%**
Lower fees	25%	28%	36%	20%	46%	50%	29%	**27%**
Easy procedures	19%	28%	23%	20%	31%	0%	43%	**22%**
Speed in processing my application	0%	11%	23%	0%	15%	0%	0%	**11%**
Better service quality	6%	0%	0%	0%	0%	0%	14%	**2%**
no. of answers	16	18	22	5	13	4	7	**45**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the number of respondents that answered this question
Source: responses to open public consultations on designs

Adequate territorial coverage was top reason (¬44%) for registering designs at national level. It was especially appreciated by those respondents that identified themselves only as owners and as owners and researchers. Around third of respondents considered that this protection is best suited to their needs (however it was the top reason with half of more of replies for those respondents that identified themselves as owners and users, advisers, authorities, SMEs or other). Lower fees were quoted by around a quarter of owners; similar numbers said they were attracted by easy procedures. Only around 10% chose ease of procedures and almost no one the quality of service.

Around half of respondents quoted other reasons. Along the lines of the propositions already mentioned in the table, some respondents mentioned the fact that national designs are more appropriate to their needs, in terms of territorial coverage, costs and easiness. Other reasons included the possibility to obtain priority documents from national registries offices, the possibility to combine designs not covering the same classes into one application, strategic reasons (e.g. application for invalidity are more difficult to obtain at national level) and enforcement reasons (Article 82(5) CDR being open to interpretations). Finally, some features of the national protection (e.g. possibility to defer publication, presumption of ownership and validity) were also mentioned as a reason for opting for national registered designs.

Q21. What are the reasons for registering your designs as Community designs? (multiple choice; % of answers selected)*

	Only Own. **	**Own. & Use.**	**Own. & Adv.**	**Own. & Auth.**	**Own. & Res.**	**Own. & Oth.**	**Own. & SME**	**All**
Adequate territorial coverage	38%	67%	82%	67%	93%	75%	50%	**62%**
It is best suited to my needs	69%	63%	57%	33%	64%	50%	50%	**62%**
Easy procedures	44%	58%	64%	83%	71%	75%	63%	**53%**
Lower fees	44%	33%	50%	33%	50%	50%	25%	**44%**
Speed in processing my application	19%	33%	32%	67%	50%	50%	25%	**29%**
Other	0%	21%	11%	17%	21%	25%	13%	**11%**
Better service quality	0%	13%	14%	17%	21%	50%	13%	**9%**
no. of answers	16	24	28	6	14	4	8	**55**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the number of respondents that answered this question
Source: responses to open public consultations on designs

Almost two thirds of respondents named adequate territorial coverage and best fit to their needs as reasons for registering a Community design. While those respondents that only identified themselves as owners mainly selected suitability (70%), the territorial coverage was favoured mostly by those respondents who identified themselves as owners and advisers (80%) or owners and researchers (90%). Around half of respondents selected ease of procedures and slightly less (44%) lower fees. Speed of application was selected by around 30% of participants. Quality of services was selected by around 10% of respondents.

Other reasons mentioned by ¬10% included adequate country coverage with relatively lower cost. Two respondents praised many features of the Community title, among them the possibility to defer publication of design for up to 30 months, the optional naming of the designer and the possibility to get EU-wide injunction.

In general, respondents praised the effective, expeditious and affordable character of the Community design registration procedure. One respondent regretted the lack of digressive fees for multiple designs applications, making EU multiple design applications more costly than others.

Q22. What are the reasons for registering your designs as international designs? (multiple choice)

*% of answers selected**

	All
Adequate territorial coverage	**55%**
It is best suited to my needs	**55%**
Lower fees	**32%**
Easy procedures	**32%**
Other	**21%**
Speed in processing my application	**16%**
Better service quality	**13%**
no. of answers	**38**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Respondents who chose registration of international design did so mainly because of adequate territorial coverage and suitability to their needs (both 55% of answers). Around third of respondents did so because of lower fees or ease of procedures. One is six because of speed, a little less because of the better quality of service.

Around 20% gave other reasons, which included need of protection in non-EU countries, and having a single application process (instead of different national rules). However, it was noted that further harmonisation was still needed (e.g. with the US and Japan). A couple mentioned using the Hague system to cover, besides EU, also Switzerland and Norway. Some respondents consider that, in some cases, an international application can be less costly. It was for instance mentioned that an international application covering multiple designs can be more cost effective than EU multiple designs applications.

Q23. In your experience, what are the top three reasons for not obtaining a registered design? (multiple choice; % of answers selected)*

	All
Protection by other intellectual property rights (e.g. trade marks, copyright) serves my needs	**50%**
It is too expensive	**43%**
Unregistered design protection is sufficient (e.g. useful life of my design is under three years)	**33%**
Possible refusal of the application	**33%**
Enforcement is too complicated or expensive	**30%**
Other	**20%**
Possible declaration of invalidity of the registration	**17%**
I am not convinced about the added value of registering a design	**17%**
Not clear what can be protected	**13%**
Registration is too complicated	**7%**
no. of answers	**30**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Those respondents who do not actively seek protection and those who rely on unregistered protection were subsequently asked about reasons for not registering a design.

Half of those respondents stated that protection by other intellectual property rights (e.g. trade marks or copyright) was sufficient for their needs. Around 43% said that registration is too expensive (this was the first reason for those respondents who identified themselves only as owners). A third noted that unregistered design protection is sufficient for them (e.g. since short time of protection corresponds to the lifespan of their design). Similar number of respondents had their applications refused. A bit less than a third noted that enforcing design rights is too complex or expensive. A bit less than 20% was worried about possible declaration of invalidity of the registration. Similar number was not convinced about the added value of design registration. For around 13% respondents it was not clear what can be protected and 7% consider the registration process as too complex.

Around 20% provided other reasons which included high cost for SMEs, lack of awareness on the scope and/or benefits of design protection, or fact that in specific industries it will be usually the manufacturer of the complex product (e.g. vehicle) that will file for protection of the whole product, limiting the possibility for the supplier to apply for design protection for specific parts of such product. Finally one respondent mentioned that too many similar designs being already registered leads to limited possibility to enforce design rights.

Q24. What do you perceive as the top three benefits of having a registered design? (multiple choice; % of answers selected)*

	All
It gives me the right to prevent others from using it without my consent	**88%**
It allows me to prove the disclosure and ownership of my design	**58%**
It increases the value of my products and strengthens my brand	**25%**
It contributes to obtaining a return on investments made	**23%**
I do not need to prove that an infringer has copied it	**18%**
It acknowledges and protects the marketing value of my design	**17%**
It serves as effective marketing tool	**13%**
I can make money out of my designs (e.g. sell or license to other parties)	**13%**
It increases my competitive edge	**12%**
A protected design facilitates cooperation with other parties (like suppliers)	**8%**
It rewards and encourages my innovation	**7%**
It helps preventing misappropriation of research and development expense	**5%**
Other	**5%**
no. of answers	**60**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Those registering their designs were asked about the three key benefits. Almost all (¬90%) valued the right to prevent others from using the design without the owner's consent. A respondent noted in that respect that it is not necessary to prove that a third party has actively copied one's product, a simple comparison between the registered

design and the infringing design suffices. The speed with which designs infringement are remedied was also mentioned. The second most favoured benefit selected by almost 60% of respondents was the ability to prove the disclosure and ownership of their design.

Other reasons were less popular. Around a quarter said that registration helps in getting a return on investment. A bit less than 20% valued the fact that market value of their design is recognised and protected. Slightly more than 10% considered registration as an effective marketing tool, giving a competitive edge to a company and a way to make money on their design (e.g. via licensing it out). A minority (below 10%) though that registration helps in cooperation with other parties (like suppliers), rewards and encourages innovation or helps preventing misappropriation of research and development expense.

Among other reasons (5% of answers) were lower cost than patent protection, defending their designs from copiers, or preventing sale of spare parts of lower quality and prevent harm to own brand.

In addition to the reasons already mentioned in the table, a respondent added that designs rights are ideal for companies seeking to protect a wide variety of products, since the registration procedure is simple and fast, and for protecting digital images or other elements that are not protectable by other means.

Q25. What do you perceive as the top three costs of having a registered design? (multiple choice; % of answers selected)*

	Only Own. **	**Own. & Use.**	**Own. & Adv.**	**Own. & Auth.**	**Own. & Res.**	**Own. & Oth.**	**Own. & SME**	**All**
Fees for application/registration, publication, renewal etc.	86%	59%	52%	75%	50%	67%	57%	**68%**
Litigation costs for pursuing infringement cases/invalidity cases	48%	68%	44%	50%	50%	33%	71%	**54%**
Preparing documentation for registration	48%	32%	48%	75%	42%	100%	14%	**42%**
Cost of legal advice	29%	32%	32%	50%	33%	0%	71%	**30%**
Searching for prior art	14%	27%	32%	25%	42%	0%	0%	**21%**
Costs of defence against applications for declaration of invalidity	5%	32%	20%	25%	33%	33%	0%	**19%**
Time needed to register/maintain a design	5%	18%	24%	0%	0%	33%	29%	**14%**
Identifying those who use your design without permission	19%	5%	8%	0%	0%	0%	43%	**12%**
Monitoring the registers of industrial property offices for conflicting later filings	10%	14%	8%	0%	17%	0%	14%	**9%**
Other	5%	0%	12%	0%	17%	33%	0%	**7%**
no. of answers	21	22	25	4	12	3	7	**57**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the number of respondents that answered this

question
Source: responses to open public consultations on designs

Those registering their designs were also asked about the three key costs. Almost 70% selected fees for application/registration, publication, renewal etc. (chosen by nearly 90% of those respondents who identified themselves only as owners). More than half chose litigation costs for pursuing infringement cases/invalidity cases, although these costs only occur on a case-by-case basis. For around 40% preparation of documentation for registration was a major burden.

Cost of legal advice was chosen by around 30% (and over 70% of those respondents who identified themselves as owners and SMEs). 21% chose searching for prior art, although one respondent mentioned that this is not done on a regular basis. Similar number found costs of defence against applications for declaration of invalidity significant. Time needed to register/maintain a design was considered major for around 15% of respondents. 12% found it expensive to identify those who use their design without permission. Less than 10% selected monitoring the registers of industrial property offices for conflicting later filings.

Q26. Based on your experience, do the benefits of design protection outweigh the costs in cases of (% of Benefits much greater than costs and Benefits greater than costs answers)

	All
Unregistered Community design protection	**95%**
Registered Community design protection	**93%**
International design protection	**82%**
Registered national design protection in a Member State	**50%**
Max no. of answers	**44**

**"benefits equal to costs" not included, thus the residual to 100 represents "benefits lower than costs" answers*

Source: responses to open public consultations on designs

All those that rely on some form of design protection were asked to compare their benefits and costs.

Those who reply were almost unanimous that benefits outweigh the cost for unregistered Community design (95%) and registered Community design (93%). Around 80% said so for international design protection. Respondents were split on benefit/cost ratio for national protection. As regards spare parts, two respondents mentioned that the lack of harmonisation led to costs outweighing benefits.

*Q27. How confident are you about the validity and scope of protection of your registered design(s)?**

	Confident	Not confident	No. of answers*
Only Owners**	81%	19%	16
Owners & Users	53%	47%	19
Owners & Advisers	68%	32%	22
Owners & Authorities	75%	25%	4
Owners & Researchers	64%	36%	11
Owners & Other	100%	0%	3
Owners & SMEs	80%	20%	5
All	**71%**	**29%**	**48**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Source: responses to open public consultations on designs

Majority (70%) of respondents was very confident or rather confident about the validity and scope of protection of their registered designs. Those respondents that identified themselves only as owners had the highest confidence levels (80%).

In their answers the respondents indicated the following factors as negatively impacting their confidence: lack of substantive examination, complexity in assessing novelty, difficulties in running an exhaustive prior art search before applying for protection, and an insufficient – in their view – case-law on the scope of protection. Several respondents referred to high 'density' of designs registered in certain sectors (e.g. design, fashion), what in their view leads to limiting the scope of protection and makes it challenging to prove novelty of a design (due to very small variations between different designs registered). Many respondents referred to searches they run before filing for registration, and explained that (high) quality of such searches translates in (high) confidence in scope of protection and validity. Similarly, some respondents pointed to the role of gaining experience in using registration procedures (the more applications one files, the better strategy, and result in higher confidence in the protection obtained).

*Q28. Before registering your design, did you search for prior similar designs?**

	Yes	No	No. of answers*
Only Owners**	80%	20%	20
Owners & Users	71%	29%	21
Owners & Advisers	71%	29%	24
Owners & Authorities	75%	25%	4
Owners & Researchers	73%	27%	11
Owners & Other	67%	33%	3
Owners & SMEs	86%	14%	7
All	**72%**	**28%**	**54**

**no opinion answers not included; cells with less than 50% shaded*
*** answers of those who identified themselves exclusively as owners*
Source: responses to open public consultations on designs

A clear majority of respondents (72%) searched for prior similar designs before registering their design. In particular those respondents that identified themselves only as owners or as owners and SMEs conducted such prior art searches.

Q29. If yes, how did you do that search? (multiple choice; % of answers selected – only those who answered Yes to Q28)

	Only Own. **	**Own. & Use.**	**Own. & Adv.**	**Own. & Auth.**	**Own. & Res.**	**Own. & Oth.**	**Own. & SME**	**All**
I searched in the database of EUIPO	56%	60%	82%	100%	88%	100%	67%	**64%**
I searched in the database provided by WIPO	50%	53%	82%	100%	88%	100%	50%	**59%**
I searched on the internet	56%	47%	65%	0%	63%	50%	33%	**56%**
I searched in the database of the competent office of a Member State	56%	47%	65%	100%	75%	100%	33%	**54%**
I used a professional service to conduct the search for me	25%	53%	47%	33%	75%	0%	17%	**36%**
Other	25%	27%	12%	0%	13%	0%	17%	**23%**
no. of answers	16	15	17	3	8	2	6	**39**

cells with less than 50% shaded
*** answers of those who identified themselves exclusively as owners*
Legend: Own.=owners, Use.=users, Adv.=advisers, Auth.=authorities, Res.=researchers, Oth.=other, SME=SMEs, All=all respondents; the last row shows the number of respondents that answered this question
Source: responses to open public consultations on designs

Those who searched for prior similar designs before registering their own, were asked about their searching methods.

Most popular is the EUIPO database (64%), followed by the WIPO database (59%), the internet (56%) and the databases of the national offices (54%). Compared to other users, those users who identified themselves also as SMEs execute less searches in general but make relatively much use of the EUIPO database.

Seven respondents provided cost of search by professional services. These costs ranged between EUR 200 and EUR 10 000, with average reported cost between EUR 2 000 and EUR 6 000.

Q30. If yes, why did you conduct that search? (multiple choice; % of answers selected – only those who answered Yes to Q28)

	All
To avoid infringing prior design rights	**74%**
To search for prior designs which may invalidate my filing after registration	**72%**
Other	**15%**
To investigate about the launch of new products	**8%**
To get inspiration for creating a new design	**5%**
no. of answers	**39**

cells with less than 50% shaded

Source: responses to open public consultations on designs

Those who searched for prior similar designs before registering their own, were asked about reasons for doing so.

The main reasons for conducting such a search were (74%) in order to avoid infringing prior design rights or (72%) to search for prior designs which may invalidate ones filing after registration.

Specific questions to both creators/owners and lawyers/legal advisers

The questions below were only asked to those who identified themselves as "creators/owners" and/or "lawyers/legal advisers"[307].

*Q31. The EUIPO currently does not examine whether a design is new before registering it as registered Community design. This allows the EUIPO to keep formalities to a minimum and register a design within a couple of days. Despite the complexity and technical constraints in searching for conflicting prior art on a worldwide basis (e.g. due to existence of unregistered designs), do you think that the EUIPO should carry out some novelty examination?**

	Yes, even if it would considerably increase the fees and registration time	Yes, but only if that examination would be offered as an optional, fee-based service	No, but special tools could be offered to be able to conduct image searches in databases either for payment or free of charge	No	No. of answers *
All	**10%**	**24%**	**38%**	**28%**	**90**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A majority of the respondents (66%) do not favour the introduction of a mandatory novelty examination by the EUIPO. However, most of them (38%) would like special tools to be on offer for doing image searches in databases. Only 10% of all respondents would favour a mandatory search.

The most raised argument against examination is that it would increase costs, delay registration significantly and would not be exhaustive. Searching per class is useless since registered Community design confers on its holder the exclusive right to use the relevant design in all types of products, and not only in the product indicated in the application for registration. Searching for earlier registered designs alone is considered not sufficient, since earlier non-registered rights (e.g. designs and copyrights) can also be novelty destroying. According to one respondent, experience with novelty examination in Japan shows that addressing inconsistent or unfounded objections, is costly and time-consuming. It is further argued that the total number of disputes before the ordinary courts does not seem to justify a complex official examination procedure.

The main advantage of the system – quick and efficient registration – should not be impaired. Therefore, most respondents prefer that, either better image search tools are

[307] Please note that besides "creators/owners" and/or "lawyers/legal advisers" the respondents might have identified themselves also as other categories (e.g. users of designs of others, researchers etc.). This is reflected in the tables in this section where column "All" should be interpreted as all who selected "creators/owners" and/or "lawyers/legal advisers".

made available, or that a novelty search by the EUIPO is optional. This would counterbalance the lack of examination and increase legal certainty.

As argument in favour of novelty examination it is mentioned that this would decrease the amount of invalid registrations on the register. Currently there are too many invalid designs on the register which leads to uncertainty and unjust situations in court. Under the current system those accused of design infringement have to prove the invalidity of the invoked designs rights. This puts an unfair burden on the defendant, in particular SMEs, who would have to conduct costly searches for novelty destroying prior art, whereas the design holder may have filed its design without having conducted any prior art search at all. The design right holder, on the other hand, may not have conducted a search before filing.

As a counterbalance solution, it is proposed by various respondents, mostly associations representing spare part manufacturers, that the assumption that a design registration is valid should only become effective after at least some extent of research for prior art has been conducted without revealing any conflicting prior art. Similarly, one association suggested that, design holders could be required, before starting litigation, to obtain a search report from the EUIPO together with a written opinion. A similar system has been introduced in the Spanish Patent Law for unexamined utility models and also in Belgium for national patents. Another suggestion would be to follow the system of the USPTO where the users can choose between a verified design and unverified model accessible at a lower cost.

Q32. What is your experience with design registration at the EUIPO? (% of Very good and Rather good answers)*

	All
Possibility to do it electronically	**99%**
General performance related to Community designs	**97%**
Speed of registration process	**96%**
Ease of application process and forms	**96%**
Level of fees	**91%**
Transparency of registration process	**86%**
Supplied information on how to register a design	**84%**
Procedure for invalidating a registered design	**82%**
Max no. of answers	**83**

** no opinion answers not included, thus the residual to 100 represents "bad" answers;*
Source: responses to open public consultations on designs

Overall the respondents are very satisfied with the design registration at the EUIPO, in particular the possibility to file electronically, the speed of registration process, ease of application process and forms and level of fees are highly appreciated.

As points for improvements were mentioned the quality of invalidity proceedings and decisions and the transparency of the registration process. The invalidity decisions would improve if they more clearly identified the legal principles applied and explained why and how these have been applied in the individual case. As regards the registration process, a greater alignment with the EUIPO's procedures relating to trade marks would be welcome where each stage of the process is mirrored online.

Q33. What is your experience with design registration at the National Industrial Property Office(s)? (% of Very good and Rather good answers)*

	All
Possibility to do it electronically	**90%**
Transparency of registration process	**84%**
Ease of application process and forms	**83%**
Supplied information on how to register a design	**81%**
Level of fees	**80%**
General performance related to national designs	**79%**
Speed of registration process	**73%**
Procedure for invalidating a registered design	**67%**
Max no. of answers	**65**

** no opinion answers not included, thus the residual to 100 represents "bad" answers; cells with less than 50% shaded*
Source: responses to open public consultations on designs

The results are very similar as regards the experience with the national industrial property offices, although the percentages are about 12% lower than those concerning the EUIPO.

*Q34. Based on your experience, do you consider that registered designs provide a useful protection against unauthorised use of those designs by a third party?**

	Yes	No	No. of answers*
All	**93%**	**7%**	**99**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Almost all of the respondents considered that registered designs provide a useful protection against unauthorised use by a third party.

The few respondents who replied that the protection is not sufficiently useful believed that in cases where design is copied in 100% it may be difficult to identify and/or prove an infringement, the costs of litigation can be high, and that substantive examination would be necessary to ensure high level of protection.

Specific questions to creators/owners of designs

The questions below were only asked to those who identified themselves as "creators/owners of designs"[308].

*Q35. Have you/members of your organisation ever sued someone in the EU for unauthorised use of your design?**

	Yes	No	No. of answers*
All	**66%**	**34%**	**61**

**no opinion answers not included; cells with less than 50% shaded*

[308] Please note that besides "creators/owners of designs" the respondents might have identified themselves also as other categories (e.g. users of designs of others, legal advisers, etc.). This is reflected in the tables in this section where column "All" should be interpreted as all who selected "creators/owners of designs".

Source: responses to open public consultations on designs

Almost twice as many respondents sued someone in the EU for unauthorised use of their design, as compared with those who did not.

Q36. If yes, on which form of protection did you base your legal action? (multiple choice; % of answers selected – only those who answered Yes to Q35)

	All
Registered Community design	**88%**
National design registered in a Member State	**78%**
International design registered at WIPO	**60%**
Unregistered Community design	**53%**
Other	**20%**
no. of answers	**40**

cells with less than 50% shaded
Source: responses to open public consultations on designs

Most of the respondents relied on the registered Community design as a base for their legal action, followed by national registered design, international design registered via WIPO, and unregistered Community design. Those few respondents who indicated that they rely on other legal basis, referred to copyright protection, law against unfair competition (passing off), protection awarded for figurative or 3D trade marks, national unregistered design right (UK), utility models, and patents.

*Q37. Have you/members of your organisation ever requested to invalidate a design because it was the same as or similar to the design you own/created?**

	Yes	**No**	**No. of answers***
All	**56%**	**44%**	**59**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Many respondents reported that they have experience in launching invalidation proceedings.

Specific questions to both creators/owners and lawyers/legal advisers

The questions below were only asked to those who identified themselves as "creators/owners" and/or "lawyers/legal advisers"[309].

*Q38. Based on your experience, please rank the forms of protecting a design in terms of your chances to win an invalidity or an infringement action (on the scale from 1 (best) to 5 (worst)) (*average rank presented)*

	All
Registered Community design	**1.96**

[309] Please note that besides "creators/owners" and/or "lawyers/legal advisers" the respondents might have identified themselves also as other categories (e.g. users of designs of others, researchers etc.). This is reflected in the table in this section where column "All" should be interpreted as all who selected "creators/owners" and/or "lawyers/legal advisers".

National design registered in a Member State	**2.02**
International design registered at WIPO	**2.21**
Unregistered Community design	**3.27**
Max no. of answers	**47**

** "Impossible to say" and "No experience" answers not included, cells with more than 2.5 shaded*
Source: responses to open public consultations on designs

Many respondents have difficulties in answering this question, what is reflected in a relatively high number of them choosing the option 'impossible to say' as an answer. Many indicated that chances of success should be determined on a case-by-case basis, or that they lay within the discretion of the judge/authority handling the case. Those respondents, who decided to rank different protection tools, estimated that relying on the national title gives the best chances to win an invalidity or an infringement action. Such chances were considered the lowest when applicant relies on unregistered Community design.

Some respondents believed that chances of success of infringement and invalidity action before the courts are equal in relation to national design registrations and registered Community designs. Some respondents indicated that chances for success are higher when the case is heard by a specialised IP court, as compared with a general court, independent from the protection title indicated as legal basis.

Specific questions to lawyers/legal advisers, authorities and academia

The questions below were only asked to those who identified themselves as "lawyers/legal advisers" and/or "authorities" and/or "lecturers/researchers"[310].

Q39. Based on your knowledge of the design protection systems in the EU, please evaluate the following elements in the legislation and its application by industrial property offices and in courts (% of Very clear and Clear answers)*

	All
The definition of a "design", a "product" and a "complex product"	**73%**
The requirements for protection (e.g. related to the need of being "visible")	**55%**
The scope of design protection (e.g. as to how to determine the individual character of a design)	**47%**
Max no. of answers	**86**

** no opinion answers not included, thus the residual to 100 represents "not clear" answers; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Definitions

Majority of the respondents considered definitions of a 'design', a 'product', and a 'complex product' clear or very clear.

[310] Please note that besides "lawyers/legal advisers" and/or "authorities" and/or "lecturers/researchers" the respondents might have identified themselves also as other categories (e.g. users of designs of others, etc.). Therefore "All" should be interpreted as all who selected "lawyers/legal advisers" and/or "authorities" and/or "lecturers/researchers".

Some respondents believed that these definitions should be clarified to account for products of specific nature, such as e.g. logos, patterns or packaging. Several respondents believed that there is a need to clarify whether virtual designs, animated designs and graphical user interfaces can be understood as a product, and thus benefit from design protection (in particular to specify that those should not be considered to be computer programmes, and thus excluded from protection). Some respondents believed that definition of a 'complex product' should be narrowed down, and only apply to complex machinery.

Protection requirements

While the number of respondents believing that the requirements for design protection are clear or very clear prevailed, many believed the opposite. In particular, many respondents called for clarification of the visibility requirement. While some respondents believed that a legal definition should be introduced, others opted for clarification via guidance or further case-law, or called for removing the visibility requirement all together.

In addition, some respondents pointed to difficulties in assessing the visibility requirement, and indicated it needs to be clear to whom the design needs to be visible, and in which situation exactly. While some respondents asked to clarify that a design does not have to be visible in any specific time or at any particular situation to attract protection, others opted for indicating a specific situation during which assessment should be done (e.g. during normal use of a product – as already indicated for component parts of a complex product, or during offering the product for purchase).

The respondents also believed there is need to clarify eligibility for protection for designs that are only visible part of the time. While this issue was partly addressed in different court and EUIPO decisions, both in relation to visibility of parts of products and components of complex products, the respondents still consider there is insufficient clarity and that the rules should be harmonised. Some respondents considered that this issue is settled for complex products. Some respondents pointed out that the concepts of "end-user" and "informed user" are not sufficiently clear, what brings further difficulties in assessing visibility. One respondent pointed out that some courts seem to be still confused about the test to be applied, and refer to an average consumer, mixing the notions used by design and trade mark law.

Finally, some respondents believed that the notion of "technical function" used in Art. 7 (1) of the Directive and Art. 8 (1) of the Regulation ought to be construed narrowly. They have pointed to different interpretations given to this notion in practice – on the one hand understanding it as a design feature which solely serves a technical function in the sense that the design of that feature enables the solution of a technical problem (the narrow interpretation), and on the other hand understanding it as mere functionality.

Scope of protection

The number of respondents who believe that the scope of design protection is not clear or very unclear was higher than those considering it clear or very clear.

Some respondents indicated in particular, that the notions used to describe the scope of protection, such as "individual character" or "overall impression", are very abstract and thus hard to clarify, with their interpretation depending very much on the product category. Some respondents explained that it is not predictable if a new design has individual character, especially if it consists in a new version of a previously existent design. On the other hand, some respondents pointed out that they disagree with the

recommendation proposed in the Legal Study[311] to introduce into the law clarifications on how to determine the individual character of a design.

The respondents also indicated that the scope of protection awarded by a design right is closely linked to the number of representations allowed in the application. Many respondents believe that the limited number of representations currently allowed limits what can be protected in practice, and often brings more confusion than clarity.

Rights conferred

*Q40. Do you consider that the current scope of design rights, including limitations, provides sufficient protection against third parties copying a protected design by means of 3D printing?**

	Yes	No	No. of answers*
All	**50%**	**50%**	**66**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Respondents are split as to whether the design *acquis* provides insufficient protection against copying protected designs through 3D printing.

Should 3D printing become more widespread, the private use exception combined with 3D printing is seen as potentially damaging for creators. Some considered that ad hoc rules are needed in this field. For instance, one respondent asked for clarifying that instructions for the manufacture of an infringing product constitute an infringement. Along these lines, others considered that providing a code to print a product should constitute an infringement. Finally, some considered that the notion of infringement should cover acts of creating or sharing digital representations leading to infringing copies. This is in line with another suggestion according to which designs rights should extend to the digital representation of the designs. Other suggestions included the adaptation of Directive 2004/48/EC to take into account this new technology, the use of technical protection measures, the payment of a fee, the limitation of the private copy exception, and the introduction of provisions as regards contributory infringement.

*Q41. Do you think that the scope of design rights should allow preventing third parties from transiting counterfeit design goods through the Union territory even if the goods are not intended to be placed on the Union market?**

	Yes	No	No. of answers*
All	**90%**	**10%**	**77**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A large majority of respondents (90%) is in favour of prohibiting the transit of counterfeit goods in the EU territory. This is also reflected in the open replies, in which many respondents insisted on the importance to align the design rules on the trade marks rules as regards the transit of counterfeit goods. Respondents having replied in the positive considered this important to ensure an efficient fight against counterfeiting. Some underlined the risk, inherent to any transit activities, that goods will in the end be

[311] https://ec.europa.eu/growth/content/legal-review-industrial-design-protection-europe-0_en

placed on the EU market. Finally, some considered that the lack of alignment with trade mark law is not justified. It is in general considered that the designs law provisions on transit should mirror, without going beyond, what is provided in trade mark law. Among the few negative replies, one respondent mentioned the disadvantage likely to happen for EU transporters. Another respondent considered that this debate should be examined together with the one around the repair clause.

Grounds for invalidity

*Q42. Do you think that lack of clarity and consistency in the representation should be an explicit ground for invalidity of a design?**

	Yes	No	No. of answers*
All	**63%**	**37%**	**78**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A majority of the respondents (63%) thinks that the lack of clarity and consistency in the representation should be an explicit ground for invalidity of a design. They argue that for the sake of legal certainty, third parties should understand the extent of the exclusive right covered by the design. Therefore, lack of clarity and consistency of a design should be considered a ground for invalidity to the extent that it does not make it possible to determine the design's scope of protection.

Others argue that lack of clarity and inconsistencies of the representations should only affect the scope of protection. Quite a number of respondents, mainly major business associations representing right holders, point out that no such additional ground would be necessary if there was a possibility to provide a higher number or even unlimited number of representations and clearer representations during the application phase e.g. by means of video or 3D representations. One of these associations also mentions that the lack of clarity and consistency in the representation can already be invoked as ground for invalidity under Article 25 (1) lit a CDR for failure to satisfy the conditions set out in Article 3 lit a CDR.

Procedural issues

*Q43. In your view, are the current requirements for the representation of Community designs under the Community Design Regulation and the respective Implementing Regulation (EC) No 2245/2002 (e.g. means of representation and their combination, static views, maximum number of views, neutral background) appropriate to show designs with sufficient clarity and precision, both for tangible products and non-tangible products (e.g. animated designs, graphical user interfaces)?**

	Yes	No	No. of answers*
All	**46%**	**54%**	**72**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A small majority of respondents (54%) thinks that the current requirements for the representation of Community designs under the CDR and the respective IR (e.g. means of representation and their combination, static views, maximum number of views, neutral background) are not appropriate to show designs with sufficient clarity and precision, both for tangible product and non-tangible products (e.g. animated designs, graphical user interfaces). The most criticised requirements were the limited number of views and the limited means of representation.

All respondents that provided further comments agree that the maximum number of static views should be increased. Having a smaller number of views can limit the ability for a designer to show the design fully and can create priority issues. Some designs require more views, for instance to show detail of a more complex design, or to show a moving design. Seven views can be insufficient to comply with the requirements in national laws of other countries that are part of The Hague system of International Design registration, that allow for more or even an unlimited number of view. Moreover, the fact that no amended view can be filed during the review period makes the system too rigid. It would be more appropriate to allow for the possibility of accepting modifications, with a change of the date of deposit accordingly, as long as the model is not published.

The respondents that provided further feedback also agreed that other means of representation should be allowed to protect a wider range of designs or designs more effectively. The current graphic representations are in certain cases not apt to represent designs which have different forms of appearance, state or assembly (modular systems, on off, open closed, etc.), or to show a set sequence or movement. Some respondents also mentioned that a wider range of file formats (e.g. 3D files, video animations, higher-resolution file formats for static images) and an extension of the permitted design types should be introduced. By amending the product definition, design protect should also be available for manifestations that are not physically defined as two or three-dimensional objects (e.g. animated designs and graphical user interfaces).

*Q44. Are you aware of any problems in relation to the option to file a description of a design under the Community design regime, national law or the international Hague system?**

	Yes	**No**	**No. of answers***
All	**34%**	**66%**	**68**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A majority of respondents (66%) is not aware of any problems in relation to the option to file a description of a design under the Community design regime, national law or in the international Hague system.

However, 34% of respondents thinks otherwise. Most of them expressed concerns about the limited utility attributed to descriptions. Under the Community design regime, any description filed is not part of the design and does therefore not affect the scope of protection. Yet, a description is considered to be a good tool to clarify what is aimed to be protected. The absence of a description can lead to difficulties when assessing the scope of protection, as exemplified by a respondent: should the absence of surface decoration on a design be seen as a feature in its own right or as meaning that the design is for the shape only? Some respondents therefore are in favour of allowing a description as an interpretative, or even as a decisive factor (e.g. as a verbal disclaimer) for determining the subject-matter of protection. It is mentioned that in the United Kingdom and the United States, for instance, a description or verbal disclaimer can be used to explain whether any particular features shown in the representations form part of the design or not. This option is not available in the Community design system, which can result in difficulties in determining the scope of protection.

*Q45. The Community Design Regulation allows for the filing of a specimen where the application is for a two-dimensional design (e.g. a piece of textile), and deferment of publication is requested. Do you consider this option still to be relevant and meeting current business needs?**

	Yes	No	No. of answers*
All	**45%**	**55%**	**51**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A majority of respondents (55%) thinks that the filing of specimen is not relevant any more. It is pointed out that this option is not often used and the scope of protection is determined by the views in the record while detailed aspects of the design that are not visible could be subject of a description. Moreover, the deposit of specimens appears obsolete at the time of online deposits. The physical submission of specimen can be easily replaced by a graphic/photographic representation on a digital data carrier.

According to the feedback received from the French IP office (INPI) France, for instance, no longer accepts the deposit of the specimen.

However, some respondents (45%) still consider specimens of great importance for the fashion industry since it allows for a clear filing date while keeping the design confidentiality.

*Q46. In your view, are there any specific provisions or requirements/conditions in the Community Design Regulation or the respective Implementing Regulation (EC) No 2245/2002 in relation to procedures before the EUIPO (e.g. for the application or registration of a registered Community design) which you consider to be inappropriately complex or rigid, or generating unnecessary burdens for users of the system?**

	Yes	No	No. of answers*
All	**47%**	**53%**	**55**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A majority of the respondents thinks that there are no specific procedural requirements/conditions in the Community Design Regulations which are inappropriately complex or rigid, or generating unnecessary burdens for users of the system.

However, many respondents (47%) think otherwise. In particular, the fact that multiple design applications have to belong to the same product class is considered very rigid and unfair. One respondent explained that it means that some products such as “hairdryers” and “parts of hairdryers” cannot be included in the same multiple application whereas other completely unrelated products (“chair” and “table”) can. Also the fact that deficiencies relating to the view requirements lead to a later filing date, is considered very rigid.

*Q47. Are you aware of any (other) specific issue in relation to the protection, registration or enforcement of designs in respect of which you feel there is need for improvement or updating of the Community Design Regulation and/or the Design Directive?**

	Yes	No	No. of answers*
All	**66%**	**34%**	**68**

**no opinion answers not included; cells with less than 50% shaded*

Source: responses to open public consultations on designs

A majority of respondents (66%) thinks that there is need for improvement or updating of the Community Design Regulation and/or the Design Directive.

Degree of harmonisation

Q48. Below is a list of design law aspects that are not (fully) harmonised by the Design Directive. For each item please let us know how do you assess the need for harmonisation in view of potential obstacles for the internal market and the establishment of a level playing field for the registration of national designs.: (% of Very important and rather important answers)

	All
Formal requirements to represent a design (e.g. number of views, neutral background)	**93%**
Substantive grounds for refusal of registration	**92%**
Product indication and the design's scope of protection	**90%**
Right to the design	**89%**
Multiple applications and its conditions	**88%**
Right of prior use	**86%**
Refusal/invalidity based on earlier distinctive sign (optional in the Directive)	**81%**
Refusal/invalidity based on unauthorised use of a copyright protected work (optional in the Directive)	**78%**
National designs as objects of property (transfer, rights in rem, levy of execution, licensing)	**77%**
Description of design and its legal relevance for the subject-matter of protection	**77%**
Deferment of publication	**76%**
Procedure for invalidating a design	**76%**
Responsible authority for invalidating a design	**74%**
Refusal/invalidity based on improper use of an item listed in Article 6b of the Paris Convention for the Protection of Industrial Property (optional in the Directive)	**74%**
Protection of unregistered designs	**72%**
Procedure for refusal of registration	**69%**
Max no. of answers	81

** no opinion answers not included, thus the residual to 100 represents "not important" answers; cells with less than 50% shaded*
Source: responses to open public consultations on designs

The design law aspects that are considered in most need for harmonisation are the formal requirements to represent a design (e.g. number of views, neutral background), the substantive grounds for refusal of registration, the product indication and the design's scope of protection, the right to the design, multiple applications and its conditions. Other aspects considered in need of harmonisation that respondents referred to are the introduction of opposition proceedings, procedural rules, remedies and costs in court proceedings; mention of the name of the designer (should be facultative); the notion of get up and set of articles; and length of grace periods.

The respondents presented the following reasons for this further harmonisation:

The harmonisation of the formal requirements to represent a design is considered important in order to allow applicants to use the same set of design representations at EUIPO and in any Member State (and, as a vision in the future, at any IPO party to the Hague system). Moreover, alignment of such formalities will help to define the subject-matter of protection of a design. While the CP6 common practice[312] is seen as a major step towards convergence of practices in this field, further legislative harmonisation is needed.

Some respondents believed national offices should be responsible for invalidating a design, as this would make the enforcement of design rights quicker and less onerous for right holders. An alternative would be to put in place an opposition procedure similar to that for trade mark law. In addition, court proceedings should be available (e.g. for counterclaims as provided for by Article 84 of the Regulation).

Product indications are not supposed to determine the scope of protection, but serve administrative purposes only. However, when courts use the product indication in assessing who the informed user is, in assessing design freedom, etc., this can lead to an effect on the scope of protection. This is an area where respondents believed harmonisation would be helpful, so applicants know where they stand when listing product indications.

While deferred publication is possible for RCDs, not all Member States provide this option. Also, deferment periods vary between Member States. Therefore, for designers and right holders who wish to keep their designs temporarily confidential, the introduction of a mandatory deferment period in alignment with the period of the Regulation would be of great practical importance.

More in general it is considered that the lack of harmonisation leads to a lack of clarity and potentially to inconsistent protection and/or increased costs in relation to both validity disputes and/or infringement claims. Applicants are not only subjected to higher costs in securing protection due to inconsistent application procedures, but are also granted inconsistent rights across the EU, such that what may amount to infringement in one member state will not infringe in another. It also complicates the definition of international protection strategies and dramatically increases protection costs at the expense of innovation.

Specific question to national authorities

*Q49. In some Member States, invalidity proceedings can only be brought before a judicial body. What is your view on making such proceedings available before all national industrial property offices across the EU?**

	Positive	Negative	No. of answers*
All	**77%**	**23%**	**22**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

The respondents clearly favour the idea of making invalidity proceedings available before all national industrial property offices across the EU. The main argument is that administrative proceedings are simpler, quicker and cheaper than court proceedings. This would particularly benefit SMEs who need quick access to justice at reasonable costs

[312] See Annex VI.

when being threatened with design infringement. It is also argued that invalidity proceedings at national IP Offices would foster legal certainty, specialisation and knowledge optimisation. Furthermore, having mandatory administrative invalidity proceedings would be in alignment with the current trade marks legislation.

However, those against introducing mandatory administrative invalidity proceedings point out that in some member states so few designs are invalidated that there is not enough experience nor demand to run such proceedings efficiently. They consider judicial procedure more appropriate, also due to its complexity and connection with copyright law only judicial authorities.

Specific questions to lawyers/legal advisers, authorities and academia

*Q50. In terms of coherence, are you aware of any problematic inconsistencies or discrepancies in the provisions of the Design Directive and/or the Community Design Regulation, and/or between these two instruments, and/or between one/both of these two instruments with other Union legislation?**

	Yes	No	No. of answers*
All	**28%**	**72%**	**65**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Almost three-quarter of the respondents considered that there is no discrepancies or inconsistencies within the design *acquis* or between the design *acquis* and other legal instruments in the European Union.

Identified discrepancies mostly relate to the lack of alignment to trade marks law as regards goods in transit and the unclear interlink between design protection and other intellectual property rights. As regards the latter, the relationship between copyright law and designs law is considered unclear and potentially leading to a smaller reliance on design protection. Several respondents considered it important to insist on the autonomous character of design protection or at least a stronger demarcation between copyright and design protection.

*Q51. The Community Design Regulation and the respective Implementing Regulation (EC) No 2245/2002 set out rules for procedures before the EUIPO which is also responsible to conduct procedures in European Union trade mark matters. Are you aware of any procedural discrepancies between these regulations which are not justified by the different nature of designs and trade marks?**

	Yes	No	No. of answers*
All	**21%**	**79%**	**52**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A large majority of respondents consider that there is no procedural discrepancies between the designs and trade marks law. However, some respondents noted the following discrepancies:

- The lack of any ‘continuation of proceedings’ as regards designs appears problematic. Given the protection requirements (i.e. novelty and individual character), missing a deadline can have drastic consequences.
- Renewal dates are calculated differently for EU trade marks and EU designs.
- Non-EU based but EEA-based representatives are allowed in trade mark matters but not in design matters.

- EU trade marks files are freely accessible while this is not the case for Community designs.
- The possibility for the holder of a Community design to raise the defence regarding the lack of use in a nullity procedure should be harmonised with trade marks law.
- A registration fee is due for the transfer of a Community design while such fee is not required for trade marks.
- In trade marks law, notification of the term of protection is requested while this is not the case as regards designs law. Such notification appears to be beneficial for designs holders.
- The procedures regarding international trade marks designating the EU and international designs designating the EU should be harmonised.

*Q52. In your opinion, to what extent has the accession of the EU (2006) to the international Hague system, which allows EU applicants to obtain design protection in countries which are party to its Geneva Act, proved to be a useful complement to the available venues for obtaining design protection both within and outside the EU?**

	Useful	Useless	No. of answers*
All	**93%**	**7%**	**61**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A very large majority of respondents (93%) considers the accession of the EU to the international Hague system as being very beneficial. Respondents in favour of the accession to the international Hague system generally mention that this saves time and money and lighten the administrative burden (including the monitoring of national registrations) while providing effective protection. This is also seen as creating an additional option and enlarging therefore users' choice.

Some respondents, while still considering the accession as useful, consider that some improvements should be made. Another respondent noted the loss of revenues for national offices. Finally, one respondent considered that there was no added value given the facility with which one can file for an EU design.

*Q53. In this context, do you consider the accession of Member States to the international Hague system to be necessary to remove major obstacles to the internal market and the establishment of a level playing field?**

	Yes	No	No. of answers*
All	**77%**	**23%**	**43**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Over three quarters of respondents are in favour of the accession of MS to the international Hague system. Respondents considered this would save time and money and lighten the administrative burden. An additional argument appeared to be the possibility for applicants, when Member States accede to the Hague system, to better tailor their IP strategies and further save costs and time. Indeed, under the current circumstances, it is not always possible to target one MS. This means that sometimes the coverage is broader than needed (the whole EU instead of some MS) and that this prevents any level playing field between MS. For these reasons, some respondents

consider that the Commission should at least encourage, or even require, MS to adhere to the Hague system.

*Q54. Are you aware of any problems/issues which negatively influence the complementarity and interoperability between the Community design system, the national design systems and/or the international Hague system?**

	Yes	No	No. of answers*
All	**48%**	**52%**	**61**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Respondents are split on this question, with 48% considering that problems negatively influence the complementarity and interoperability of the Community, national and international designs systems.

One of the main inconsistencies identified by the respondents concerns the representation requirements (including the number of representations and the lack of harmonised approach on dotted and broken lines). Harmonisation between the EUIPO and national office is considered essential on this point. Other identified inconsistencies concerned the difference between deferment periods and the lack of harmonisation of the disclosure requirement. Other issues concerned the lack of harmonisation as regards priority certificates issued by trade fair organisers, the conditions for a declaration of invalidity, the number of designs allowed per application and the protection of spare parts. The impossibility to register licences and pledges relating to international designs designating the EU was also mentioned. Finally, one respondent mentioned the lack of harmonisation as regards the novelty criterion, which can lead to difficulties when establishing a designs strategy.

Q55. If you wish to register the same design in the EU and in other countries outside the EU, what are the main difficulties in achieving it?

	All
Different scope of protection	**2%**
Different requirements for the design representation	**14%**
Different requirements for the product indications	**0%**
Different procedural rules	**14%**
Other	**7%**
There are no relevant difficulties	**0%**
I have no experience	**63%**
no. of answers	**43**

cells with less than 50% shaded
Source: responses to open public consultations on designs

The main difficulties in achieving to register the same design in the EU and in other countries outside the EU are the different requirements for the design representation and the different procedural rules.

By way of example, it was mentioned that in some countries, such as the United Arab Emirates, filing formalities (notarisation and legalisation) are very time-consuming and costly. In particular, the diverging requirements and procedures for claiming priority

create hurdles. In some countries, even where an application is filed through the international system, assistance of a local agent is required in order to provide the priority certificate.

It was further stated that certain advantages of the European system are not always available in the rest of the world. For instance, combining a number of designs in one multiple application, which is possible at EU level and in most member states, may not be an option elsewhere. The same is true for the grace period, which does not exist in certain countries, like China where absolute novelty is required.

*Q56. In your view, is the current general level of fees for Community designs appropriate?**

	Yes	No, fees are too high	No, fees are too low	No. of answers*
All	**79%**	**18%**	**3%**	**71**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

A majority (79%) thinks that the current general level of fees for Community designs is appropriate.

However, some respondents suggest commissioning a fee review study that would recommend new fee levels and structures subject to periodic review. The study should examine what it costs the EUIPO to register a design and whether lowering the basic fee of EUR 350 for a registered Community design application (=registration and publication fee) would have any impact on the performance of the national and regional offices. National design filings must remain attractive for applicants. They further are of the opinion that renewal fees are too high and should not increase each time a registered design is renewed.

*Q57. In your view, does the current structure of the various fees present any difficulties to applicants and holders of Community designs?**

	Yes	No	No. of answers*
All	**22%**	**78%**	**63**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Most respondents (around 80%) considers that the current structure of fees does not present difficulties to applicants. Those 20% of respondents who believed it does indicated that renewal fees are too high, especially for SMEs or single designers, and should not increase each time a registered design is renewed. In addition, they considered the renewal fees for multiple design applications out of proportion. Once a design is registered, there is no bulk discount available anymore. The renewal fee (including publication thereof) applies to each single design contained in the multiple application. Furthermore, the registration fee for the change of holder is considered unjustified, in particular since it does not exist for EU trade marks. Also, one respondent considered the distinction between the filing fee and the publication fee too complex and not sufficiently flexible; this last difficulty could be reduced by introducing a simplified application system such as that provided for in France, with a deferred payment of the publication fee only for those models which are of commercial interest.

*Q58. In this context, do you think it is appropriate that all designs of a multiple application must refer to products in the same class of the International Classification for Industrial Designs (Locarno Classification) to be able to benefit from the current bulk discount?**

	Yes	No	No. of answers*
All	**44%**	**56%**	**73**

**no opinion answers not included; cells with less than 50% shaded*
Source: responses to open public consultations on designs

Respondents were split on the issue, with a slight majority (56%) thinking that it is not appropriate that all designs of a multiple application must refer to products in the same Locarno class to benefit from the current bulk discount. Reason is that this requirement results in an unwanted and illogic multiplication of applications. It means that some products such as "hairdryers" and "parts of hairdryers" cannot be included in the same multiple application whereas other completely unrelated products (e.g. "chair" and "table") can. Some respondents considered that multiple designs belonging to different classes (but belonging to related activities of the same company) should be able to be covered by a single application, resulting in a reduction in costs.

General question to all

*Q59. If you wish to add any further information or views in relation to the design protection systems in the EU and their potential for improvement, which have not been covered by this questionnaire, please feel free to do so here:**

Many stakeholders used this field to come back to issues they considered important in view of the potential future reform. Most of the comments received concerned potential introduction of a “repair clause” (included under questions 16 and 17 above) or called for broadening the list of trade fairs that are recognised for the purpose of establishing priority (wider recognition of exhibition priority certificates).

Several respondents called for unifying the terminology between trade mark and design legislation. They called in particular for changing the term “Community design” to the “EU design”, and replacing references to the “Office for Harmonisation in the Internal Market (Trade Marks and Designs)” (“OHIM”) with the current name, i.e. the “European Union Intellectual Property Office”.

Some respondents stressed again the importance of raising awareness on design protection and its benefits, both within the EU and on the national level.

ANNEX 5: OVERVIEW OF COSTS – BENEFITS IDENTIFIED IN THE EVALUATION

I. Overview of costs – benefits identified in the evaluation									
		Citizens/Consumers		**Businesses**				**Administrations**	
		Users of products embodying designs		**Designers and design owners**		**Users of designs of others**		**EUIPO, National IP Offices, Community design courts and other national courts**	
		Qualitative	Quantitative / monetary	Qualitative	Quantitative / monetary	Qualitative	Quantitative / monetary	Qualitative	Quantitative / monetary
Pre-registration phase [not discussed in this Evaluation Report]	**- Description:** economic **- Type:** in-house resources and/or outsourcing costs **- Expected**	**Costs:** N/A	- design cost embedded in the cost of a product	**Costs:** low / medium	- costs of legal and marketing advice (e.g. deciding what to protect, how and where)	**Costs:** N / A	N / A	**Costs:** medium	- raising awareness about design protection and its benefits
		Benefits: medium / high	- access to innovative products embodying designs	**Benefits:** medium / high	- choosing optimal form of design protection (national / EU, registered / unregistered)	**Benefits:** N / A	N / A	**Benefits:** medium / high	- better uptake of design protection
Obtaining design protection	**- Description:** economic **- Type:** regulatory charges,	**Costs:** N/A	- design cost embedded in the cost of a product	**Costs:** low / medium	- running novelty checks to verify the state of the art in the relevant area	**Costs:** low / medium / high	- costs of legal advice (e.g. advice on freedom to operate/design	**Costs:** low / medium[318] [319]	- provide information on how to register designs

[318] While increasing volumes of design applications could lead to increase of operational costs, progressing digitalisation of IP offices and optimization of processes allows to cut costs.
[319] Member States already had IP offices before adoption of the EU legislation on design protection.

Sec. 5.3.	administrative costs, compliance costs, operational costs **- Expected**				- registration costs including time investment, fixed administrative fees[313] [314] and costs of representation[315] and preparing design application (i.e. the necessary documentation, in particular as to design representation)[316] - negotiating and drafting of licence agreements		clearance searches) - negotiating and drafting of licence agreements - the licence fees' depend on specific designs and industry sector[317]		- examining design applications[320] - maintaining the design registry, including search tools and the IT systems - other operational costs
		Benefits: medium / high	- access to innovative products embodying designs	**Benefits:** medium / high	- exclusive right to use the design, competitive advantage - one stop shop for	**Benefits:** medium / high	- good understanding of the market of competing designs allows for making better choices and	**Benefits:** medium / high	- examination of applications is a core business of the EUIPO and national IP offices

[313] Registration fees for Registered Community designs are set out in the Implementing Regulation and the Fees Regulation. Registration fees for national design rights are not harmonised, and are set independently by each Member State. For more details on fees, both for Registered Community Design rights and national design rights see Section 5.3.6.

[314] E.g. for an RCD an applicant will have to pay a fee of EUR 350 (EUR 230 registration fee + EUR 120 publication fee = EUR 350) for a single Community design application, and EUR 1 050 (EUR 230 registration for the first design + 4 x EUR 115 registration for 4 additional designs + EUR 120 publication for the first design + 4 x EUR 60 publication for additional 4 designs = EUR 1 050) for a multiple application consisting of 5 designs

[315] Costs of representation are not fixed, and will vary depending on the applicants' choice – see Section 5.3.6. Costs of legal/professional representation are out of scope of the EU legislation on design protection.

[316] Member States are free to set the procedural provisions concerning registration, renewal and invalidation of national design rights (Recital 6 of the Directive); the resulting divergence of rules and practices is also adding to relevant acquisition costs (e.g. same documentation might not be usable across the EU in the context of multi-jurisdictional applications).

[317] Levels of licence fees are not regulated and are set independently by design owners; they vary considerably. Levels of licence fees are out of scope of the EU legislation on design protection.

[320] Since both the EUIPO and national IP offices are handling registrations of different types of rights, it is hard to distinguish operational costs solely relating to designs.

					obtaining Community design right: introduction of unitary titles made it possible to considerably decrease costs and time taken to obtain design protection		avoiding infringements - for licences: right to use the design, competitive advantage - otherwise: access to innovative products embodying designs - introduction of unitary titles made it possible to considerably decrease costs and time taken to obtain a licence covering the EU territory		- streamlined processes - EUIPO provides a one stop shop for obtaining Community design rights - EUIPO and national offices cooperate to converge their practices and increase interoperability of systems, where possible[321]
Maintaining design protection Sec. 5.3.	**- Description:** economic **- Type:** regulatory charges, administrative costs, licence fees, operational costs **- Expected**	**Costs:** N/A	- design cost embedded in the cost of a product	**Costs:** low / medium	- costs of monitoring duration of the term(s) of protection (for multiple rights, different terms will apply) - renewal costs including time investment, fixed administrative fees[322] [323] and costs of representation	**Costs:** low / medium / high	- the licence fees depend on specific designs and industry sector - launching invalidity proceedings against design right holder, if useful	**Costs:** low	- processing renewal requests - examining invalidity proceedings

[321] See Annex VI.

[322] Renewal fees for Registered Community designs are set out in the Implementing Regulation and the Fees Regulation. Renewal fees for national designs rights are not harmonised, and are set independently by each Member State. For more details on renewal fees, both for Registered Community Design rights and national design rights see Section 5.3.6.

					- defence in invalidity proceedings[324], if launched against registered design - watch services[325]				
		Benefits: medium / high	- access to innovative products embodying designs	**Benefits:** medium / high	- exclusive right to use the design, competitive advantage - introduction of unitary title made it possible to considerably decrease costs and time taken to maintain design protection	**Benefits:** medium / high	- introduction of unitary titles made it possible to considerably decrease costs and time taken to obtain a licence covering the EU territory - the Regulation also provided for cost- and time-efficient RCD invalidation proceedings	**Benefits:** medium / high	- processing renewal requests is a core business of the EUIPO and national IP offices - streamlining processes - EUIPO provides a one stop shop for maintaining and invalidating Community design rights
Enforcing design rights Sec. 5.4.	**- Description** economic **- Type** enforcement costs, administrative costs, representation costs, operational costs	**Costs:** N/A	N/A	**Costs:** medium / high	- court fees[326] and administrative fees, covering both launching invalidity[327] and infringement proceedings	**Costs:** medium / high	- court fees and administrative fees - costs of representation before court/litigation advice/gathering evidence	**Costs:** low / medium	- hearings and decision taking/drafting - examining invalidity proceedings - Community

[323] E.g. for an RCD EUR 90 for the first renewal, EUR 120 for the second, EUR 150 for the third and EUR 180 for the fourth period of renewal.
[324] In CDR invalidity proceedings the losing party must bear the fees and costs incurred by the other party (Article 70(1) of the Regulation). If the design holder is the losing party, it must bear the invalidity fee of EUR 350 as well as the representation costs incurred by the applicant in the course of these proceedings fixed at EUR 400. If the applicant is the losing party it must bear the design holder's representation costs, fixed at EUR 400.
[325] Watching services inform design holders whether third parties file or plan to use similar designs, which may be potentially competitive or infringing.
[326] Levels of court fees and administrative fees are not harmonised and vary considerably between Member States. They are out of scope of the EU legislation on design protection.
[327] Due to non-harmonisation of procedural rules and contrary to the situation under the Regulation, an application for a declaration of invalidity of a national registered design may be filed only with a court in some Member States (involving usually greater complexity and higher costs); see Section 5.3.4.

	- Expected				- costs of representation before court/litigation advice/gathering evidence[328]				design courts are in practice often divisions of existing national courts
		Benefits:	- reducing counterfeiting activities detrimental to citizens and consumers	**Benefits:** high / medium	- securing competitive advantage and market position - introduction of unitary titles and Community design courts made it possible to streamline proceedings and decrease litigation costs and time - the Regulation also provided for cost- and time-efficient RCD invalidation proceedings	**Benefits:** high / medium	- securing competitive advantage and market position - introduction of unitary titles and Community design courts made it possible to streamline proceedings and decrease litigation costs and time	**Benefits:** high / medium	- introduction of Community design courts improved court specialisation, making it possible to streamline and improve quality
Impacts on the Internal Market Sec. 3.2.	**- Description** economic, social **- Type** boosting design innovation, competitiveness and employment, implementation and	Qualitative				Quantitative / monetary			
		Costs: Implementation and compliance costs - implementation of obligations laid out in the Regulation and the Directive required investment in setting up the EUIPO, organising Community design courts, hiring personnel, acquiring necessary IT tools and infrastructure, etc.				- design-intensive industries increasingly contribute to the EU's economy: they accounted for 16.2% of EU's GDP and generated 14.2% of all jobs (direct employment) in the EU during the period 2014-2016[329], compared with 13.4% of EU's GDP and 11.9% of all jobs in the period 2011-2013[330]; - increased product innovation and investment in production			

[328] E.g. market research or online evidence to show the use or disclosure of designs.
[329] "IPR-intensive industries and economic performance in the European Union", EPO and EUIPO, September 2019.
[330] "IPR-intensive industries and economic performance in the European Union", EPO and EUIPO, October 2016.

	compliance costs **- Expected**	**Benefits:** High - lower cost of engaging in cross-border activities, better functioning of the EU internal market - increased number of protected designs translating into and more product innovation across the EU	(evidenced by increasing numbers of design registrations – e.g. for RCD annual growth rate of 6.5% between 2003 and 2019; see Section 3.2);

ANNEX 6: CONVERGENCE OF PRACTICES

Member State Intellectual Property Offices ('MS IPOs'), the European Union Intellectual Property Office ('EUIPO') and user associations have been actively working together in the framework of the European Union Intellectual Property Network ('EUIPN') to converge trade mark and design practices over recent years[331]. This harmonisation aims to establish and communicate clarity, legal certainty, quality and usability in areas in which divergence had developed among the MS IPOs as a result of differing interpretations of the law as transposed into national legislation.

Convergence of practices aims to develop common principles with a solid foundation in settled case-law. Convergence of practices is also based on the assumption that in order to achieve harmonisation, no legislative change will be required. Therefore, if legal constraints are identified in a certain area, it is not possible to develop common principles that can be applied at EU level. Significant efforts were therefore invested in identifying areas that are sufficiently harmonised to allow for convergence of practices. Further harmonisation of EU legislation on design protection would therefore give scope for more cooperation within the EUIPN to further converge on practices, for instance concerning the adequate representation of new technology designs.

The Common Practices that were developed as a result of the Convergence Programme have been widely implemented in the EU and have proved to be extremely well received. Convergence programmes in the area of design law are outlined below:

CONVERGENCE PROGRAMMES
Convergence of practices in the area of designs (SP2011-2015)
CP6: Convergence on graphic representations of Designs[332] CP6 defined which types of visual disclaimers and views are accepted throughout the EUIPN and provided definitions, recommendations and requirements for each of them. The Common Practice established clear and harmonised requirements to determine when a background is considered neutral, and provided an overview of the Offices' quality standards for design applications received by electronic means and on paper. Since publication and implementation in April 2016, CP6 has not only helped increase transparency, legal certainty and predictability by giving guidance to users and examiners on how best to graphically reproduce designs, but it has also helped reduce the number of objections for deficiencies regarding those representations. It should be noted that certain legal impediments were identified in several areas (visual disclaimers and additional elements of "neutral background"; types of views such as snapshots, exploded views and sectional views; the combination of drawings with photographs; format of views) which affected the extent to which convergence could be achieved. To address some of these issues, a number of requirements in the Common Practice were replaced with recommendations, and a benchmarking exercise was included to provide an overview of the quality standards required by the MS IPOs for applications. **Implementation:**

[331] https://www.tmdn.org/network/converging-practices
[332] https://www.tmdn.org/network/graphical-representations

CP6 has been implemented by 22 MS IPOs (BX, BG, CY, CZ, DE, DK, EE, ES, FR, GR, HR, HU, IE, IT, LT, LV, PL, PT, RO, SI, SK, UK). **Agreed outcome:** Common Communication on graphic representation of designs[333]
CP7: Harmonisation of Product Indications[334] When applying for design protection an applicant must indicate the type of product for which protection is sought by indicating a product indication that best describes the product. The product indication is then reviewed by the receiving office and classified based on the Locarno Classification system - the international classification used for the registration of industrial designs. When a product indication does not appear in the Locarno alphabetical list, each office must determine whether the stated product indication(s) is acceptable based on their respective criteria. The CP7 project was launched to converge practices in this area, by standardising the use of product indications within the EU and beyond. CP7 was the first project on the classification of designs. MS IPOs and users worked together to create a harmonised database, which now contains approximately 16 000 product indications and their accepted translations in all EU languages. The harmonised database of product indications provides the input for an intuitive and easy-to-use design classification tool – DesignClass – via which applicants can search for and select the most suitable product indication for their design and examiners can verify the acceptability of terms. All the features of the tool combine to provide the most extensive, free, online resource of pre-accepted product indications and translations available to users and MS IPOs. By reducing the risk of an objection based on mere formalities, convergence on product indications has also reduced costs associated with the filing of design applications in different MS IPOs. **Implementation:** The tool went live in January 2017 and has been implemented by all MS IPOs (AT, BX, BG, CY, CZ, DE, DK, EE, ES, FI, FR, GR, HR, HU, IE, IT, LT, LV, MT, PL, PT, RO, SE, SI, SK, UK). **Agreed outcome:** DesignClass - common harmonised product indication database[335]
Convergence of practices in the area of Designs (SP 2016-2020)
CP10: Criteria for Assessing Disclosure of Designs on the Internet The CP10 project was launched in 2017 with the objective to bring clarity, consistency and harmonisation on the criteria for assessing disclosure of designs on the internet. The CP10 Common Practice provides criteria for assessing disclosure of designs on the internet and recommendations on sources of design disclosure on the internet, types of evidence used for proving disclosure on the internet, different means for establishing the date of disclosure and, lastly, the exceptions to the availability of designs on the internet.

[333] https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/about_euipo/who_we_are/common_communication/common_communication_7/common_communication7_en.pdf
[334] https://www.tmdn.org/network/harmonisation-of-product-indications
[335] https://euipo.europa.eu/designclass/

Implementation: 20 MS IPOs have either already implemented CP10 (BG, CY, DE, GR, HR, IE, LV, PL, RO) or have committed to implementation in the coming months (CZ, DK, EE, ES, FI, HU, IT, LT, PT, SE, SK). However, despite substantial interest, some Offices cannot fully apply the Common Practice due to the responsibility for design invalidity proceedings lying with external courts. **Agreed outcome:** Criteria for Assessing Disclosure of Designs on the Internet[336]
Convergence of tools within MS IPOs
European Cooperation initiatives do not focus only on practices but also on tools. Convergence in the field of design tools can be assessed through the significant number of MS IPOs which use common Front Office (e.g. e-filing, e-renewal and e-invalidity) solutions and Back Office tool. Back Office tool is a single software with different functionalities the MS IPOs may use for operating the full lifecycle of a design, allowing activities that range from electronically receiving the application, processing it, confirming that payment is received, proceeding with the required examination activities and publishing the registered design in the specific local public registry. **Implementation:** Currently, 15 MS IPOs use a Front Office for Designs solution (AT, BG, BX, DK, EE, ES, FI, IE, LT, LV, MT, PT, RO, SE, SI) with 1 further IPO requesting to implement in the future (GR: OBI). 11 MS IPOs currently use a Back Office for Designs solution (BX, EE, ES, FI, LT, LV, OBI, RO, SE, PL, UK) and a further 5 are in the process of implementation (DK, SE, HU, PT AT).

[336] https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/News/cp10/CP10_en.pdf