The INTERPATENT newsletter

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DESIGN PROTECTION IN EUROPE: BIG CHANGES ARE AHEAD

For over 20 years the EU Design Legislation has remained practically unaltered while the world has kept constantly changing, this also having a strong impact on designs.

In fact, as a result of the continuous technological developments, nowadays designs no longer look the way they used to, now being capable of being generated also by means of tools that did not exist in the past, which allow them to move, transform, be animated, appear/disappear, and even react to users and/or exist in the parallel world of virtual reality.

The need of legislatively acknowledging the existence of all these types of new designs was therefore one of the major impulses that led to the EU Design Legislation Reform that, after much debate and negotiation, was formally adopted by the EU Parliament on 14 March this year.

Other key factors driving the reform process were the need to **modernise** terminology (e.g. by deleting any reference to 'Community' and replacing it with 'European Union'), to **ensure** legal certainty (i.e. to be able to attribute an indisputable date to a design), to **streamline** the design registration process at EU level and make it more cost effective, to **align** the EU design legislation to the already reformed EU trademark legislation and to **harmonise** design protection across all EU Member States.

The novelties and amendments affecting both the Design Regulation and the Design Directive will be introduced according to a step-by-step timeline and the whole reform process is expected to be completed in 2027.

As a first step, the final text of the Amending Regulation will likely be adopted and published and become effective in September/October 2024. The Amending Regulation will start applying four months after its publication, i.e. around February 2025.

The Design Directive concerning harmonisation in the EU Member States will presumably be adopted and published and become effective contemporarily with the Amending Regulation. However, the EUIPO and the EU Member States shall have a 36-month deadline to transpose the rules contained in the Directive into their own laws.

At a second stage, some provisions contained in the Amending Regulation and requiring to be further specified will finally be codified into implementing acts that will become applicable 18 months after the Amending Regulation comes into force.

At present, the provisions of both the Amending Regulation and the new Design Directive are still in the form of a 'compromise text', which was provisionally agreed between the EU Parliament and

the EU Council and is currently undergoing linguistic revision, but no major modifications are expected in the final text, whereby we already can have a look at the main changes brought about by the revised legislation.

One of the core issues faced by EU legislators has certainly been the revision of the **definitions of 'design' and 'product'**, which have been amended to take into account that, as mentioned above, "**movement, transition or any other sort of animation**" of those features determining the appearance of the whole or part of a product can also be protected as designs, and that such product "is embodied in a physical object or materialises in a **non-physical form**".

Also, it has been added that for the features of the appearance of a registered EU design to obtain protection they must be "**shown visibly in the application for registration**". Thus, for example, if a design is generated by devices such as projectors and the like, the application for registration should specify that the design disappears when the device that generates it is switched off.

The new provisions also introduce a) the possibility for design holders to prohibit the abuse of 3D printing technologies enabling the making of copies of the design, and b) the possibility of seizing counterfeit goods of design-protected originals, thus preventing circulation of counterfeits through the EU territory.

In addition, both the Amending Regulation and the Directive contain a permanent so-called '**repair clause**' (or 'spare parts clause') according to which parts of complex products used for repairing such complex products solely with the aim of restoring the original appearance thereof cannot be protected as EU designs.

Even if some limitations to this clause have been introduced (e.g. it applies only to form-dependent spare parts, there is an obligation for manufacturers and sellers to inform their customers about the existence of original commercial parts, and to make sure that consumers will not use the spare parts for purposes other than the intended use, etc.), this is certainly an important step forward in guaranteeing a free market of spare parts so that consumers are allowed to choose freely among competing products.

Another key point of both the Amending Regulation and the Directive is that for an application for registration to obtain a filing date it must contain a "**sufficiently clear representation of the design**", but the notion of clarity still needs to be – forgive the pun – clarified, and the details of how the design must be represented are still to be laid down in the second-stage provisions.

The filing procedure, too, has undergone remarkable changes, including the fact that EU design applications can no longer be filed at national offices acting as a go-between with the EUIPO, but they must be submitted directly to the EUIPO.

Another aspect aiming especially at facilitating individual designers or SMEs is that unity of class has been abolished, hence allowing **designs belonging to different Locarno classes to be included in a single application**.

On the other part, however, the **number of designs** that can be included in a single application has been **capped to 50**.

Regarding fees, the application fee of EUR 350 has remained unchanged, whereas the fee for each additional design has become EUR 125 both from the 2nd to the 10th design and from the 11th design onwards.

Other fees have been reduced (invalidity, appeal), deleted (transfer, inspection), increased (renewal),or introduced anew (continuation of proceedings, alteration).

Also, the renewal regime of designs has been modified, and once the reform becomes effective the **renewal of the design will be due on the exact anniversary date of the original filing** and no longer within the end of the anniversary month of filing.

Concerning design **invalidity**, new provisions have been introduced, including a **fast-track path** for examining requests for declaration of invalidity. However, the structure of the new invalidity procedure still has to be defined.

Furthermore, the **legislations** of EUIPO and the EU Member States **will have to be harmonised and aligned** not only in respect of invalidity, but also as far as filing date and filing formalities are concerned.

The above is only an overview of some of the provisions that will become effective in a near future, and the revision is so vast and far-reaching that it cannot be dealt with all at once.

Therefore, in this newsletter we will deal separately in more detail with the various changes as they become effective. Stay tuned!

THE 5 W RULE APPLIED TO SOFTWARE COPYRIGHT IN ITALY

Everyone is acquainted with the '5 W rule' in the field of journalism, media and communication, but have you ever considered that it could also be usefully applied to the registration of software copyright?

Let's start with the most important of the 5 Ws.

WHY?

Software, like trademarks, patents, designs, can be a very important corporate asset, whereby adequate protection thereof is crucial to companies.

Software is an organized and structured set of instructions, data or programs contained in any form or carrier directly or indirectly capable of having a function or task performed or achieving a specific result by means of electronic information processing.

Several forms of software protection are available: depending on the case, a software can be protected as business know-how, as a patent - provided that it achieves a technical effect - and the layout and/or the graphics resulting therefrom can be protected by filing a design application.

In addition, computer programs are included among those works protected by copyright law and are assimilated to literary works. More particularly, according to the Italian Copyright Law software falls within the protection conferred to "computer programs, in whatever form they are expressed, provided they are original and the result of the author's intellectual creation".

In this respect, it is worth mentioning that copyright in Italy does not protect the function of the software code (i.e. of the programming language), but only protects the expression of the code itself.

WHERE?

Copyright arises upon creation of the work and thus no registration procedure is required for the right to be established.

However, as it might be difficult to give proof of when the work was actually created, some tools are available for attributing a certified date to the work, allowing the proprietor thereof to demonstrate their priority against any counterfeiting or infringing third parties.

Such tools are the registration of the computer program with the SIAE (Società Italiana Autori ed Editori = Italian Society of Authors and Publishers) or the Blockchain-based authentication of the computer program.

Registration with the SIAE can be twofold:

- If the program has not been disclosed to third parties, a so-called '**Opera Inedita**' (unpublished work) can be filed. Such filing aims at pre-establishing proof of existence with a certified date and identifying the work with a serial reference number. This filing has evidentiary value, lasts 5 years, can be renewed for subsequent 5-year periods, and guarantees protection over the whole Italian territory.
- If the program has already been published, marketed or otherwise released, it is possible to apply for registration of the program on the **Special Public Register of Computer Programs** held by the SIAE.

Blockchain technology is a relatively recent alternative to the conventional registration with the SIAE. Blockchain acts as a virtual 'notary public', attributing ownership of a document to a specific person and at the same time crystallising such document in time (i.e. attributing it a certified date). The document/file concerned is loaded on the Blockchain platform and, following loading, a certificate is created allowing associating an individual code (hash) to the authenticated file, so as to verify validity thereof. This certificate is recognized worldwide.

WHO?

Those who create the work are considered to be the authors. However, to create a program, a company may turn to an employee or an external party cooperating with the company on the basis of a service contract.

In such cases, those who have directly created the work always have the moral right to it, this being an inalienable and intransmissible personal right, and therefore they will always have the right to be recognized as authors and claim authorship of the program.

The rights of economic exploitation of the software - if created by an employee/collaborator in the performance of their duties or upon instructions given by the employer - shall be vested, unless otherwise agreed upon, in the employer themselves.
In such case, on the software registration form to be

filed with the SIAE, the name of the employer company shall appear together with the name(s) of the author(s), bearing in mind that only individuals can be authors.

In this connection, it should be noted that the rights of economic exploitation of the software include the exclusive right to totally or partially reproduce the program, either permanently or temporarily, the right to translate, adapt or transform or otherwise modify the program, the right to distribute the program to the public, and the right to rent the program or copies thereof. The duration of these rights is 70 years from the death of the author(s).

WHAT?

If the computer program is registered with the SIAE, either as Opera Inedita or in the Special Public Register, it will be necessary to provide the SIAE with a CD/DVD containing the source code or the application (or both), whose contents, however, will not be disclosed to the public.

In case of filing of an Opera Inedita, it will suffice to provide the carrier together with a form containing only the title of the work and details of the applicant and/or authors thereof; in case of registration on the Public Register, instead, the Applicant should also describe the work in brief and provide additional information, as the work is already in the public domain.

If one opts for the Blockchain technology, a file in PDF format containing the source code can be authenticated.

WHEN?

Although, as mentioned above, copyright arises upon creation of the work, we strongly recommend that our Clients avail themselves of the tools available for ensuring a certified date of creation against third parties and proceed to do so as soon as possible.

Our attorneys are available to evaluate the best strategies and means for our Clients to protect their software.

LET'S MEET IN ATLANTA!

We are delighted to announce that Manuela Bruscolini and Maria Cristina Goicoechea will represent INTERPATENT at the upcoming Annual Meeting of INTA in Atlanta **from 18 to 22 May 2024**.

As known, the **INTA Annual Meeting** is a unique opportunity to connect with the most influential brand professionals and industries from across the globe.

This 146th Annual Meeting will be held in the historic city of Atlanta, the birthplace of one of the most well-known trade secrets ever - Coca-Cola, and it is expecting to see the participation of more than 10,000 colleagues from around the world, by far the largest gathering in the IP sector.

Manuela and Maria Cristina will be happy to discuss the most recent developments in Intellectual Property in Italy and in Europe as well as explore ways to build or consolidate cooperation with colleagues and associates from all over the world and very much look forward to connecting with old and new IP friends.

For a possible meeting please contact Manuela at m.bruscolini@interpatent.com and Maria Cristina at c.goicoechea@interpatent.com.

In the meantime, safe travels to you all!

The aim of this newsletter is to keep our Clients and Associates updated about developments in the sector of Intellectual Property in general and our firm in particular. In this way, we wish to provide a broader view of the tools that the field of trade marks, domain names, patents, designs and related rights offers to entrepreneurs to enhance and protect their efforts in researching and developing new solutions and ideas.

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