

March 2012

# INTELLECTUAL PROPERTY IN THE FASHION DESIGN INDUSTRY

## DESIGN RIGHTS





### **Foreword**

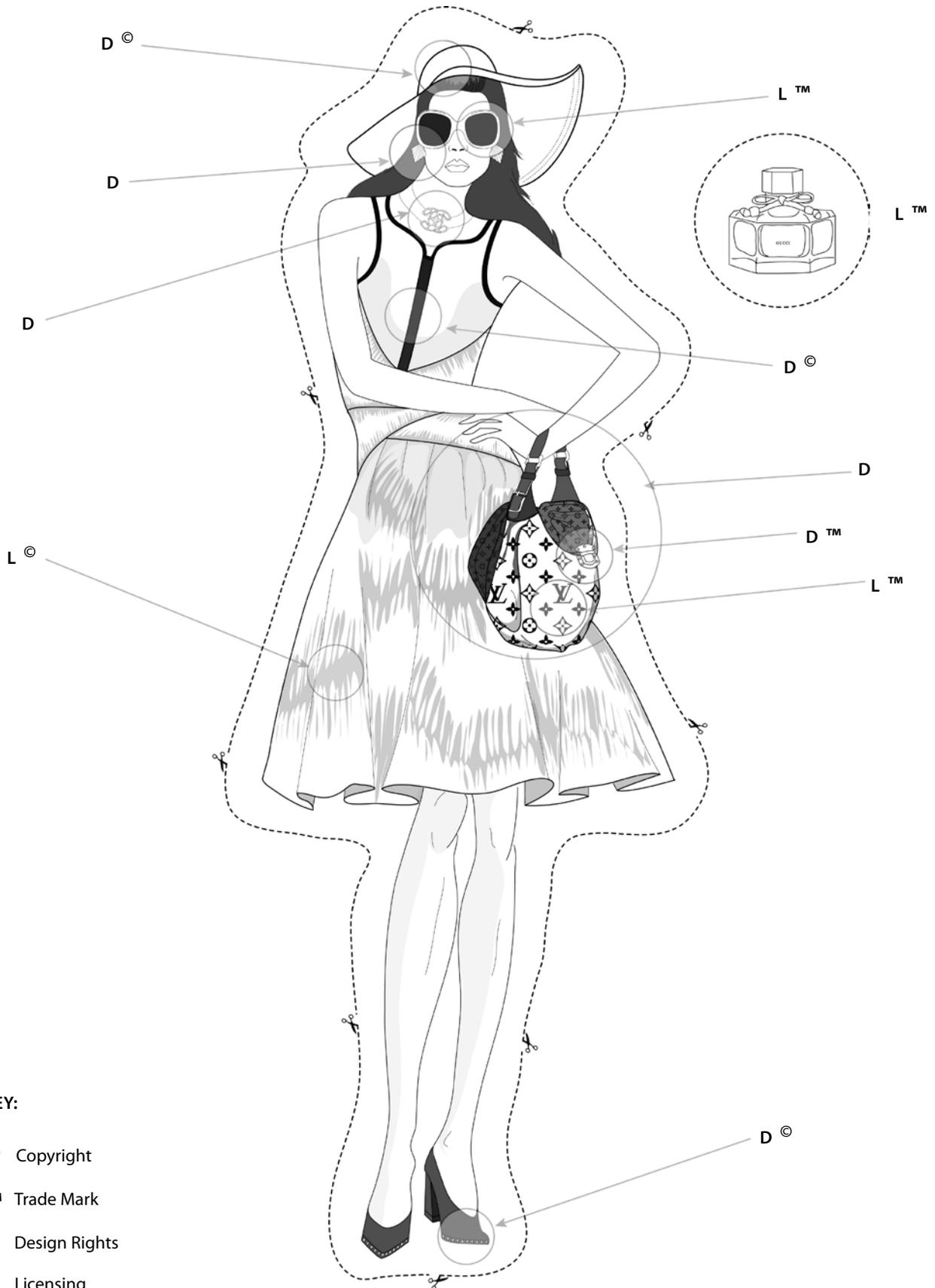
The Centre for Fashion Enterprise has worked with London's emerging fashion designers since 2003. During that time it has become obvious that sound legal advice at an early stage is paramount, and the partnership with the legal firm Olswang has helped us to stem the flow of lost financial opportunity through identifying and securing the designers' assets. The financial ramifications of not understanding the key legal issues to a fashion designer in business are clear to see across the industry – which is the reason why we wanted to work with the Intellectual Property Office to produce an "Intellectual Property Guide for the Fashion Design Industry" for non legal fashion professionals. It includes clear guidelines relating to Design Rights, Trade Marks, Copyright and Licensing with a roadmap on why to use these.

Small designer businesses are operating within a global environment where, according to Chris Donegan in his July/August 2011 article in *Spears, Brand and Intellectual Property* (IP) experts estimate that over 80% of the value of typical Fortune 500 companies is represented by IP. This includes brands, trade-marks, copyrights and patents.

Understanding and managing IP has been an active basis of trade and business for decades and is now a mainstreamed activity. Small and medium enterprises and talented individuals can more readily benefit through royalties and IP revenue streams from their ideas and inventions through a better understanding of the "tools of the trade".

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WHAT DESIGN RIGHTS MUST  
THERE BE IN MY DESIGN WORK  
THAT I SHOULD KNOW ABOUT?



KEY:

© Copyright

TM Trade Mark

D Design Rights

L Licensing

**INTELLECTUAL PROPERTY IN  
THE FASHION DESIGN INDUSTRY**  
DESIGN RIGHTS

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The fashion industry is an Intellectual Property (IP) intensive industry, continually generating and commercially exploiting creative ideas and innovations. Whilst IP is largely intangible, it is similar to any other types of physical property in that under the law, it has a legal owner and therefore can be sold, bought, licensed or damaged.

This series does not include a section on patents. Patents are registered intellectual property rights which protect certain new inventions. Obtaining patent protection is costly and the standard for obtaining patent protection is very high. Patents rarely arise in the context of fashion design, therefore we have focussed on Trade Marks, Design Rights, Copyright and Licensing in this guide. However, an example of where they might arise is in relation to an inventive process in the manufacture of fashion, for example, a process for creating a particular wash on denim. If you consider that patents might be relevant to you, we recommend that you should seek advice from a firm of patent attorneys or intellectual property lawyers specialising in patents.

The Hermès Kelly bag, the latest Westwood creation, the Stella McCartney collection in H&M: some last a season, some a lifetime and others just a few weeks. All are creative work the Nike 'swoosh' logo, all are the resulting from someone's intellectual effort or distinctive brands attracting goodwill through use and all are at risk of being copied, in whole or in part.

This creative IP output from the fashion industry directly generated £6.6 billion of GVA (Gross Value Added) to the UK economy in 09/10<sup>1</sup>. However, data analysis by the Centre for Fashion Enterprise estimates that amongst small and medium-sized designer enterprises (SMEs) IP leakage (or monetary losses) is somewhere in the region of £100,000 per year. Businesses lose out as a result of copycats and wrongful trademark ownership, which can restrict a designer's ability to trade in some overseas territories under their existing brand name. As a business matures, this figure could grow to an estimated £500,000 in lost revenues including loss of licensing opportunities. Therefore, the fashion sector is capable of generating further significant economic returns if IP is considered, protected and commercialised at an earlier stage. Some of these issues are explored in this series of papers including:

- Counterfeiting – a copy bearing the trade mark of the copied designer. Usually of inferior quality to the original.
- Knock-offs – producing garments that copy the design and style of another product, but without using the trade mark.
- Passing off – using an unregistered mark, characteristic, or get-up of another company in order to trade on the good will (reputation) of the company.

By offering IP protection through copyright, design rights and patents, innovation is encouraged, as the creator or owner of the IP rights is rewarded with exclusive rights to commercially exploit their ideas and inventions. The creator is thereby incentivised to continue innovating. Equally the enforcement of IP rights is essential to prevent counterfeiters and copycats cannibalising their sales which will also deter people from investing the time and capital in creating new and innovative works.

Within the fashion industry it has also been argued that to some extent the opposite is true. The very fact that fashion designs are copied is one of the drivers of the continued reinterpretation of styles and collections. Fashion designers innovate to stay ahead of the copiers. For example, if a collection is likely to be copied on the high street within 6 (sometimes within only 2) months, the designer needs to invent something new to stay ahead.

In the face of the culture of copying on the high street and the existence of counterfeiters it is difficult to see how any designer can protect their brand, image and designs. Yet, legitimate trade not only continues but also thrives, leading some economists to conclude that sometimes counterfeiting can have positive outcomes for fashion brands:

- Firstly, elite shoppers of a much-copied brand, such as Chanel, will continue to seek out new, genuine items to differentiate themselves from the crowd clad in fake outfits and so may change their wardrobes more regularly.
- Secondly, the imperfect copies create their own market, which enhances the status of those products in the real market. A real YSL bag is clearly more aspirational than a fake. So amongst casual consumers of designer products, purchasing the "real thing" can add considerable status benefits. Brands follow the trends and therefore produce similar items for elite consumers.

Whichever argument holds true, it is undeniable that every level of the fashion industry, from haute couture to supermarket clothing ranges, is to some extent reliant on designers taking inspiration from the work of others to reinterpret styles and re-visit old ideas in new colours, fabrics and configurations. It is this ability to imitate, borrow and reinvent that keeps the fashion industry so vibrant. The fashion cycle begins at the catwalk shows, from which ideas and inspiration filter through the industry until mass-produced, budget friendly alternatives hit the high street chains and market stalls. And with some high street retailers investing in the latest manufacturing and inventory technologies, this cycle is reducing so that they can introduce new ranges within weeks rather than months.

As with any industry, counterfeiting can be seen as a good sign for a business. It demonstrates that a copied work or brand has considerable value. But this is only if the designer/brand owner has the resources to challenge, litigate and stay one design step ahead of the criminals. For emerging designer businesses with limited resources, it can be more challenging to protect and enforce their IP rights and therefore they do not enjoy the 'positive' aspect of copying and counterfeiters.

Designers should also keep in mind the following points:

- Misuse (infringement) of the IP of others can be damaging and costly.
- IP rights are geographically territorial, so a designer needs to check that a right is available for use in all territories in which they intend to do business, including the need to consider the IP issues before embarking on overseas fashion shows or PR activity.
- Ownership of rights that have demonstrated a commercial return is useful in convincing investors, venture capitalists or banks to the commercial value of a company.
- Protecting IP also enables designers to safely access new markets through licensing, franchising, entering joint ventures or other contractual arrangements (including overseas manufacturing, marketing and distribution) with other companies.

This guide is based on the prevailing law in the UK in 2011, which is aimed at enlightening the trade and students on the issues relating to IP in the fashion industry. It is a framework to support the earlier consideration, protection and exploitation of IP within the design and commercialisation process. The guide sections are:

- Trade Marks
- Registered Design and Design Right
- Copyright
- Licensing

Alongside the Trademark, Design Rights, Copyright and Licensing Guides, two toolkits have been developed as resources for fashion entrepreneurs. These cover the following themes:

- How a small business can develop an IP Strategy.
- How a small business can approach Licensing Opportunities.

The purpose of this collection is to provide relevant and topical resources for business planning and tuition in order to improve the commercial return from IP developed within the industry, from smarter ways of operating and from individual talent.

# START

1

**SELECT A BRAND NAME**

**CHECK - IS IT AVAILABLE?**

**YES**

**REGISTER IT AS A TRADE MARK™!**

Your brand is now protected as a registered trademark

*Choose another so your name's protected!*

**NO**

4

**YOU'RE DISCUSSING YOUR LATEST COLLECTION WITH MANUFACTURERS, LICENSEES OR POSSIBLE PARTNERS.**

**DID THE MANUFACTURERS SIGN A NON-DISCLOSURE AGREEMENT BEFORE YOU STARTED THE TASK?**

**YES**

Good! You have accidentally design right protection or given away important information

*You need to ensure you don't give secrets away!*

**NO**

**NO**

*Unless you have a*

**YOU MAY WANT TO REGISTER IT AS A DESIGN...**

**IS YOUR DESIGN NEW AND INDIVIDUAL?**

**YOU'VE GOT A SIGNATURE DESIGN YOU PLAN TO USE SEASON AFTER SEASON**

7

**YOU'VE SUCCESSFULLY REGISTERED YOUR PRINT OR DESIGN. THIS MEANS THAT YOU CAN ENFORCE THAT PARTICULAR PROTECTION YOURSELF AS LONG AS YOU HAVE A LICENSE AGREEMENT IN PLACE.**

*If your work creates the same overall impression as someone else's work you may be infringing.*

**NO**

**YES**

Well Done! Your design is original & will not infringe anyone else's Copyright or Design Rights.

2

YOU HAVE DESIGNED YOUR LATEST COLLECTION

ARE YOUR DRAWINGS ALL ARCHIVED, DATED + MARKED ○?

YES

Good! Your archive drawings are in order to be licensed in the future. Creates a record of your designs, and can deter people from copying.

Go back to archive, date and copyright your work!

NO

DO YOU HAVE VALID AGREEMENTS IN PLACE THAT YOU OWN THE RIGHTS IN THEIR / COLLABORATIVE WORK?

YOU'VE GOT OTHER DESIGNERS / EMPLOYEES / FREELANCERS WORKING WITH YOU ON THE DESIGN OF THE COLLECTION.

3

Without an agreement, they may own the work and have a right to claim it!

NO

Always create designs using your own creativity. You could be infringing copyright if you use a "substantial amount" of the print. There are no rules that say that you are safe after a set number of changes.

MYTH

I have made 3, or 5, or 7 changes to the print I've licensed. I can still use the variation can't I?

5

YOU'VE DESIGNED A GREAT TEXTILE PRINT & YOU WANT TO LICENSE IT FOR BAGS AND OTHER PRODUCTS.

HAVE YOU DECIDED HOW LONG YOUR LICENSEE CAN USE THE DESIGN, WHAT THEY CAN USE IT FOR, AND IN WHAT COUNTRIES?

You need a valid license in place to set out the rights you are giving in case there are any license issues.

HAVE YOU GOT A PROFESSIONALLY DRAFTED LICENSE IN PLACE FOR ALL PARTIES TO SIGN?

NO

IF YOU'VE ALREADY LICENSED YOUR DESIGN, YOU CANNOT USE IT AGAIN AS THE ORIGINAL IS NO LONGER VALID.

6

Good Work! You can now make extra profits from your design licensee without doing any more work!

YES

CONGRATULATIONS!

ONCE YOU'VE COMPLETED STEPS 1-7 YOUR BUSINESS SHOULD BE IN GOOD SHAPE TO PROTECT AND SUCCESSFULLY EXPLOIT YOUR INTELLECTUAL PROPERTY!

FINISH

**WHAT ARE DESIGN RIGHTS?**

Design rights are important IP rights in the context of the fashion design industry, and play a vital role alongside the protection of trade marks and copyright.

Designs can be registered or they can remain unregistered. There are national design rights which offer protection in the UK and also an EU-wide system of design protection which covers the UK, (i.e. Community designs). The laws relating to these design rights are harmonised across the EU and shall be referred to collectively as the “Harmonised Designs”. However separate laws continue to apply to UK unregistered and UK registered designs.

There are differences in cost and duration of these rights and subtle differences in what can be protected. These are detailed within this paper.

Design rights are concerned with protecting the appearance of a product (as opposed to its function, the feel of a product, or the underlying idea or concept behind a product, or the way a product works).

The legal definitions of harmonised designs on one hand, and UK unregistered design right are set out below.

The definitions of what constitutes a design are broad and can cover many types of products from different sectors (depending on the design right, explained in further details in this paper), for example:

- Fashion Garments
- Patterns (Textile Design)
- Computer Generated Graphics
- Chairs
- Sculptures
- Computers
- Motor Vehicles
- Drinks Packaging

Design right has relevance to the fashion industry in that it can protect the structure, look or design of core products such as clothing, footwear, handbag and accessory designs. It also has a wider relevance, covering new product areas that the designer might expand into such as luggage or interior furnishings.

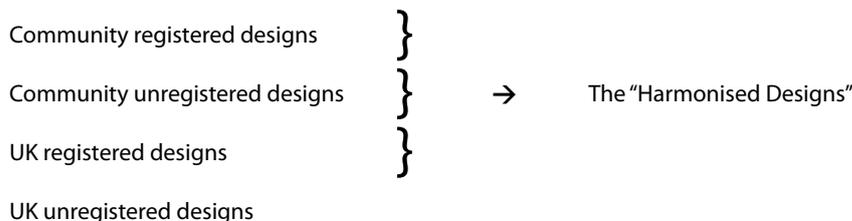
A design can comprise the whole or part of a product, for example both a striking new design for a jacket and a unique pocket detail on a plain jacket may be registered as a design or attract design protection.

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**DESIGN RIGHT PROTECTION:**

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Within the UK, designs can be protected through registration or can exist automatically without registration. There are also Community designs which cover the entire EU. The different types of designs covered by this paper are:



The main features of each type of protection are outlined in the following sections.

**WHAT IS UK UNREGISTERED DESIGN RIGHTS:**

UK unregistered designs are defined as:

*“the design of any aspect of the shape or configuration (whether internal or external) of the whole or party of an article.”<sup>3</sup>*

Therefore UK unregistered design right applies to three dimensional designs only.

**Exemptions**

UK unregistered design protection will not extend to:

- a method or principle of construction (for example the appearance of a product resulting from use of a specific stitching technique can be protected but the technique itself cannot be);
- features of shape or configuration of an article which enable the article to fit with another article so that either article may perform its function (for example, a UK plug ‘must fit’ into a UK socket, and therefore the design of the plug is excluded from protection by unregistered design right);
- features of shape or configuration of an article which must be a certain way to match the appearance of another article of which it is intended to form an integral part (for example, the main body panels of a car must be of a certain shape to create the overall look of the car); or
- surface decoration (for example, a two-dimensional graphic print on a t-shirt or a three-dimensional braid applied to a sleeve for purely decorative purposes)

One of the key differences between the harmonised designs and UK unregistered designs is that UK unregistered designs do not protect surface decoration. Therefore, if a designer wishes to protect a two-dimensional graphic print or image applied to a garment, it must rely on the harmonised designs (or copyright).

**Case Study 1:**  
Surface decoration

*In the case of Lambretta Clothing Limited v Teddy Smith, the court considered whether unregistered design right could subsist in a particular combination of colours. In this instance, the colour combination at issue was a zip jacket with a blue body, red sleeves and white detailing (pictured above). The court held that the colour combination was not ‘an aspect of the shape or configuration of an article or part of an article’ and therefore it did not fall within the definition of a UK unregistered design. Further, the colours were expressly excluded from protection since they were ‘surface decoration’, despite the fact that the colour was dyed through the cloth, rather than being a layer on the jacket’s surface. Therefore, the Court concluded the colour combination on Lambretta’s jacket was not protected by unregistered design right.*

#### Requirements for subsistence:

Unregistered design right protection arises automatically. To attract unregistered design right protection, the design must:

- fall within the definition of a 'design' and not be caught by any of the exclusions referred to overleaf;
- be original (see below); and
- have a requisite connection with the UK/EU (i.e. by reference to its creator, commissioner or where or by whom it was first marketed).

#### Originality:

A design is not original if it is commonplace in the design field in question at the time of its creation.

This means that the design (i) has not been copied from the design of an earlier article and (ii) is not similar to other articles in the same design field. For example, polo shirts have been around for a long time and produced by many different fashion companies. Therefore, a polo shirt would be commonplace whereas a design created from scratch such as a new shape of sleeve very different to other sleeves previously designed by other designers, would not be commonplace.

#### Connection with the UK:

Designers should retain all the material used in the preparation of the design (such as sketches, samples, notes, and dated design drawings) and make a record of when the design was first manufactured and first marketed. This information will help a designer to demonstrate his/her rights in the design.

#### Duration:

UK unregistered design right lasts either 10 years after the first marketing of articles that use the design, or 15 years after creation of the design (i.e. when it was first recorded in a design document), whichever is earlier.

For the last five years of the period of protection, the design is subject to a 'licence of right'. This means that third parties are entitled to a licence to use the design for which they must pay the owner a reasonable royalty. In practice this regime can reduce the designer's exclusive use of the design to only 5 years.

#### Primary Infringement:

UK unregistered design right does not give a monopoly over all uses of the design in question. Rather, it gives the owner the right to prevent third parties from copying the design for commercial purposes.

It is an infringement of a UK unregistered design to reproduce the design for commercial purposes by:

1. making articles to that design; or
2. making design documents recording the design for the purpose of enabling someone to make articles to the design.

'Reproducing' the design means copying the design exactly or substantially (whether directly or indirectly).

It is also an infringement of a UK registered design to authorise another party to do any of the infringing acts set out above.

#### Secondary infringement:

It is a secondary act of infringement to:

1. import into the UK for commercial purposes;
2. possess for commercial purpose; or
3. sell, let for hire or exposes for sale or hire, in the course of business an article which a person knows or has reason to believe is an infringing article.

#### Remedies for infringement:

If someone does one of the infringing acts set out above, the owner of UK unregistered design right can bring court proceedings against that person and seek the following remedies: an injunction (i.e. a court order requiring them to stop the infringing activity); payment of damages or the net profits received from selling infringing articles; or delivery up or destruction of the infringing articles.

However, if it is shown that at the time of the infringement, the infringer did not know and had no reason to believe that design right subsisted in the design, the owner will not be entitled to damages (but can still obtain the other available remedies).

#### WHAT ARE HARMONISED DESIGNS?

Harmonised designs are defined as:

*"the appearance of the whole or part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture or materials of the product or ornamentation"*<sup>44</sup>.

This wider definition covers both two-dimensional and three-dimensional designs.

**Exemptions:**

Harmonised design protection will not extend to features of appearance of a product which:

- are dictated solely by the product's technical function (e.g. a zipper);
- must be reproduced in their exact form and dimensions to enable the product incorporating the design to fit/connect with another product so that either product can perform its function (e.g. a bolt that fits a screw);
- are contrary to public policy or accepted principles of morality (e.g. a graphic design featuring characteristics which are discriminatory or offensive); or
- includes a protected symbol (the Olympic rings, an emblem owned by the Royal Family, or a national flag) if permission has not been granted by the country or organisation concerned.

**Unregistered Community Design:**

Protection arises automatically and is effective as soon as the design has been made public. The term of protection for unregistered Community design is 3 years from the date the design was first made available to the public within the Community.

A design will have been "made available to the public within the Community" 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 groups of people specialising in the sector concerned, operating within the Community (but not if the disclosure took place under conditions of express or implied confidentiality). This is referred to in this paper as a 'Disclosure'.

A Disclosure might take place on the catwalk or in-store, by presentation at trade shows, publication in magazines or trade journals, or during discussions at meetings with a third party (such as a potential retailer, distributor, licensee or press representative) which have not been covered by a confidentiality or non-disclosure agreement.

A Disclosure can take place in the EU or alternatively via some means that is likely to come to the attention of the relevant industry circles in the EU; for example, at a trade fair such as Utah international Trade Fair in the USA that attracts EU buyers or in an international trade magazine that is distributed in the EU.

**Registered Community Design:**

The initial duration of a Community Design Registration is five years from the date of filing the application for registration. However, the registration can be renewed (for a fee) for further periods of five years, up to a total term of 25 years from the filing date.

**Requirements for protection:**

In order to qualify for harmonised design protection, the design must (i) be new and (ii) have individual character.

A design is considered to be "new" if no earlier identical design has been made available to the public.

A design is considered to have "individual character" if the overall impression it produces on the "informed user" is different from the overall impression produced on such a user by any design which has previously been made available to the public. In assessing individual character, the degree of freedom of the designer in developing the design must be taken into consideration. Therefore, where the designer's freedom is highly constrained by the nature of the product, smaller differences will be sufficient to confer individual character.

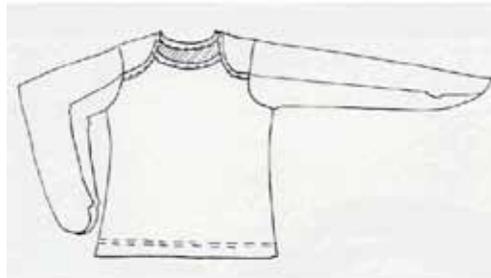
The "informed user" is not the "average" or typical user but a particularly observant one. Without being a designer or a technical expert, the informed user will be aware of the designs in the sector concerned, possess a certain degree of knowledge regarding the usual features of those designs, and show a relatively high degree of attention when he uses them. For example, in a case concerning handbag designs, it would be someone who knows and can differentiate between brands and styles of handbags, but not a handbag designer.

**Case Study 2:**  
Jimmy Choo – Ramona

*Jimmy Choo brought court proceedings against Towerstone Limited, a company which had an Oxford Street bag shop claiming it had infringed its Community registered and unregistered design rights in the 'Ramona' bag. Although a detailed comparison showed minor differences between the two bags including the difference in texture and the absence of the 'Jimmy Choo' logo on the strip buckles, the court held that an informed user would gain the same overall impression from the Towerstone bag as from the Ramona and found it infringed Choo's Community registered design. Comparing the two bags side by side the court held the inference of copying was 'overwhelming' as given the number of identical features it was highly unlikely the two designs were independently created. The court held that Towerstone had also infringed Choo's Community unregistered design.*

*For the purpose of determining novelty and individual character, a design will be considered to have been made available to the public if it has been disclosed.*

**Case study 3:**  
Registered Design



*An example of a non-registrable design which is neither new nor of individual character would be a plain white T-shirt of ordinary shape and material, as T-shirt users will be reminded of any number of similar T-shirts that they have seen before.*

*An example of a design which was found to qualify as a valid design is a child's top with attached mittens with separated thumb, and a distinctive neckline (pictured above), which was registered in the UK in 2004. An application was made to invalidate the design's registration on the basis that there were already tops in the market with attached mittens, and with similar necklines. However, no previous design was presented which had both these elements together; and no previous designs with the same type of mitten were shown. So an 'informed user' (in this instance, a parent buying children's clothing) would not be reminded of earlier designs that were similar or identical to this design.*

*The judge also held that there was little leeway for different design in such a garment, and so even small differences between the design in question and previous similar designs, such as the mittens being open or closed, was important.*

*For all these reasons the judge found that the top was validly registered and the application to invalidate was unsuccessful.*

**Infringement:**

Infringement of harmonised design right occurs where any third party uses another design that is considered to have an individual character of another designer, or is identical to another design.

*“Use” specifically includes: making, offering, putting on the market, importing, exporting or using a product in which the design is incorporated or to which it is applied or stocking such a product for those purposes.*

In addition, in order to make out Community unregistered design right infringement, a claimant must also prove there has been copying.

Examples of infringement disputes and their outcomes are given below.

**Case Study 4:**

Chloé v Topshop

*One example of a successful use of Community design right is the dispute between French designer Chloé and UK retailer Topshop over two dresses.*

*Chloé sold a £185 yellow dress styled to look like dungarees, featuring external pockets and a belt. Topshop then introduced a dress which was very similar in design and colour, retailing at £35. Chloé alleged that Topshop had infringed its Community design rights, and agreed to settle the matter out of court in return for Topshop’s destruction of all unsold dresses and a £12,000 payment. However, Topshop did not admit infringement.*

**Case Study 5:**

Jimmy Choo - Bonbon and Cosmo

*Jimmy Choo is a designer well known for taking a robust stance towards designs which it considers to be similar to its own. For example, the company took action against high street fashion retailer New Look over their version of Choo’s Bonbon shoe (New Look withdrew its stock of the shoe in issue).*

*The company also took action against Marks & Spencer when it found that they were selling an evening bag priced at £9.50 which Choo felt was an infringement of its own £495 Cosmo evening bag.*

*The matter settled out of court for an undisclosed amount, and without Marks & Spencer admitting any liability.*

**Unjustified threats:**

If the owner of a design makes an unjustifiable threat that a third party has infringed its design, the alleged infringer could bring an action or counter-claim against the owner, or their legal advisers, for groundless threats. If successful, the remedies available to the alleged infringer include: a declaration that the threats are unjustifiable, an injunction against continued threats (that is, the court will order that the person making the threats must stop doing so), and damages.

Therefore, the owner of a design, registered or unregistered, should be cautious before approaching an infringer. They should not threaten infringement proceedings against a potential infringer unless they have satisfied themselves that the design is valid and that they have a sound basis for claiming infringement.

**WHO OWNS THE DESIGN RIGHT?**

The general rule is that the creator of the design will be the first owner of the design right. However, where the design was created by an employee in the course of his/her employment, the design right will be owned by the employer (unless agreed otherwise).

In the case of harmonised designs, freelancers will own the design right in the designs they create unless the commissioning agreement expressly states that the design right will be owned by the commissioner or the freelancer assigns the design right to the commissioner.

In contrast, for UK unregistered designs, if a freelancer creates a design under commission, the commissioner will be the first owner of the unregistered design right in the design.

It is also common within the fashion industry for designers to work in partnership with others, either as creative partners or in a creative/business relationship. Regardless of whether such partnerships are short or long term, care needs to be exercised to ensure that the parties agree who will own the design rights created as a result of the partnership.

## **HOW TO REGISTER DESIGNS:**

### **When to register a design?**

An application to register an UK/Community design can be made at any time within the first 12 months of the design being first Disclosed.

This 'grace period' gives the designer the ability to determine whether the design is likely to achieve commercial durability and therefore warrant the cost of registration. A fashion design that is likely to last only one season, i.e. it is not likely to be an 'iconic' or 'signature' piece, or revived in subsequent seasons, may not justify the registration cost. In such circumstances, the designer could rely solely on unregistered rights which are shorter in duration.

Since the date a design is Disclosed determines when a design application can be filed, it is important that a designer should always exercise caution when discussing or exposing new designs to third parties or the wider public. Use of confidentiality or non-disclosure agreements can be useful to prevent discussions from amounting to Disclosure.

### **Prior art searches:**

In order to be valid, a registered design must be 'new' and have 'individual character' as previously explained.

Solicitors specialising in intellectual property and trade mark attorneys can provide clearances search advice (although this process can be expensive as the searches may have to be very wide) and the UK IPO offers a search service for prior identical UK designs. Online searches can be carried out on the UK IPO website (for UK designs) and OHIM (for Community designs), but these websites have very limited search functions and are, as a result, unreliable tools.

The UK IPO and OHIM will not carry out a search of prior registered designs or object to designs on the basis that they lack novelty or individual character. These will only be tested when a third party applies to invalidate the design once it is registered.

For cost reasons, many designers will elect to rely on their own judgment as to the novelty of a design rather than incur the expense of searches.

### **Registration process:**

#### **Application and fee**

Applying for a design registration is done by filing an application with the relevant registry and paying an application fee (see below as to costs).

The application form can be obtained from the UK IPO or OHIM websites. The form can be sent by fax or post to the relevant registry but post is preferred as faxing may result in loss of detail in the images of the design. Community designs can also be filed online via the OHIM website.

Visual representations of the design must accompany the application (for example, illustrations or photographs); these must present an accurate and complete picture of the design. If the design is three dimensional, you should include clearly labelled representations of different views of the design. If the design is a repeated pattern, the complete pattern should be depicted with sufficient of the repeat to fully illustrate the entire pattern. It should also be clear from the representation if design protection is only sought for part of the product.

The application must also include an indication of the type of product designed. For example, it could be a shape of a product or the decoration applied to a product, or both. This description is for classification purposes and will not affect the scope of protection provided by your design.

#### **Examination:**

Applications are examined by the relevant registry, which check:

- the formalities (e.g. the form contains the correct name, address, signature, fees etc);
- that the design qualifies as a 'design'; and
- that the design does not fall within one of the exemptions.

As stated above, there is no examination as to novelty or individual character.

If the application does not meet the formal requirements, the Registry will write to the applicant explaining its objection and setting out a time limit for the applicant's response to the objection. The applicant may respond by filing arguments that the objections are not justified or overcoming them in some other way (e.g. amending the application). If the objection is maintained or the applicant fails to respond by the deadline, the application will be refused.

**Registration:**

If any objections are overcome or no objections are raised, the design will be registered. The design registration will be effective from the date of filing the application or an earlier date if priority is claimed from an earlier foreign application for the same design.

The applicant will be sent a certificate of registration setting out the details of the design. This should be filed in a safe place as it is proof of the owner’s rights in the design. There is no symbol required to indicate a design right as there is with copyright (©) and trade marks (® or TM). However, the design owner can mark products with the design registration number, for example, on a product label or packaging. The registration number can also be included on correspondence with third parties, press releases, websites, look books etc.

**Time to Registration:**

When registering a design with the UK IPO, a design will usually be registered approximately three months after the date the design was filed. However if any objections are raised, the process is likely to take longer.

When registering a Community design, the time period to registration will usually be about three months; again, objections may mean that process takes longer.

**Publication:**

Once the design is registered, it will be published in the official journal.

Since publication in the official journal would amount to a Disclosure of the design, a designer may wish to postpone publication for example, to delay the time from running for its unregistered design right protection. The publication of the design can be deferred up to a maximum period of 12 months from the filing date for UK designs or a maximum of 30 months from the filing date for Community designs. Deferring publication will incur an additional fee.

**Registration Costs:**

As at March 2011, the UK Registry fee for registering a single UK design is £60. It is possible to register multiple designs in the same application. The cost of each subsequent design is £40. Additional fees apply for deferred publication.

The current OHIM fee for registration and publication of a single Community design is €350. The fee for each subsequent design up to the 10th included in the same application is €175 and from the 11th design onward, is €80. Additional fees apply for deferred publication. Community design can provide a more cost-efficient means for obtaining protection across all European Union member states.

**International protection:**

Design registrations are national/territorial rights. The laws protecting designs in different countries differ significantly (and in some countries, may not exist at all). Designers should consider where they would like to protect their designs and obtain local law advice in each country/territory of concern. For example, other territories which may be of interest to fashion designers include the US, EU, Japan and the Middle East.

The World Intellectual Property Office (WIPO) offers a system for obtaining protection for a design in several countries by simply filing one application with WIPO. The applicant must designate the countries in which they seek protection. An International Registration produces (if accepted) a bundle of national design registrations, as if they had been registered directly with each national office.

Some examples of designs which have been registered in the UK and as Community designs are given below.

				
UK registered design Owner: Temperley Limited Item: Jacket	UK registered design Owner: G Star Raw Item: Jeans	Community registered design Owner: Paul Smith Item: Watch face	Community registered design Owner: Stella McCartney Item: Textile fabrics	Community registered design Owner: Dolce & Gabbana Item: Necklace

## INVALIDITY

As explained previously, before granting a Community or UK design registration, the relevant registries do not check the register for earlier rights that are identical or similar to the design applied for. Therefore, just because a design registration is granted, it does not mean that it is necessarily valid. A registered design owner will not know whether the registration is valid until it is challenged by a third party and a court has decided whether that challenge is good. This commonly occurs when the owner makes a complaint that the third party has infringed its design and the third party defends the allegation by claiming that the owner's design registration is invalid.

To invalidate a Community or UK design registration, the third party must show that the design in question is not "new" or lacks "individual character". These terms are defined above. The way they must do this is to find earlier designs which are identical to or which create a similar overall impression to the design in question. The earlier design must have been Disclosed before the design in question was Disclosed. Such earlier designs are called "prior art".

An example of a design which was invalidated for lack of individual character is the case of Crocs' plastic clogs, discussed below.

### Case Study 6: Crocs shoes

*The American company Crocs, Inc. did not satisfy the tests of novelty and individual character when another shoe manufacturer applied to have their Community registered design for moulded plastic clogs invalidated. Although Crocs' shoes were found to be 'new', they did not have an 'individual character' because the overall impression they made was the same as an existing plastic clog design. Crocs' product did have a different hole design (with an additional hole on the front), but this was not held to differentiate the overall impression they made from the earlier clog design.*

## DECIDING WHETHER TO REGISTER A DESIGN:

### Longevity:

Many fashion items have a short shelf-life. Seasons change and trends are constantly evolving. Therefore, in the context of fashion, often the shorter length of protection offered by unregistered design right is sufficient.

As mentioned above, a designer has 12 months from first Disclosure of a design to apply for registration. The designer can use this 'grace period' to assess whether a particular design has been commercially successful, likely to have a longer life than a couple of seasons and therefore that additional protection is warranted.

For budgetary reasons, designers usually only register designs they believe will re-appear in subsequent seasons and/or they are an 'iconic'/'signature' design of the designer. In general, accessories such as jewellery, handbags and shoes often last longer than a garment design. For example, a handbag design may be used in subsequent seasons in a different material or colour.

### Nature of the design:

Another factor which will determine whether a design should be registered is how unique it is. For example, if a design for a particular shirt is fairly standard it is unlikely to possess "novelty" or "individual character" and therefore a registration for that design is unlikely to be valid if challenged. If, on the other hand, the designer creates a particularly unusual design which has not been seen before, there is more value in registering it. A registration for such a design is more likely to be valid and any third party who wants to use the design would have to obtain a licence from the designer.

### Ease of enforcement:

If a dispute over a design arises, there are two key advantages that registered designs have over unregistered designs. Firstly, the owner of a registered design can rely on their design registration for evidence of their rights, whereas the owner of an unregistered design right will need sufficient documentary evidence to show what constitutes their design and that they own the design right (which maybe time consuming and expensive).

Secondly, as mentioned above, the owner of the registered design does not need to prove that the design has been copied. Provided the designs in questions create a similar overall impression to an informed user, there will be a finding of infringement. This will catch a third party that has independently created a very similar or identical design. By contrast, for unregistered design right infringement, the owner must establish that there has been copying, which will depend on the evidence and can be difficult to show or infer.

### Deterrent effect:

Registering a design may act as a deterrent to potential infringers. A registration indicates the owner has made an investment in registering the design and therefore is likely to take infringement more seriously. By virtue of the design registration, the owner also has fewer obstacles to overcome in order to establish infringement which may be a deterrent.

There may also be a deterrent effect of having a certificate of registration. Writing to an alleged infringer and putting them on notice of design registrations may be sufficiently effective to stop the infringement. However, the owner should be careful not to make unjustified threats (see above).

**Commercialisation:**

Registered designs can be a valuable business asset and can facilitate commercialisation of a designer's design rights for additional revenues, as explained in further detail below. For example, a third party who seeks to licence a design may want the comfort of dealing with a registered design. However not all potential trading partners will consider a design registration a necessity in the fast-moving fashion market.

**COMMERCIALISING A DESIGN RIGHT OR REGISTERED DESIGN:**

Like physical property owned by a business, registered designs and design rights are property and therefore can be transferred or licensed. The methods for commercialising designs are detailed below:

**Licensing:**

Licensing gives another person or organisation the permitted right to make certain uses of the design for a period of time and in a geographical territory as specified in the licence. Such licences can be a non-exclusive, allowing the owner to negotiate further licences, or exclusive licence, preventing the owner from entering into further licensing agreements with any other parties. A non-exclusive licence is typically used if the design is licensed to different parties distributing in different geographical territories.

A licence is usually granted in exchange for a licence fee and/or royalty and therefore can be a source of additional revenue to the designer. Licensing a design can allow a designer to expand new markets, territories and product lines for which the designer may have neither the experience nor capacity to exploit alone.

An exclusive licence must be in writing and signed by the licensor.

Further details on the benefits and the important considerations of licensing can be found in the licensing paper of the series.

**Assigning:**

The owner of a registered design right has the right to assign ownership of the right to another person or organisation in return for a fee. Therefore, an assignment of a design registration may be a source of income for the designer if he or she does not want to use the design in question in the future.

Such assignment must be in writing and signed by the assignor.

**OVERLAP WITH OTHER INTELLECTUAL PROPERTY RIGHTS**

Design rights can overlap with other intellectual property rights. In the UK, these rights are not mutually exclusive, so they can co-exist. In the event of an infringement, a designer can rely on one or more of such rights depending upon which offers the best protection in the particular circumstances.

**Copyright:**

There may be overlap between copyright and the harmonised design rights (which can protect surface decoration) in respect of 2-dimensional designs such as graphic print.

**Trade marks:**

A graphic image or logo may be registered as a trade mark and have design protection. In some countries, including the UK, it is possible to register the shape of a product or its packaging as a 3-dimensional trade mark, provided the shape does not result from the goods themselves, have a technical function or add value to the goods. The 3-dimensional trade mark must also have become distinctive through use; that is, consumers have been educated to perceive the mark as indicating the source of the goods/services. Such distinctiveness is likely to take some time to build up. Examples include the Coca-Cola bottle and the triangular Toblerone chocolate bar. Trade marks can be protected forever provided they are put to genuine use across the goods/services covered by the registration.

**DESIGN RIGHTS  
USEFUL RESOURCES:**

**UK IPO ([www.ipo.org.uk](http://www.ipo.org.uk))**

**Free downloads**

- Design: Basic Facts (WS0008DPS/MWL/08-10), July 2009
- How to Apply to Register a Design (WS0009DPS/MWL-03-10), March 2010
- IP Healthcheck Series – Non-Disclosure Agreements (WS0019), November 2010
- MyIP: Intellectual Property Explained, November 2010
- Agreeing a Price for Intellectual Property Rights (DPS/C450/04-11), April 2011

**Own-it Fact Sheets**

<http://www.own-it.org>

**Free downloads**

- The Intellectual Property Guide to ... Fashion, Gallant MacMillan, 2009
- Confidentiality, Briffa, 2004
- Registered Designs, , 2004

**Own-it Contract Templates**

<http://www.own-it.org>

**May be subject to a download fee**

- Assignment of a Licence or Licence Agreement, CT266A
- Non Disclosure Confidentiality Agreement, CT239A
- Acknowledgement of Joint Ownership of Intellectual Property, CT240A (inc. patents, copyright, designs and trademarks)
- Prospective Investor Confidentiality Agreement, CT243A
- Joint Development and Commercialisation Agreement, CT245
- Intellectual Property Due Diligence Questionnaire, CT267
- Assignment of a Design Right and/or a Right in a Registered Design, CT185
- Agreement to Engage Design Consultant as an Independent Contractor, CT233A
- Merchandising Licence, CT122
- Merchandising Agreement, CT135
- Own-it Podcasts(<http://www.own-it.org>) Free downloads
- Protecting and licensing your textile designs
- [http://www.own-it.org/uploads/files/57/original/textiles\\_25\\_9\\_07\\_part1.mp3](http://www.own-it.org/uploads/files/57/original/textiles_25_9_07_part1.mp3)
- [http://www.own-it.org/uploads/files/56/original/textiles\\_25\\_9\\_07\\_part2.mp3](http://www.own-it.org/uploads/files/56/original/textiles_25_9_07_part2.mp3)

**How not to get ripped off:**

**Enforcing and protecting your IP**

[http://www.own-it.org/uploads/files/33/original/Intro\\_Copy\\_LCF\\_p1.mp3](http://www.own-it.org/uploads/files/33/original/Intro_Copy_LCF_p1.mp3)

[http://www.own-it.org/uploads/files/32/original/Intro\\_Copy\\_LCF\\_p2.mp3](http://www.own-it.org/uploads/files/32/original/Intro_Copy_LCF_p2.mp3)

**Making money from ideas: A guide to IP rights for creative people**

[http://www.own-it.org/uploads/files/48/original/Tate\\_MM\\_from\\_Ideas\\_p1.mp3](http://www.own-it.org/uploads/files/48/original/Tate_MM_from_Ideas_p1.mp3)

[http://www.own-it.org/uploads/files/46/original/Tate\\_MM\\_from\\_Ideas\\_p2.mp3](http://www.own-it.org/uploads/files/46/original/Tate_MM_from_Ideas_p2.mp3)

**Don't get ripped off!**

[http://www.own-it.org/uploads/files/97/original/Ripped\\_Off\\_Create\\_p1.mp3](http://www.own-it.org/uploads/files/97/original/Ripped_Off_Create_p1.mp3)

[http://www.own-it.org/uploads/files/96/original/Ripped\\_Off\\_Create\\_p2.mp3](http://www.own-it.org/uploads/files/96/original/Ripped_Off_Create_p2.mp3)

WIPO ([www.wipo.int](http://www.wipo.int))

Global data resource page ([www.wipo.int/wipogold/en/](http://www.wipo.int/wipogold/en/))

**Other Useful Resources**

**CFE IP Toolkits**

- How a small business can develop an IP Strategy.
- How a small business can approach Licensing Opportunities.

**CFE IP Guides**

- Trade Marks
- Copyright
- Licensing



The Centre for Fashion Enterprise (CFE) is London's pioneering business incubator that supports and nurtures emerging fashion design talent.