



# Revision of EU legislation on design protection

Tomas Eichenberg, Senior Expert,  
Intangible Economy Unit, European Commission, DG GROW

*BMM Spring Conference Mechelen 23 March 2023*

# Introduction: Context and evolution

- **Directive 98/71 (DD) & Regulation 6/2002 (CDR) date back to 1998/2001 (incl. transitional spare parts regime)**
- Proposal COM(2004)582 for introduction of repair clause into DD adopted 14/09/2004
- CDR amended for accession to international Hague System 2006
- Proposal COM(2004)582 withdrawn 2014
- Studies 'Economic review of industrial design' & 'Legal review on design protection' published 2015 & 2016
- Trade mark reform (based on proposals made in 2013) finalised 2017
- First public consultation conducted from 18/12/2018 to 30/04/2019
- **Evaluation Report (SWD(2020)264) published 6/11/2020**
- Council (2020/C 379 I/01) called for proposals to revise legislation on 10/11/2020 (urging prioritisation 25/06/2021)
- Study 'Effect of design protection on price/price dispersion: Evidence from automotive spare parts' published 14/11/2020
- Revision announced in COM IP Action Plan of 25/11/2020, publication of inception impact assessment in parallel
- Second public consultation conducted from 29/04/2021 to 22/07/2021
- Study 'Market structure of motor vehicle visible spare parts in the EU' published 31/08/2021
- European Parliament (A9-0284/2021) stressed need for revision in supportive opinion on IP Action Plan 30/09/2021
- **Impact Assessment (SWD(2022)368) received positive opinion from RSB 26/11/2021**
- **Package proposals COM(2022)666 & 667 adopted 28/11/2022**

# Legislative initiatives package of 28 November 2022

1. Proposal to recast Directive 98/71/EC on the legal protection of designs – COM(2022) 667 final – 2022/0392 (COD)
2. Proposal to amend Council Regulation (EC) 6/2002 on Community designs and repeal Fees Regulation (EC) 2246/2002 – COM(2022) 666 final – 2022/0391 (COD)

# Objectives

- General objectives
  - Promote contribution to design excellence, innovation and competitiveness in the EU by ensuring that the overall design protection system is fit for purpose in the digital age and becomes more accessible and efficient
  - Complete single market for repair spare parts
- Specific objectives
  - Improve accessibility, efficiency & affordability of reg. Community design protection
  - Enhance complementarity and interoperability between the EU and national design systems, in particular through harmonisation of procedural rules
  - Open up the spare parts aftermarket for competition

# Both proposals: Modernisation & more legal certainty

- **Definitions of design and products (Art 2(3),(4) DD/3(1),(2) CDR):**
  - rendered broader and clearer to
    - ✓ align them with digital age realities
    - ✓ increase clarity and transparency on eligible subject-matter of design protection
- **Rights conferred by reg. design right (new Art 16(2)(d),(3) DD/19(2)(d),(3) CDR):**
  - wider scope of rights to fight infringement and counterfeiting in the context of
    - ✓ the deployment of 3D printing technologies to facilitate copying of protected designs
    - ✓ the placement of counterfeit products in customs situations (in line with trade mark legislation)

# Proposal for DD: opening up spare parts market

## *What is the problem?*

- Patchwork of diverging national regimes partly providing design protection and partly not
- Provided protection conflicts with essential function of design law and may result in foreclosure of competition and “lock-in” effect
- In case of available alternatives potential savings to EU customers of between EUR 415 to 664 million annually just for vehicle spare parts
- Protection may prevent ‘Motor Vehicle Block Exemption Regulation’ from achieving its objectives
- Market fragmentation creates legal uncertainty and is seen as problem by stakeholders

# Proposal for DD: opening up spare parts market

- **Repair clause (new Art 19, Recitals 33 to 35 DD!)**
  - repair clause added to finally terminate transitional regime (current Art 14 DD) and complete single market in repair spare parts,
    - ✓ explicitly limited to form dependent „must match“ parts (only!) used for purpose of repair
    - ✓ involving duty to inform public about origin of the parts to be used for repair (para 2)
    - ✓ with instant legal effect only for the future and
    - ✓ transitional ten-year period for design rights already granted (para 3)
    - ✓ placed among available defences to design right infringement
  - for consistency **corresponding adjustments made to clause already contained in CDR** (transitional Art 110 replaced by new Art 20a CDR, Recital 16 Amend. Reg.!)

# Proposal for DD: alignment of principal procedural rules

- **Requirements for the representation of designs (new Art 26 DD!)**
  - detailed provision added to ensure that representation at filing stage is subject to same future-proofed requirements for clear and precise representation
  - complemented by cooperation duty to establish common standards (Art 26(8), Recital 38 DD, mirrored also in Recital 20 of Amend. Reg.)
- **Multiple applications (new Art 27 DD)**
  - provision added in line with Art 37 CDR enabling to combine several designs in one application and without need for relevant products to belong to same Locarno Class



# Proposal for DD: alignment of principal procedural rules

- **Grounds for non-registrability & scope of substantive examination (new Art 13 & 29 DD):**
  - to align scope of examination across EU with that at EUIPO level, grounds for refusal are set out exhaustively and with a view to keeping burden/cost for applicants at minimum
- **Administrative procedure for declaration of invalidity (new Art 31):**
  - mandatory provision added in alignment with Art 52 CDR and Art 45 EUTMR enabling third parties to seek for the invalidation of a registered design at national IP office (no need to go to court for that!)

# Proposal for DD: transposition into national law

- **Deadline (Art 36(1) DD)**
  - Member States required to transpose new provisions of Recast Directive within a period of **24 months (= 2 years)** after its date of entry into force (= twentieth day following publication in EU Official Journal, Art 38 DD).

# Proposal to amend CDR: streamlining of procedures

- **Requirements for the representation of designs (Art 36(1),(c),(5), 36a CDR)**
  - design representation to allow all details of subject-matter of protection sought for to be clearly distinguished and published, regardless of the means used
  - future implementing act to further update requirements (currently in Art 4 IR 2245/2022)
- **Multiple applications (Art 37 CDR)**
  - abolition of unity of class requirement but maximum cap of 50 designs introduced
- Procedure for the declaration of invalidity (Art 52, 53, 53a CDR)
  - future delegated act to include fast track option

# Proposal to amend CDR: streamlining of procedures

- Notification & Communication (Art 66 & new Art 66c CDR)
  - henceforth **only by electronic means**
- Cancellation of register entries and revocation of decisions (new Art 66h CDR)
  - provision added in line with Art 103 EUTMR to allow for that
- Continuation of proceedings (new Art 67a CDR)
  - provision added in line with Art 105 EUTMR to allow for that
- Rules on professional representation (Art 77 & 78 CDR)
  - extension to cover entire European Economic Area (EEA) in line with Art 119 & 120 EUTMR

# Proposal to amend CDR: Adjustment of EU design fees

- Fees addressed in basic Regulation (Art -106aa(1), Annex I CDR, Recital 24 Amend. Reg.) in line with EUTMR, making Fees Regulation 2246/2002 redundant (therefore repealed!)
- Simplification of schedule for more efficiency and transparency (e.g. merging registration and publication fee, abolishing other fees e.g. for transfer, flat bulk discount for multiple applications)
- Amount of fees changed to make protection more attractive for SMEs & individual designers
- Unity of class requirement deleted for easier filing of multiple applications at bulk discounts
- Renewal fees partly increased to contribute to designs being only kept on Register if utilized (for lack of use requirement compared to trade marks)

# Proposal to amend CDR: Adjustment of fees

<b>Cost of first 5 year period No of designs per application</b>	<b>Current</b>	<b>New</b>
Application fee (incl. publication) for 1 design	350€	250€
Extra fee for each design from the 2nd to 10th design	175€	125€
Extra fee for each design from 11th design onwards	80€	125€
<b>Cost of each renewal for another 5 year period</b>		
1st renewal	90€	70€
2nd renewal	120€	140€
3rd renewal	150€	280€
4th renewal	180€	560€

# Proposal to amend CDR: alignment to TFEU

- Alignment of Commission powers with Art 290 & 291 TFEU to enact secondary legislation:
  - requires certain rules currently contained in IR 2245/2002 to be incorporated into the basic EUDR (as involving essential elements of legislation!)
  - requires “comitology” powers currently conferred under Art 107 CDR to be converted into specific delegated and implementing powers in accordance with Art 290 & 291 TFEU
  - strictly following approach of EUTMR reform for sake of consistency
  - resulting in new empowerments being added: Articles 28a, 36a, 37a, 42a, 44a, 47b, 49a, 50c, 50f, 50h, 51a, 53a, 55a, 64a, 65a, 66a, 66d, 66f, 66i, 67c, 70a, 73a, 75a, 78a, 98a, 105a, and -106a CDR

# Proposal to amend CDR: phased entry into force

- Necessary alignment of Commission powers to enact secondary legislation requires transitional regime for amendments to CDR becoming applicable (see Art 3 Amend. Reg.), similar to that provided for in Art 4 of Regulation (EU) 2015/2424 amending CTM Regulation (EC) 207/2009:
  - amendments not dependent on new secondary legislation being enacted (in form of delegated or implementing acts) to become applicable **3 months after entry into force**;
  - amendments dependent on such new secondary legislation to become applicable only **18 months after entry into force**



# Proposal to amend CDR: Amendment to IR 2245/2002

- Transitional period until delegated/implementing acts are effective requires interim adaptation of IR 2245/2002 to mirror proposed amendments to the basic CDR:
  - complementary draft Implementing Regulation to amend IR 2245/2002 was published on 7 Dec 2022 on the Better Regulation Portal for feedback
  - Member States experts will have to be consulted in the relevant Comitology Committee before this draft amending Regulation can be adopted by the Commission
  - timing of that adoption will require coordination with adoption of the revision of the CDR to ensure same date for amendments to both CDR and IR becoming applicable

# State of play and outlook

- **Council:**

- Initiatives package introduced in CWP on 19/12/22
- Article-by-article reading of proposals concluded in CWP on 20/03/23

- **European Parliament**

- MEP Gilles Lebreton (Identity and Democracy Group; France – Rassemblement national) appointed as Rapporteur on 28/02/23
- First exchange in Legal Affairs Committee (JURI) scheduled for 25/04/23

# Conclusion

- Package involves a significant, coherent step in updating and further harmonising the law
  - fulfilling the objectives of making it future-proofed, more accessible and efficient across entire EU, as well as of completing a single market for spare parts
  - meeting stakeholder needs and demands in response to solid and ample consultation and based on thorough analysis and research
  - without succumbing to the temptation of over-interfering with a well-performing system.
- **Thierry Breton, Commissioner for Internal Market**, in press release of 29 Nov 2022:

**“Twenty years on, the current framework for industrial designs continues to provide robust protection to this type of intellectual property. Today’s well-targeted modernisation will help make it easier to protect products’ industrial designs. At the same time, it will help to complete the Single Market when it comes to using spare parts for repair, by limiting excessive protections still granted in some Member States.”**

# Thank you

tomas.eichenberg@ec.europa.eu



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

