

The Community Design System – The Latest Developments in Examination and Invalidity Procedure

By Eva Vyoralová

1. Introduction

The aim of this article, based on the presentation given at the ECTA Round Table on 23rd March 2007 in Weil am Rhein, is to introduce the reader to the current Community design system, particularly the examination procedure, the proceedings relating to a declaration of invalidity and the accession of the European Community to the Geneva Act of the Hague Agreement.

2. Examination

Since 6th March 2002, when the Community Design Regulation came into force, the applicants can choose among the three following designs protection systems – the national registration systems, the international registration system and the Community design system. In my opinion, the main advantage of the Community design system is its unitary character, wherein one application will provide design protection throughout the European Union. The obtained right has equal value in all the member states – from Portugal to Estonia, or from Ireland to the new member states of Romania and Bulgaria.

The Community design system is based on two tier protection systems

- The unregistered Community design
- The registered Community design

A subject of the right may be protected as a registered and as an unregistered Community design at the same time. The term of protection of an unregistered Community design begins without any formal requirements when the design is first made available to the public within the Community. The unregistered Community design enjoys its protection for a period of 3 years which is not renewable. The definition of making an unregistered design available to the public within the Community may be found in CDR Article 11 (2).

Upon registration by the Office, the registered Community design is protected for a period of five years as from the date of filing. The right holder can extend that period every fourth times by five years up to a maximum duration of 25 years. Due to the fact that Community designs have been registered since the 1st of April 2003, the Office is expecting first renewals in the autumn of this year.

Does the claiming of priority extend this time period? No, the end of the term of protection depends on the date of filing. Claiming priority has influence on the period of 30 months only, for which the applicant may request that the publication is deferred for a period of 30 months. This period counts from the date of filing of the application or from the date of priority.

I would like to point out that a Community design does not exclude the existence of further rights on the same object such as trade marks or copyrights.

The registered and published Community design grants its holder the exclusive right to use it and to prevent use by any third party not having consent. The unregistered CD as well as the registered but unpublished Community design (the deferred design) grants its holder an exclusive right only if the use is a result of copying of the design. Taking this into account, the registered Community design gives its holder the exclusive right to use it, including e.g. the making, importing, exporting or using of a product in which the protected design is incorporated, the advantages of the registered Community design lie especially in the wider protection than that given to the unregistered design.

The Community design has equal effect throughout the whole Community. It can be registered, transferred or surrendered only in respect of the whole European Community. In accordance with the needs of business and industry, the design may be licensed only for a part of the Community. The same rule applies to Community trade marks.

What is protected is the external appearance of the product, which can be any industrial or handicraft item (e.g. graphic symbols, typographic typefaces) and not the product itself. The CDR never protects the technical or any other function of the product, e.g. computer programmes are excluded from protection.

The CDR recognises only the two following grounds for non-registrability :

The design for which protection is sought does not correspond to the definition of design under Article 3 a) CDR or is contrary to public policy or to accepted principles of morality.

According to the definition of the design, the Office would not accept a mere word without figurative element. Nevertheless, a mere word may be acceptable as Community trade mark. But, a word with figurative elements is acceptable as logo as a registered design.

Cayman

RCD 288121-0001

The Office rejects an application if the design is contrary to public policy or accepted principles of morality. There is no legal definition of “public policy” and “morality” in the Regulation. The sufficient reason for exclusion of a design from protection shall be if the design is contrary to public policy or accepted principle of morality in any single member state. The present practice of the Office in this field is very liberal. Bad taste represented in a design cannot be considered as a ground for non-registrability.



RCD 559653-0013 and RCD 50976-0006

If the application contains images of famous people, the Office does not examine if they have given their permission. The general rule is that images of such people would not be seen as being against public policy or accepted principles of morality.



RCD 559653-0012 and 0016

To obtain a filing date, the application for a registered Community design must contain:

- information identifying the applicant
- a representation of the design suitable for reproduction
- a request for registration.

The application shall further contain an indication of the products in which the design is intended to be incorporated or to which it is intended to be applied. The classification of the products serves only administrative purposes. According to the CDR Article 36 (6) the classification and the description do not affect the scope of protection.

Where the Office finds an obvious mismatch between the indicated product and the design, the Office will contact the applicant and recommend an appropriate indication.

An unlimited number of designs can be combined in a multiple application, only the number of designs in electronically filed applications is limited to a maximum of 99 designs per application. Each of the designs contained in a multiple application will have its own independent life of the others. Why a multiple application? A multiple application saves costs to the applicants. For example, the first design (without request for deferred publication) costs 350€, the second to tenth design contained in a multiple application only half of this - exactly 175€ for each design. From the 11th design upwards, the cost per each design is 80€ only.

However, except in the case of ornamentation, the possibility of bundling several designs exists only for designs related to products filed in the

same class of the Locarno classification. A different subclass is not an obstacle for a multiple application.

The Office had received more than 236.000 designs for registration by the end of February 2007. An application contains on average 3.8 designs. Almost 74 % of designs are published within 6 weeks. The Community Designs Bulletin is currently published weekly; daily publication is going to take place from 2nd of July 2007.

Another interesting statistic is the risk of having the registered Community design being declared invalid is about 0.15 %, which is very low.

3. The Invalidity Procedures

A registered Community design can be attacked by an application for a declaration of invalidity filed with the OHIM. The second possibility is a counterclaim before a Community design court in one of the member states. An unregistered CD can be attacked only by an action or a counterclaim before a Community design court.

For the actions and counterclaims concerning CDs the Member States designated in their territories a limited number of Community Design Courts of first and second instance. The list of these designated courts is available under:

<http://oami.europa.eu/en/design/legalaspects.htm>.

The Community design courts have according to the Article 81 CDR exclusive jurisdiction:

- for infringement actions and – if they are permitted under national law – actions in respect of threatened infringement of Community Designs;
- for actions for a declaration of non-infringement of Community designs, if they are permitted under national law;
- for actions for a declaration of invalidity of an unregistered Community design;
- for counterclaims for a declaration of invalidity of a Community design raised in connection with infringement actions.

The declaration of invalidity of a design has a retroactive effect. It means that a Community design is deemed not to have had, as from the outset, the effects specified in the Community Design Regulation.

An application for a declaration of invalidity must be filed with OHIM, never with the national Offices of the member states. The fee of 350€ must be paid. If not, the application shall not be deemed to have been

filed until the fee has been paid. The decisions on invalidity are taken by Invalidity Division on behalf of the Office. The division consists of three members. At least one of the members is legally qualified.

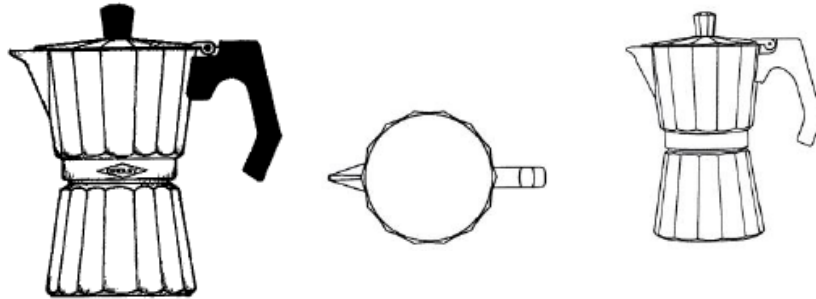
A Community design can according to the Article 25 CDR be declared invalid only on the following grounds:

- a) If the design is not a design according to the Article 3 a);
- b) If the design does not fulfil the requirements of Articles 4 to 9 CDR (e.g. novelty or individual character);
- c) If, by virtue of a court decision, the right holder is not entitled to be the holder of the design;
- d) If the CD is in conflict with a prior, but not previously published registered or applied CD or national design right of one of the member state;
- e) If the design is in conflict with a prior distinctive sign, protected by the Community law or the law of a member state;
- f) If the design constitutes an unauthorised use of work protected under the copyright law of one of the member states;
- g) If the design constitutes an improper use of the items such as e.g. badges or emblems protected by the Article 6ter of the Paris Convention for the Protection of Industrial Property.

Let me introduce some of the latest cases of the Invalidity Division, eventually of the Boards of Appeal.

In this case (ICD 65, R 216/2005, RCD 5269-0001) the application for declaration of invalidity based of an earlier published and registered community trade mark and other earlier disclosures. The applicant requested the declaration of invalidity of the contested design on the ground of Article 25 (1) b) and 25 (1) e). The earlier right was a prior Spanish trade mark, published in the Bulletin of the Spanish Patent and Trade Mark Office. The Invalidity Division found the two opposing designs identical. The verbal element situated on the earlier trade mark was indicated as an immaterial detail. The Community design was declared invalid due to lack of novelty.

In the decision from 8th of November 2006, the Board of Appeal confirmed this decision.



CTM 998450

RCD 5269-0001

The case ICD 1501 (RCD 162425-0004) deal with the conflict between an international registered word trade mark "Midas" and a design for logos including the word "midas". The invalidity division took into the consideration the fact that a sign registered as a trade mark in a member state of the European Union is presumed a distinctive sign according to the Article 25 (1) e) CDR. The incorporation of the letters "m", "i", "d", "a" and "s" into the Community design forming the word "midas" constitutes a use of sign identical to the earlier trade mark. The use of the sign in the Community design is a use in the course of trade, since the purpose of registering a design is its use for commercial purposes. The Community design as a universal logo relates to any type of goods and services, even the goods and services of the word mark. The RCD was declared invalid and the holder appealed against this decision. The case is at this time pending before the Board of Appeal.

MIDAS

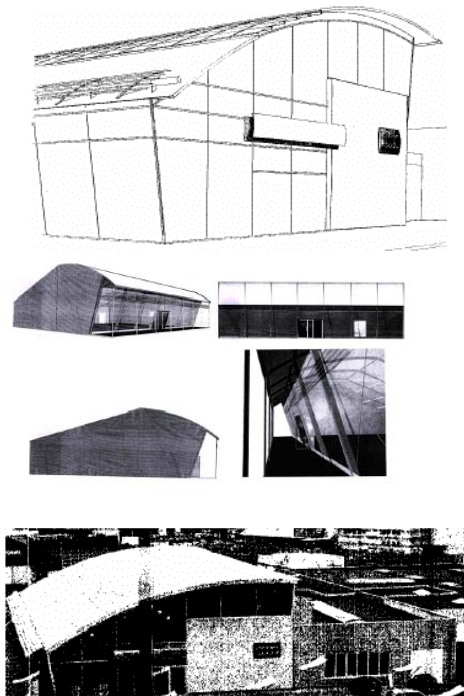


Prior IR TM No 810 732

RCD 162425-0004

In the invalidity case ICD 1014 (RCD 27826-0001) the contested Community design is an appearance of a tent, the earlier right based on an appearance of a building. The AUDI AG Company as applicant based its claim on two grounds: lack of novelty and individual character as well as the conflict with German copyright. According to the claim based on lack of novelty and individual character, the Invalidity Division found a number of differences between the contested design and the appearance

of the prior design, e.g. the different feature of the roof (in the prior design, the roof is continuously arcuate). These differences are not insignificant details; among others the compared designs produce a different overall impression on the informed user. The Invalidity Division also considered that informed users are aware that limits have been placed on the degree of freedom of the designer on the basis of the purpose of the product as a building. A designer has to respect the necessary basic elements for buildings; he has a large degree of freedom. With regard to the second claim, the invalidity division considered that the work was not used due to the differences mentioned above. Therefore, the application for invalidity was rejected.



Prior designs and copyrightable works RCD 27826-0001

Out of the 225 decisions issued up to 16th February 2007, the design had been declared invalid in 64% of all cases. In 36% of cases, the application for declaration of invalidity was rejected. In comparison with the first two years of invalidity proceedings – namely 2004 and 2005 - the number of appeals filed against invalidity decisions has increased rapidly during the year 2006. One out of every four decisions is appealed.

35% of all representatives acting in invalidity proceedings are Spanish. This might be because not only is that the nationality of the majority of applicants for invalidity Spanish, but also due to the fact that OHIM is

located in Alicante, Spain, even though no oral hearings have ever yet been held in invalidity proceedings. The German representatives reach the second position with 22% of all cases. There is a similar percentage for using German as first language of the application in examination procedure.

4. The Accession of the European Community to the Geneva Act of the Hague Agreement

On the 18th of December 2006, the Council of the European Union approved the accession of the European Community to the Geneva Act of the Hague Agreement concerning the international registration of industrial designs. Of the three different acts of the Hague System - the London Act, the Hague Act and the Geneva Act- only the last mentioned act allows a link between the international registration system and the regional systems, such as the Community design system.

What is the expected consequence of this accession ?

The accession of the European Community will allow applicants to obtain protection of a design in the 27 current member states of the European Community as well as in the countries which are not members of the European Community but members of the Geneva Act of the Hague Agreement, for example Switzerland, Croatia and Singapore by one international application with WIPO. Consequently, the applicants who are not domiciled or do not have their principal place of business or a real and effective industrial or commercial establishment in the Community will reach the OHIM via an international application without the need to be represented before the OHIM in all proceedings except the filing of an application for a Community Design.

In summary, the possibility to designate OHIM may be available from the beginning of 2008. OHIM will not register and not publish these designs in the OHIM's Bulletin. Nevertheless, OHIM will examine them for absolute grounds of refusal.

In spite of the advantages of the Hague System, in my opinion, the Community design system will maintain certain advantages such as the possibility of filing the RCD application in any of the official languages of the Community and the fast the registration procedure. Last but not least, according to the Hague System the states in which protection is sought must be designated individually. There is an individual designation fee of 62€ foreseen. In comparison with this, the Community design has an automatic effect in all member states.

All that is left to say is "Hasta pronto", which means "See you" in English. If you cannot visit the Harmonisation Office in Alicante personally, I

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recommend you to visit our website <http://www.oami.europa.eu>, where you will find all relevant information about our Office and the Community design system.

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