

IMPORTANT DESIGN LAW CHANGES START TODAY

01 October 2014

1 October sees the commencement of the key design provisions of the Intellectual Property Act 2014.

The Act overlays existing design law with the stated aim of improving the simplicity, enforceability and understanding of UK and Community design rights. Some of these are very important, and will affect any person involved in design or the making of products, while others are more minor.

Key changes you need to know about

1. The most controversial change is the introduction of **criminal sanctions** for intentionally copying registered designs.
 - There is a defence for a company (or person) who reasonably believed the registered design was invalid, or that it was not infringing any design rights. What constitutes "reasonable belief" is not yet clear, but where inspiration for a design has been taken from elsewhere (as is so often the case), it would be sensible to get a third party opinion that can be used to demonstrate a reasonable belief that your design does not infringe.
 - The sanctions aren't limited to those doing the copying - they extend to anyone offering, marketing, importing, exporting, using or stocking the design, provided that person has reason to believe the design has been registered and intentionally copied.
 - Where a person or company (including directors and senior management) is found guilty of copying a design, despite knowing or having reason to believe it is registered, they may face imprisonment for up to ten years and/or a substantial fine.
2. The other key change is that, absent any agreement to the contrary, the **ownership** of

UK unregistered designs will now vest in the designer - not in any person or company who has commissioned the design.

- This change brings the UK position for ownership of unregistered designs in line with that relating to Community designs, and reiterates the need to ensure that clear contractual provisions are in place when designs are being commissioned.
- The new ownership provisions will not apply to designs created before 1 October 2014, and will not affect any contractual agreements already in place.

Other changes to registered designs coming into effect on 1 October 2014:

- Community: there will be **no infringement of UK copyright** where a person has been given permission to use a Community-registered design and has done so in good faith.
- UK: bringing the law in line with Community designs, there will be a prior user defence to infringement of a UK registered design where a company has merely continued to use a design in the same way as it was doing (or was preparing to do) prior to registration of that design. The infringing company must not have copied the design and the use must be in good faith.
- Finally, the UK has now acceded to the Hague Convention (the EU is already a member), made some procedural changes and has introduced a designs opinion service. On the latter, the precise details and start date are yet to be confirmed.

Other changes to UK unregistered designs coming into effect on 1 October 2014:

- The narrowing of the definition of a "**qualifying person**", which affects whether design right exists at all. For individuals, they must now be habitually resident in a qualifying country, and for companies they must now be legally formed **and** substantially located in a qualifying country. Qualifying countries include the UK, EU member states and a few others such as New Zealand and Hong Kong, but not most other Asian countries, or the US.
- There has been a **change to the definition** of UK unregistered design right. Design right used to subsist in "any aspect of the shape or configuration of the whole or part of an article", but now "any aspect of" has been removed. This is intended to limit the right from the minutiae we have seen relied on in some cases, but given that the word "part"

remains, we will have to wait to see if the courts will now apply a different assessment.

- A design can only be valid if it is not "**commonplace**". This requirement has been clarified to say that it must not be "commonplace in a qualifying country".
- In line with other design rights, **exceptions** to infringement have been introduced for (amongst other things) non-commercial acts and acts done for teaching or experimental purposes.

With thanks to Tom Foster for his assistance in the preparation of this article.

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