

<p>Title: Revision of scope of design protection</p> <p>PIR No: BEIS019(PIR)-20-IPO</p> <p>Original IA/RPC No: BIS0361</p> <p>Lead department or agency: Intellectual Property Office</p> <p>Other departments or agencies: Click here to enter text.</p> <p>Contact for enquiries: Mark Davies 01633 814006 mark.davies@ipo.gov.uk</p>	Post Implementation Review
	Date: 12/05/2020
	Type of regulation: Domestic
	Type of review: Non-statutory
	Date measure came into force: 01/10/2014
	Recommendation: Keep
RPC Opinion: N/A Choose an item.	

1. What were the policy objectives of the measure? (Maximum 5 lines)

This PIR is part 3 of 3 for design measures introduced by the Intellectual Property (IP) Act 2014. It covers revision of scope of design protection. The other PIRs relate to amendments of design ownership provisions and introduction of a criminal offence for the intentional infringement of a UK or EU Registered Design.

The policy objectives of this measure were:

- i) To provide a clear, consistent and equitable legal framework for protection of designs.
- ii) To ensure there is a clear definition of what a design right covers and who can claim them.
- iii) To widen the defences on design infringement.

2. What evidence has informed the PIR? (Maximum 5 lines)

For this PIR, we took into consideration feedback given by stakeholders. We contacted a total of eleven trade associations and umbrella organisations, key stakeholder groups including legal representative professional bodies and individual companies. We also considered internal management information such as customer feedback from the Intellectual Property Office's (IPO) information centre and customer insight teams.

3. To what extent have the policy objectives been achieved? (Maximum 5 lines)

The policy objectives have been achieved in part. Most responses from stakeholders did not express any concerns or dissatisfaction with the changes made to extend defences for infringements. However, one response did suggest the change has reduced legal certainty for design rights holders (see section 5 below).

Sign-off for Post Implementation Review: Chief economist and Minister

I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

Signed: Steph Dales

Date: 17/06/2020

Signed:

A handwritten signature in black ink, appearing to read 'Amanda Solloway'. The signature is written in a cursive style with a large, sweeping flourish at the end.

Date: 24/07/2020

AMANDA SOLLOWAY MP

Parliamentary Under Secretary of State
Minister for Science, Research & Innovation

Further information sheet

Please provide additional evidence in subsequent sheets, as required.

4. What were the original assumptions? (Maximum 5 lines)

i) That the UK legal framework for protecting designs is complex and confusing and negatively impacts businesses use of design rights.

ii) That the use of design rights is lower in the UK than other countries.

5. Were there any unintended consequences? (Maximum 5 lines)

An unintended consequence has been referenced by one of our stakeholders. The changes clarified the definition of design right in law, which has meant that existing case law can now no longer be applied to cases coming before the courts. This has resulted in some uncertainty and lack of clarity for design holders and their legal advisors.

6. Has the evidence identified any opportunities for reducing the burden on business?

The measure was introduced to reduce the burden on business and applicants. We did not expect the changes to have a large financial impact; they were intended to improve the functioning of the UK designs framework.

7. For EU measures, how does the UK's implementation compare with that in other EU member states in terms of costs to business?

This is a UK specific law. It is not implementing an EU measure and therefore there is no relevant comparison to be made with other Member States in terms of costs to business. These changes have aligned UK law with certain aspects of EU provisions which has provided legal clarity and certainty for firms seeking to protect or use designs.

Review of the 2014 revision of scope of design protection

Introduction

This report sets out the results of the IPO's post implementation review (PIR) of changes to designs law introduced by the Intellectual Property Act 2014. The changes to the legislation were to help modernise and improve the design framework so that it is less complex to use and to amend the defences in relation to infringement.

In conducting the review, the IPO has considered whether and to what extent the changes:

- Have achieved their original objectives.
- Are still required and remain the best option for achieving those objectives.
- Could be achieved in another way which involves less onerous regulatory provision.

Context and purpose

Design is a wide-ranging activity covering a range of industries from furniture, ceramics, jewellery and fashion to industrial design and architecture.

The design framework is set out in an overlapping combination of domestic law and EU law, resulting in a complex legal regime. Following the recommendations of the 2011 [Hargreaves Review](#) of Intellectual Property and Growth, a call for evidence, associated online survey and a public consultation, the Government introduced new legislation to simplify design law and improve how the IP framework supports innovation. The aim of changing the law in the UK was to modernise and improve the design framework to make it less complex to use and to ensure consistency of approach across domestic and EU legislation so that the designs system overall would be easier for users to navigate.

Prior to 2014 there were some provisions in the Copyright, Designs and Patents Act 1988 (CDPA) and the Registered Designs Act 1949 (RDA) that caused confusion and created an imbalance between the rights of proprietors and third parties' freedom to innovate. The changes made addressed the following issues:

i) Definition of a design right

The definition of a design in the CPDA was overly broad, allowing "any aspect" of a design to be protected. The effect of this was that holders of a UK design right could unfairly claim protection for a minor aspect of a design, making it difficult for third parties to know what was protected and potentially leaving them open to infringement action, thus impacting design innovation. To address this problem, the CDPA was amended to narrow the definition of what constitutes a design.

ii) Geographical scope of originality

To be eligible for UK design right protection, a design has to be "original", meaning it must be the product of some effort or skill on behalf of the designer and not have been copied. The CDPA sets out that if a design is "commonplace" it is not original. Prior to the changes made, the courts had stated that the test for what is commonplace is what was already available in the UK at the time of the application.

This was not inconsistent with the Registered Designs Act where the analogous concept of “novelty” extended to the EEA. The different geographical scope in legislation was confusing to stakeholders. To resolve this the definition of “commonplace” in the CDPA was extended to expressly cover the EU and other geographic areas, to bring it in line with the RDA.

iii) Changes to infringement defences

Two changes to infringement defences were also introduced:

Prior to the introduction of the measure, there was no defence for someone who acted in good faith (i.e. not copied) using a design before the application date of a registered design. This made business vulnerable to legal action from proprietors who obtained their registered right after the business was already fairly trading in a design. The measure introduced a provision into the RDA allowing an infringement defence for prior use.

Finally, the RDA and EU law allowed certain actions by third parties which are in the public interest, such as using the design for non-commercial purposes. The CDPA did not allow this for UK unregistered design rights. This measure made amendments to the CDPA to bring infringement defences in line with the RDA and EU legislation thus simplifying the system for users.

Methodology/Review Process and stakeholder responses

The impact of this measure was expected to be below the £5 million threshold (net annualised impacts to business). No evidence was received from stakeholders to suggest the impact of the measures have been above this threshold. It has not been possible to provide a more detailed estimate of costs and benefits over the last five years due to the lack of monetised evidence provided by stakeholders.

The original impact assessment suggested that we might commission research to quantify the benefits of introducing criminal sanctions for the design system. We have not undertaken this as we did not think it was likely to be successful, wasn't proportionate for the purposes of this review and therefore wouldn't offer good value for money. We continue to review and develop the evidence base around the functioning of the design rights system.

We sought feedback on the measures from stakeholders. We contacted a total of eleven trade associations and umbrella organisations, key stakeholder groups including legal representative professional bodies and individual companies. We also invited a mixture of the thirty-four respondents to “The Consultation on the Reform of the UK Designs Legal Framework” to express their views on whether the design related measures which were brought in by the IP Act 2014 have been a benefit to them as a stakeholder, or their clients if they are a legal representative. We were also keen to understand any negative outcomes or unintended consequences of the measure.

Comments from stakeholders were generally positive. However, one response raised concerns that an unintended consequence of the change has been to render existing case law in this area inapplicable which had reduced legal certainty for parties involved in infringement proceedings (see next section). This however was an inevitable consequence of changing the law. However, the risk of it happening was far outweighed by a simpler clearer new law.

Issues and recommendations from stakeholders

Comments from stakeholders were generally positive. However, one response raised concerns that an unintended consequence of the change has been to render existing case law in this area inapplicable which had reduced legal certainty for parties involved in infringement proceedings (see next section). This however was an inevitable consequence of changing the law. However, the risk of it happening was far outweighed the benefits of a simpler clearer law. Overall, comments from stakeholders were positive but we will continue to monitor any changes.

Conclusion and Next Steps

We have been unable to demonstrate the impact set out in the original impact assessment due to the lack of monetised data and evidence provided by stakeholders. We do not have any evidence to suggest that our assessment of the costs and benefits are significantly different to those anticipated.

Responses from stakeholders have generally been positive and we therefore conclude it would be appropriate to retain the measures in their current form. Although one response raised a concern in respect of legal certainty and applicability of existing case law, we consider that this issue will reduce over time as the courts reach new decisions and case law develops. The concern also needs to be balanced against the benefits of simplification of infringement cases brought about by the change. The IPO will continue to monitor the measure.

