



EU Design Law Reforms & the Protection of Unregistered Design Rights; Is a Fundamental Change Now on the Cards?

As has been widely reported, a new EU Design Directive & Regulation is close to coming into force in the EU, likely in early 2025. This includes a change that may, in due course, lead to a fundamental change in the circumstances in which an unregistered Community design right can arise, and settle the uncertainty in the current law.

Current law

Article 11 of the current Community Design Regulation (CDR), which is unchanged in the new Regulation, states that a design that meets the requirements for protection [that it is new and has individual character] shall be protected for three years from the date it is first made available to the public (disclosed) within the Community. A design is deemed to have been made available to the public if it has been published, exhibited, used in trade or otherwise disclosed in such a way that, in the normal course of business, these events could reasonably have become known to the circles specialised in the sector concerned, operating within the Community (Article 11(2)(CDR).

Prevailing view

At the time of writing, the prevailing view in the EU is that “being made available to the public” within the meaning of Article 11 means that the event of disclosure must have taken place in the geographical territory of the EU. This follows amendments to the CDR in 2004, which added, at Article 110(a)(5), last sentence:

“Pursuant to Article 11, a design which has not been made public within the territory of the Community shall not enjoy protection as an unregistered Community design”.

The view was also strongly supported by two decisions of the German courts in *Gebäckpresse* (Case 5 U 96/05 & Case I ZR 126/06).

Under this interpretation, Article 11(2) thus has a geographical territoriality requirement in relation to the place where the event of disclosure takes place.

While the above may be fine for those whose disclosure ‘event’ takes place in the EU, it is problematic for those that disclose outside it, as under Article 7(1) of the CDR (again unamended in the new regulation, and whose wording largely mirrors 11(2)), such a disclosure will destroy novelty of the design in the EU (it will no longer be new), unless the disclosure could *not* reasonably have become known to the circles specialised in the sector concerned, operating within the Community (i.e. it was obscure).

A practical example of how this issue plays out would be where a designer discloses its latest design at New York fashion week. They would not qualify for Community unregistered design right (because first disclosure in New York destroys novelty in the EU), whereas those that disclose in the EU (at, say, Paris Fashion Week) will, because the disclosure will take place within the territory of the EU. The fashion designer disclosing in New York then only has registered designs (often, not considered appropriate for short lived products such as those in the Fashion industry) to rely on to protect its new design in the EU, provided it files in the EU within one year of first disclosure in New York.

Alternative view

The alternative view, as advocated in the leading English text book *Russell Clarke & Howe on Industrial Designs*, is that the event of first disclosure should be able to happen anywhere, and that Community unregistered design right will still arise provided that the disclosure is done in such a way that, in the normal course of business, these events could reasonably have become known to the circles specialised in the sector concerned, operating within the Community. In this view, therefore, there is no geographical territory requirement to the event of disclosure, it only relates to the knowledge of the relevant sector within the EU.

In 2019, the question as to which view is correct was put to the CJEU by a UK Court in *Beverly Hills Teddy Bear Company v PMS International Group* (EWHC/IPEC/2019/2419). Unfortunately, the case did not proceed and the question went unanswered.

The position under the new law

In view of the background set out above, it is of considerable interest that under the new draft EU Design Regulation, the last sentence of Article 110(5)(a), hitherto the central pillar to justify the prevailing “protectionist” view set out above, has been deleted.

We also understand that the EU Commission itself never intended that the amendments to the CDR in 2004, specifically the last sentence to Article 110(a)(5), were to clarify that there was a geographical territory requirement to Article 11(2); its sole purpose was to ensure pre-accession availability of unregistered designs in a new member state would only result if it complied with Article 11.

Comment

With the law amended in this way and with the EU Commission

potentially supporting the alternative view set out above, it can be expected that the question as to which view is correct, as put before in *Beverly Hills v PMS*, may in due course be put to the CJEU again. When it does, there must be a good chance that the CJEU will find in favour of the alternative view, given that it is more logical on the reading of the legal text alone (the same wording in both Article 7(1) and 11(2)). There is also an important public policy consideration. If design rights are thought to have economic benefit at all, it makes no sense to disqualify a whole swathe of designs/products from such a useful IP right merely on the basis they were not disclosed in the EU, all the more so given that, in the digital age, most disclosures are online instantly, and

thus global in any event.

From a UK perspective, it is interesting to note that the UK IPO's 2020 guidance [here](#) on the effect of disclosure on the creation of "Supplementary Unregistered Design Right" [a right introduced following the UK's exit from the EU and identical to the EU equivalent, save that it applies only to the UK] implies that the prevailing EU view is certain. However, the UK law does not have an equivalent to Article 110a CDR, and the issue may be far from certain. Therefore, if the position in the EU does change, a similar change in the UKIPO's published guidance would be welcome. Indeed, there is good argument that this should happen now.

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